



**Alba Leasing**  
Corporate Presentation 2024



# AGENDA

**The Company**

The Market

Key Financial Data

The Commercial Strategy

The Credit Process

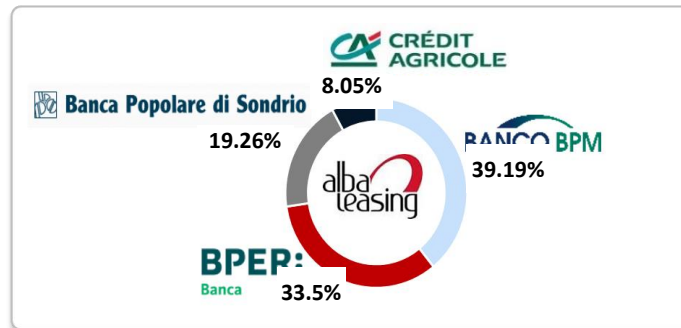
The Collections and Recoveries

Credit risk - portfolio performance

Annexes

## The Company Introduction

- Alba Leasing S.p.A. (“Alba”) was established at the beginning of 2010
- Alba’s shareholders are Banco BPM, BPER Banca, BP Sondrio and Crédit Agricole



- Alba was established with:
  - a portfolio of about €4.6 bn lease contracts
  - a staff of specialists with robust expertise in the Italian leasing market
- Since 2010, Alba has originated €17,367 mln in new lease contracts (average ticket size of €112.3k) broken down as follows:
  - Equipment €9,175 mln (52.8%)
  - Real estate €4,311 mln (24.8%)
  - Automotive €2,940 mln (16.9%)
  - Renewable Energy €480 mln (2.8%)
  - Air/ Watercraft & Rolling stock €460 mln (2.7%)
- As of December 31, 2023, Alba had a total gross outstanding lease portfolio of approx. €4.94 bn and a Tier 1 capital ratio close to 10.66%

Source: Alba Leasing

# The Company Introduction

*Alba is the only Italian leasing company in Italy that is not a captive arm of a banking group*

*It is a major Non-Bank Financial Institution (NBFI) regulated by the Bank of Italy, but It does not hold a banking license*

## Strategic development guidelines

- Broad and efficient franchise across Italy featuring:
  - Origination mainly through the approx. 5,021 bank branches in our network
  - Wide range of lease products tailored to customer needs
  - Active origination platform leveraging Shareholding Banks (PrestoLeasing) as well as other Partner Banks under bilateral agreements
- Operating efficiency through optimized internal procedures
- New internal rating Acceptance and Behavioral to monitor credit risk and default rates
- Sustainability values and principles integrated in the business

# The Company Sustainability Overview

## 2023 highlights

**268 employees**

**Roughly 1,7 billion** products in our portfolio\* serving 32 thousand business customers

**21% of contracts** signed with women entrepreneurs

**Approximately 5 thousand** branches throughout Italy

**More than 2,500 hours** of training provided

**First Italian sustainability-linked lease transaction** performed with a world leader in its sector

**5 subsidised lease products** tailored for innovation and sustainability

**10 average hours** of training per company employee

**More than 110 public transport passes** given to Milan office employees

**100% renewable energy** used at our Milan and Rome offices

**8 days of remote work** a month available to employees

**Over 150,000 kg** of CO2 avoided

**60 stakeholders** involved in identifying Alba Leasing's impacts on the environment, the economy and society, as part of the materiality assessment, together with four sector experts

## Alba Leasing's contribution to the UN's SDGs



### SDG 3 Good health and well-being

Health and wellbeing are issues that have supplanted individual and collective priorities in recent years. The company has introduced dedicated internal controls and procedures. If necessary, it promptly adopts more suitable measures. Its zero injury objective is a concrete example of its commitment to this Goal.



### SDG 8 Decent work and economic growth

Alba Leasing guarantees professional growth opportunities based on anti-discriminatory, merit-based and acquired skills criteria, it encourages teamwork and collaboration respectful of the dignity and reputation of all its people. The company also enables local businesses and young business people through its products and services, proactively contributing to social-economic development and the growth of SMEs.



### SDG 9 Industry, innovation and infrastructure

The company contributes to the development of the innovation of products, services and production processes along its value chain by promoting more sustainable products. It is committed to checking its customers' and suppliers' compliance with ESG topics in more detail so as to improve its value chain.



### SDG 4 Quality education

Specialisation and upskilling are essential for business continuity and to be competitive. The company is committed to developing its human capital through ongoing upskilling and reskilling training sessions.



### SDG 13 Climate action

The company pursues climate change mitigation and emissions reduction objectives through direct improvement paths, connected to business activities, and indirect ones, promoting customer awareness of lower-impact solutions.

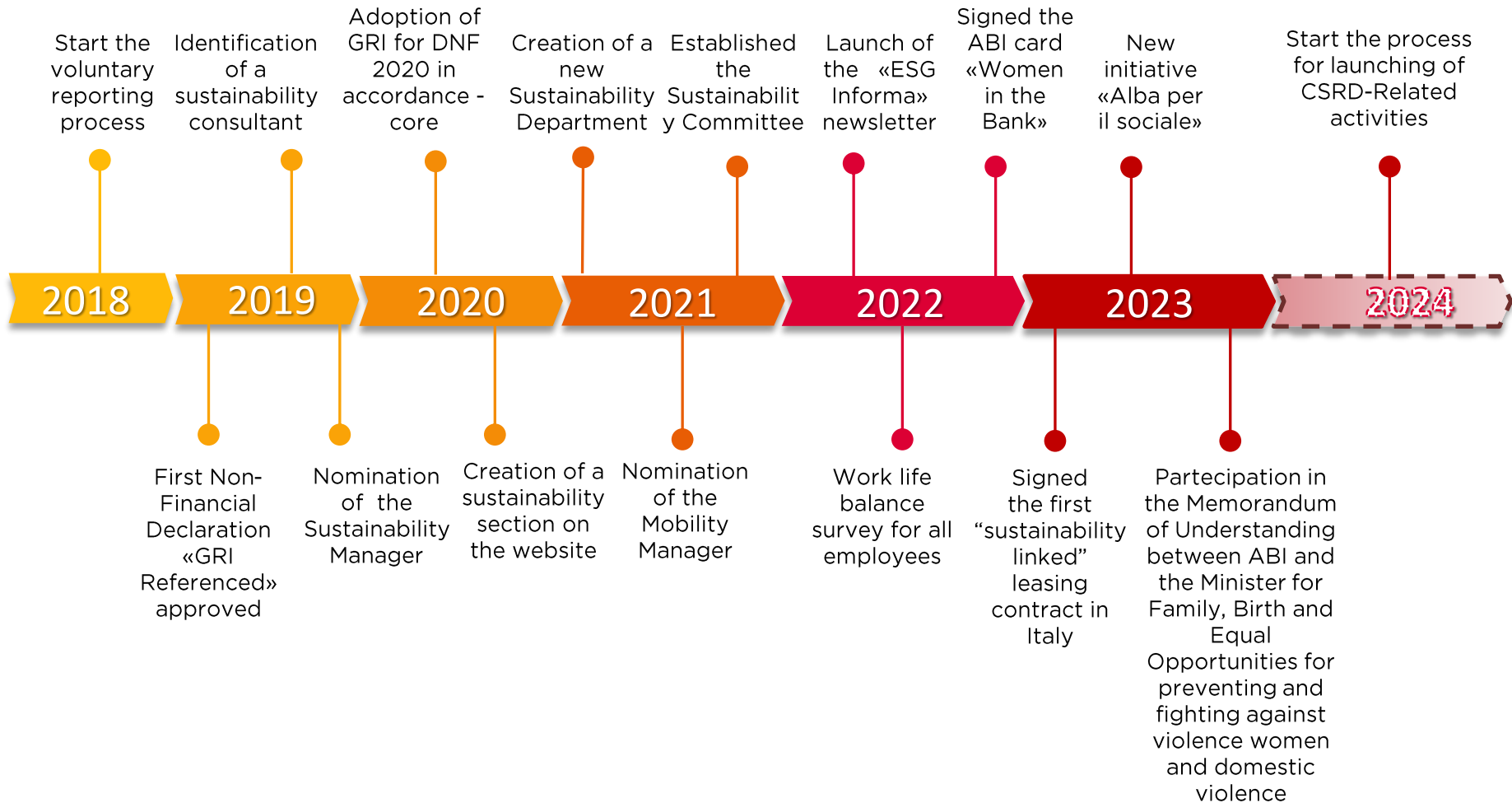


### SDG 5 Gender Equality

To be a company that guarantees gender equality and adopts policies so that the work environment is inclusive and welcoming, which implies working to ensure all our people fully cultivate their talents. Once again in 2023, Alba Leasing elected to become a signee of the "Donne in Banca: valorizzare la diversità di genere" charter promoted by the Italian Banking Association (ABI) to promote the value of gender diversity as a key resource for development, sustainable growth and the creation of value throughout the company. It also signed the memorandum of understanding between the Minister for the Family, Birth Rate and Equal Opportunities and the President of the Italian Banking Association on preventing and combating violence against women and domestic violence.

(\* The product portfolio includes the value of all contracts agreed in 2023.

# The Company Sustainability Path



# The Company Sustainability Project

**Alba per il sociale** In 2023, the initiative 'Alba per il sociale' was launched. Through this program, the Company, with the valuable assistance of its employees, optimized processes to reduce pollution and waste. It actively participated in social programs and, through various initiatives, gave back to the environment and community. The program ranged several initiatives in the wake of the national and international days. These efforts spanned various areas, some of which had previously seen positive actions by Alba Leasing in preceding years, while others were newly implemented.

In collaboration with local entities, the Company organized collections of drugs, used eyeglasses, and books. The collected books supported a bookcrossing initiative and other social cohesion projects by a non-profit organization operating nationally, particularly in Lombardia. Additionally, the books were used to enhance the hospital experience for children admitted to the pediatric ward of a Milan hospital.

On International Blood Donor Day, the Company raised awareness among its employees about the significance of blood donations. Collaborating with Avis, it initiated a blood collection drive within the Company.

To address the issue of plastic pollution, the Company partnered with a volunteer organization specializing in the sector, conducting a webinar open to all employees. The goal was to share knowledge and practical strategies to combat plastic dispersion in the environment. Simultaneously, a corporate clean-up activity took place in a park near the headquarters on Via Sile, educating both internal staff and the community about the impact of plastic pollution.

In a show of support against violence towards women, the Company reintroduced the payroll giving initiative. The proceeds were donated to a foundation active in this field, aimed at supporting women in rebuilding autonomy, promoting psychological well-being, and training the start of a new life.

**Marcegaglia Transaction** Alba Leasing and the Marcegaglia Group have finalized the first “sustainability linked” leasing transaction in Italy, for the acquisition of an industrial plant and two cogenerators with a total value of 75 million euros. This pioneering agreement, which provides for the signing of three separate equipment leasing contracts, is conceived as a form of financing for businesses committed to improving their sustainability profile, through the achievement of results based on ESG criteria. Specifically, the success of the transaction is tied to the Marcegaglia Group achieving specific ESG KPIs.

**ESG Recognitions in 2023** In 2023, Alba Leasing received significant recognitions in the ESG context. The first, awarded by Pianeta 2030 from Corriere della Sera and Statista, positioned Alba among the 130 companies most committed to climate action, acknowledging its ability to reduce carbon emissions and increase revenue. The second recognition was achieved for the green commercial campaign “RepowerEU”, which was awarded during the Sustainability Awards 2023, an event dedicated to sustainability in various sectors. The third, as the “Sustainability Leader”, was conferred by Sole 24 Ore for the second consecutive year, recognizing the top 200 companies excelling in transparent and comprehensive reporting on ESG progress. These recognitions affirm Alba Leasing’s commitment to sustainability and the reduction of environmental impact.

# The Company Strengths

## Tangible assets

- 1 Wide range of products: equipment, real estate, automotive and energy leasing.
- 2 High quality lease portfolio, with a particular focus on equipment leasing.
- 3 Efficient operational tools for real-time contract management.

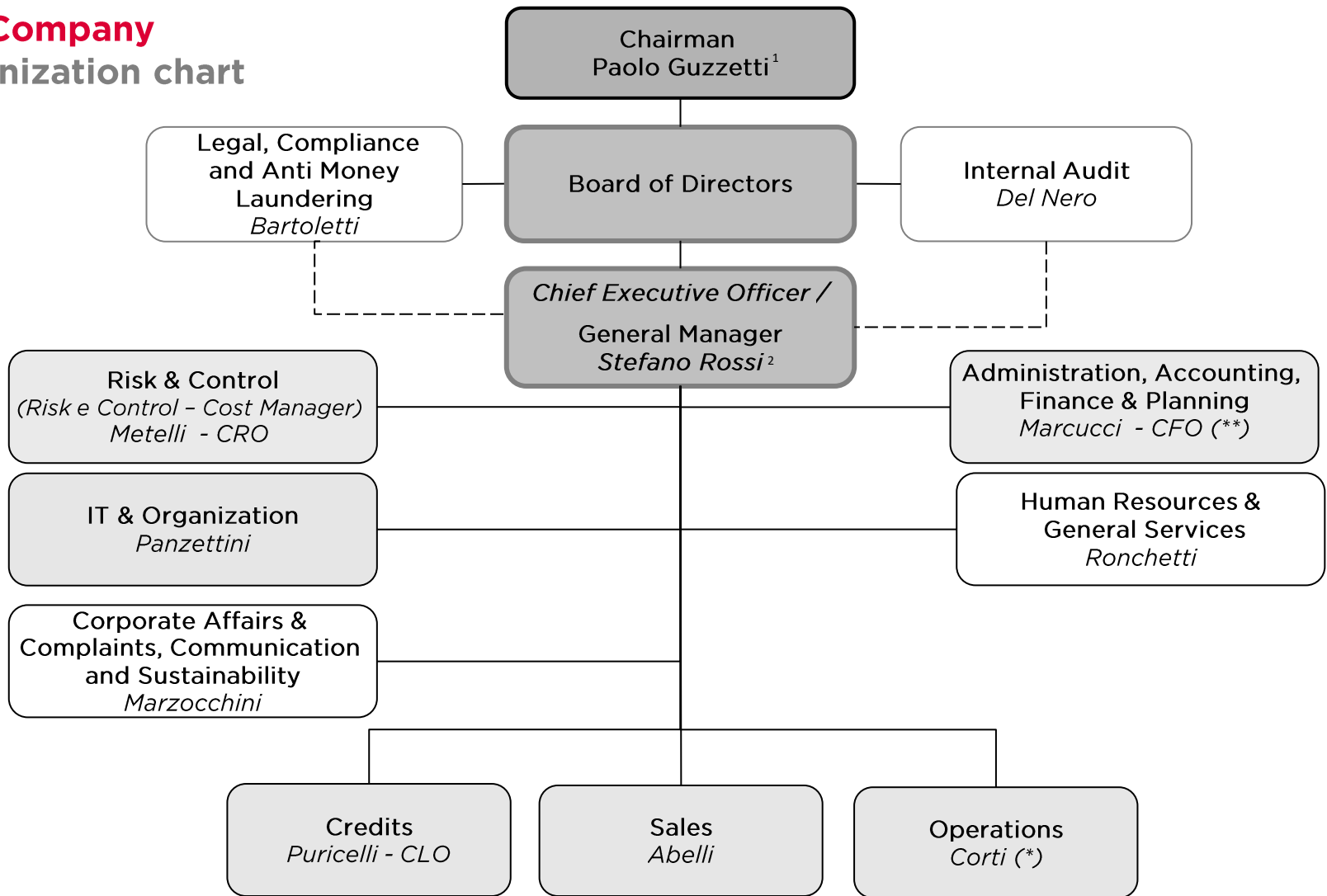
## Intangible assets

- 4 Strong know-how: 50 years' experience in the leasing market.
- 5 Extensive experience in the leasing market and strong relationship with the well-established commercial network of Shareholding Banks and Partner Banks.



# The Company

## Organization chart



(\*) Deputy General Manager

(\*\*) Financial Reporting Manager

— Hierarchical Reporting

- - - - Functionan Reporting

<sup>1</sup> Appointed to the Board of Directors on April 17, 2023

<sup>2</sup> Appointed to the Board of Directors on November 28, 2023

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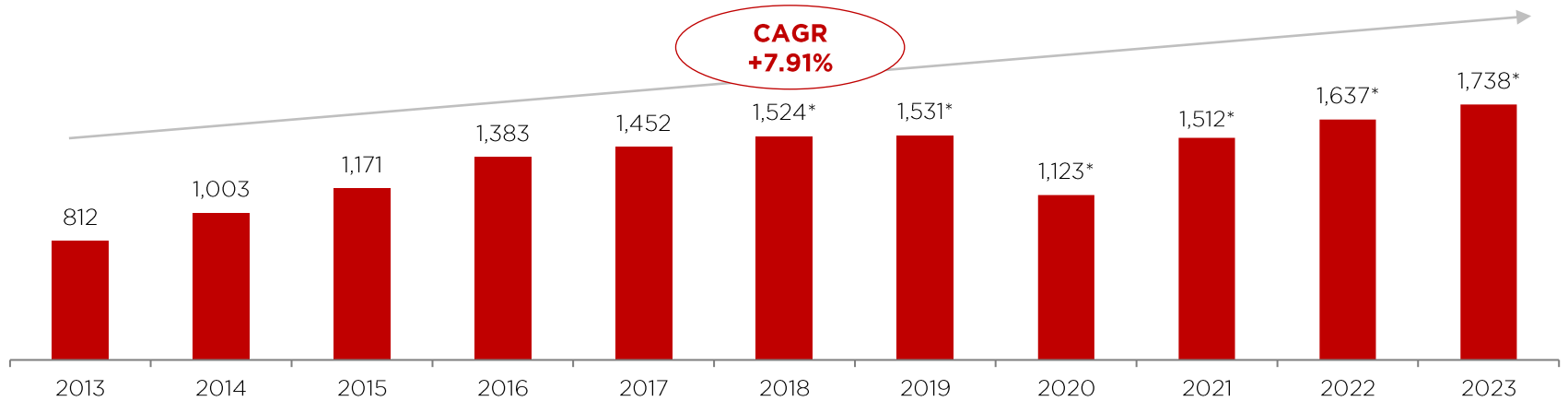
The Collections and Recoveries

Credit risk - portfolio performance

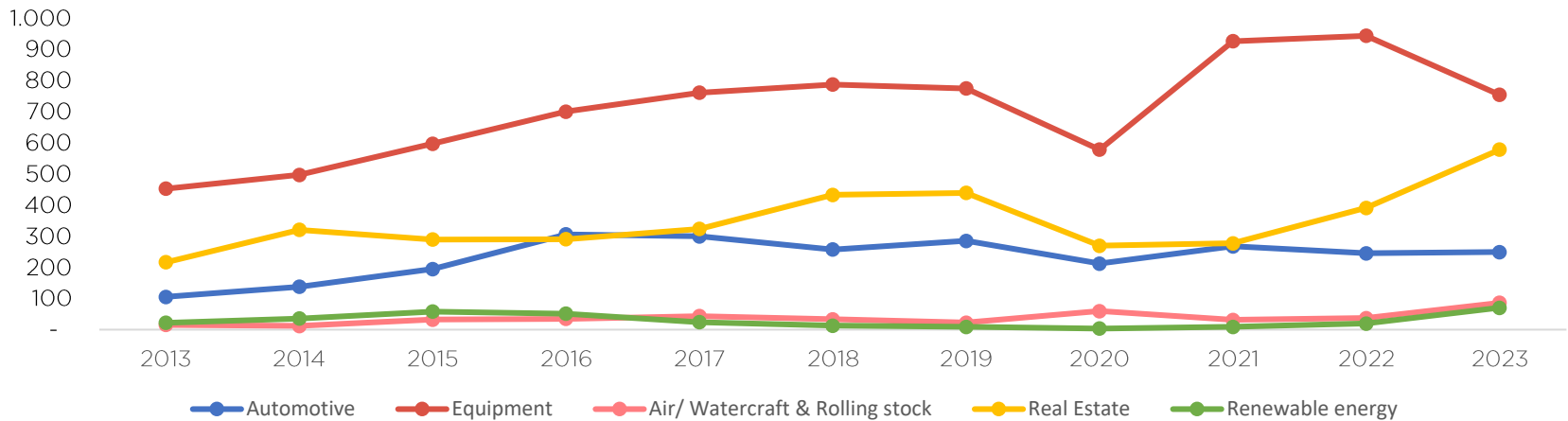
Annexes

# The Market New business trends 2013-2023 - (€/Mln)

## Business trend (€/Mln)



## Business composition



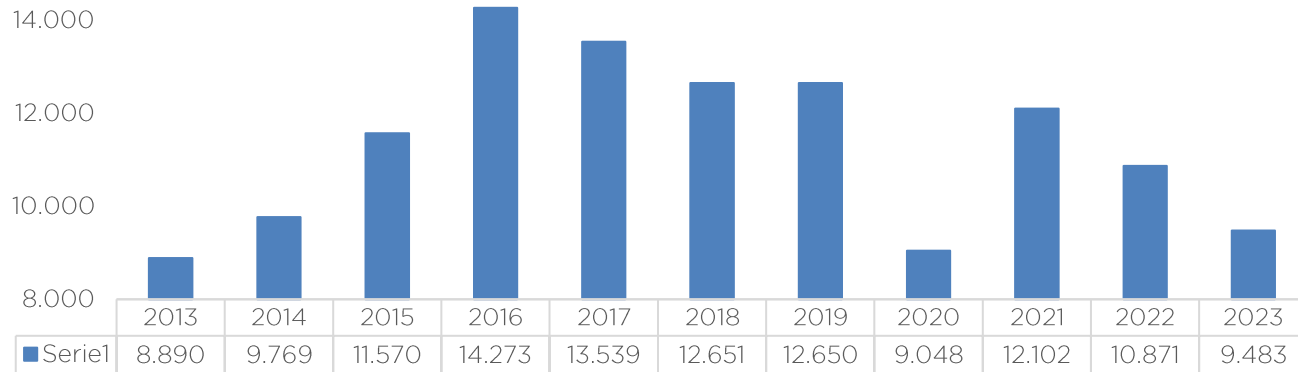
(\* Including Operating Leasing)

Source: Alba Leasing

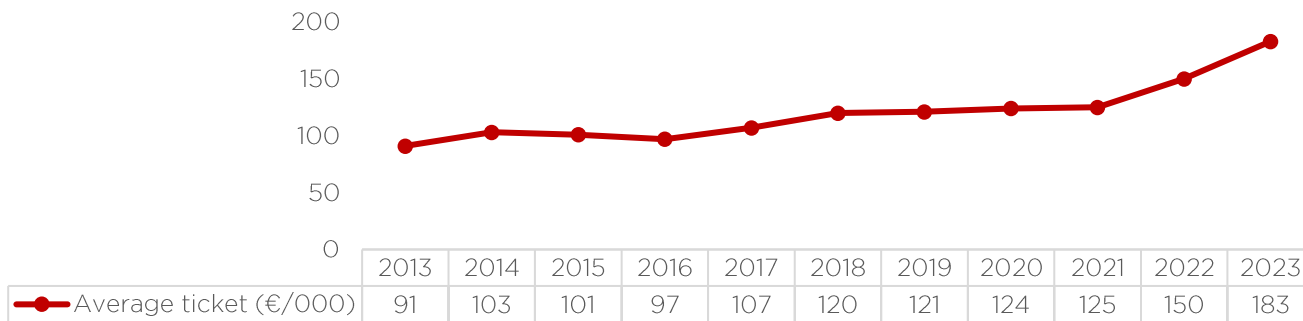
# The Market New business trends 2013-2023 - (€/Mln)

## Business trend

### No. of Leases



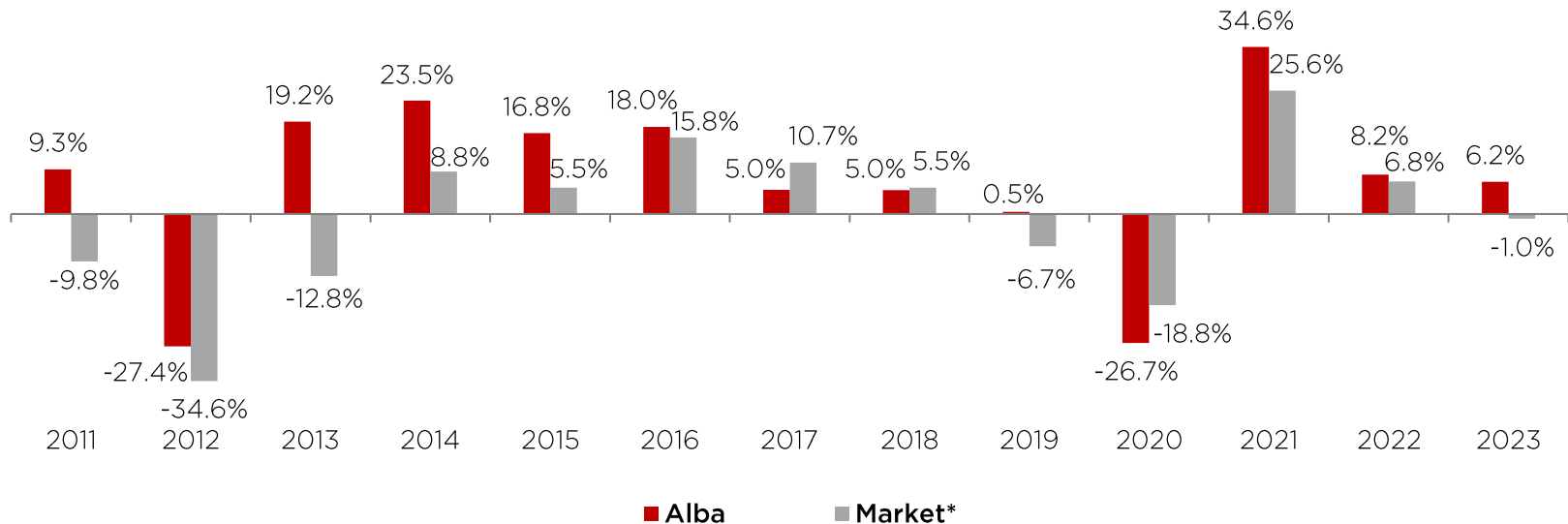
### Average ticket (€/000)



Source: Alba Leasing

## The Market Italian leasing market: Trend YOY (%) – Alba vs Market

- In spite of challenging market conditions, Alba outperformed the market for almost the entire 2011-2023 period, with new business growth beating the market year on year.
- In 2023, despite geopolitical tensions, Alba performed 7.2% better than the market.

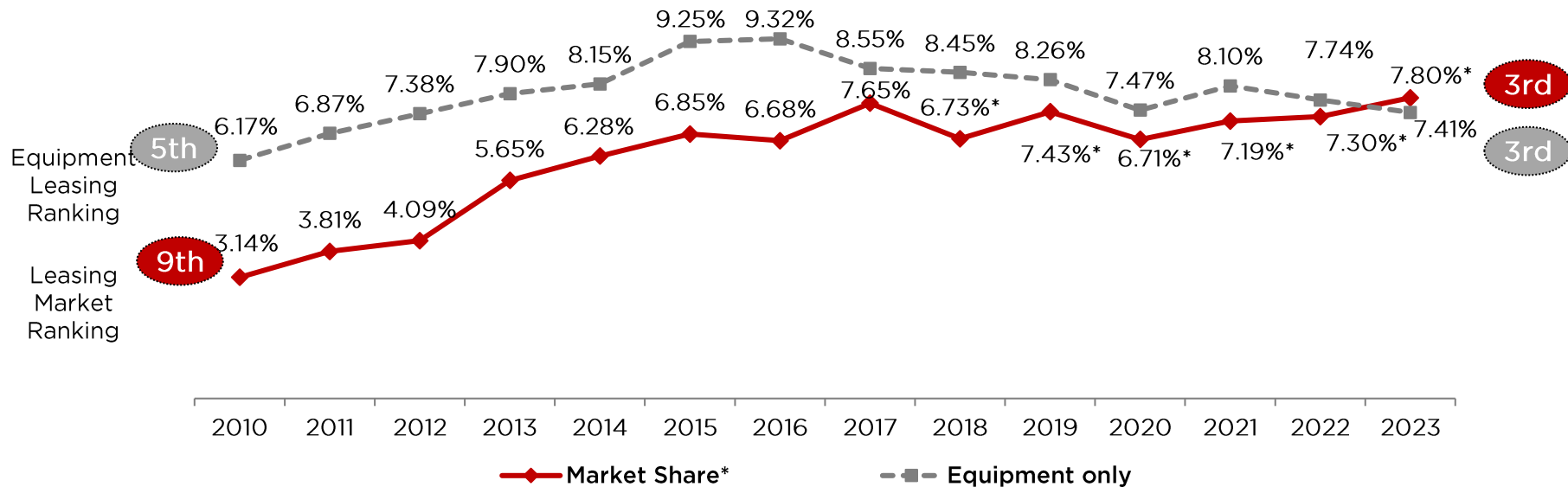


(\*) Excluding rentals

Source: Assilea - Alba

## The Market Italian leasing market: Alba's market share (%)

- Alba ranks among the top five Italian leasing companies.
- At the end of 2023, Alba came in 3<sup>rd</sup> in the ranking compiled by Italy's Leasing Companies Association (Assilea) for new business.
- At the end of 2023, the company ranked 3<sup>rd</sup> in equipment leasing with a market share of 7.41%.



(\*) Excluding rentals

Source: Assilea

## The Market Ranking in the Italian market\*

| N° | Società                               | New Business (Mln€) |
|----|---------------------------------------|---------------------|
| 1  | BNP Paribas Leasing Solutions S.p.A.  | 3,247               |
| 2  | SGEF Leasing                          | 2,367               |
| 3  | Alba Leasing S.p.A.                   | 1,738*              |
| 4  | DLL Group                             | 1,404               |
| 5  | Crédit Agricole Leasing Italia S.r.l. | 1,310               |
| 6  | Credemleasing S.p.A.                  | 1,121               |
| 7  | UniCredit Leasing S.p.A.              | 1,001               |
| 8  | Gruppo BCC Iccrea                     | 961                 |
| 9  | Gruppo Banca IFIS                     | 776                 |
| 10 | Sella Leasing S.p.A.                  | 565                 |

(\*) Excluding rental and Residual Value of Leasing Operation

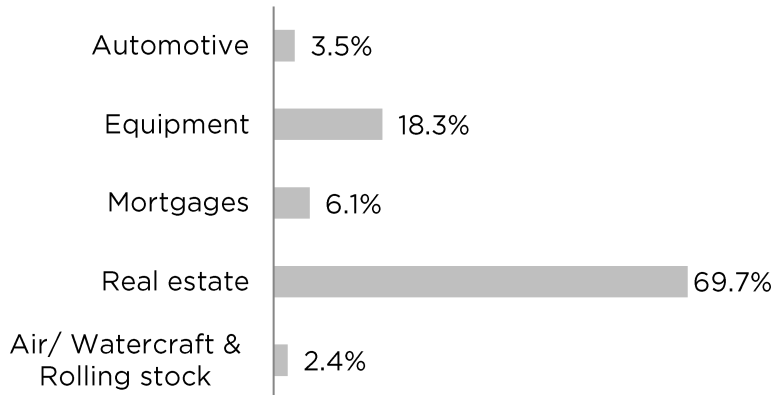
| N° | Società                               | Outstanding (Mln€) |
|----|---------------------------------------|--------------------|
| 1  | Intesa Sanpaolo S.p.A.                | 9,794              |
| 2  | UniCredit Leasing S.p.A.              | 8,060              |
| 3  | BNP Paribas Leasing Solutions         | 7,998              |
| 4  | Alba Leasing S.p.A.                   | 5,112*             |
| 5  | SGEF Leasing                          | 4,083              |
| 6  | Gruppo BCC Iccrea                     | 3,836              |
| 7  | Credemleasing S.p.A.                  | 3,396              |
| 8  | Banca Monte dei Paschi di Siena S.p.A | 3,302              |
| 9  | Sardaleasing S.p.A.                   | 3,175              |
| 10 | Crédit Agricole Leasing Italia S.r.l. | 2,981              |

(\*) Only outstanding leasing

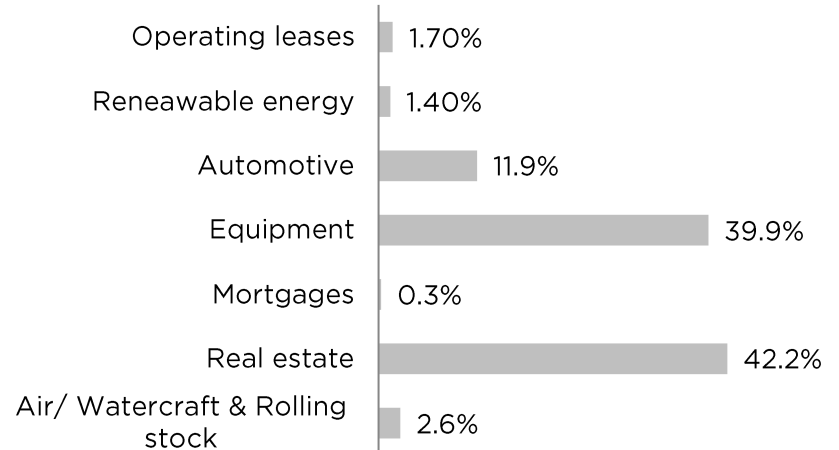
(\*) Assilea - Data December 2023

# The Market Product Breakdown: equipment leasing is the core of new business origination

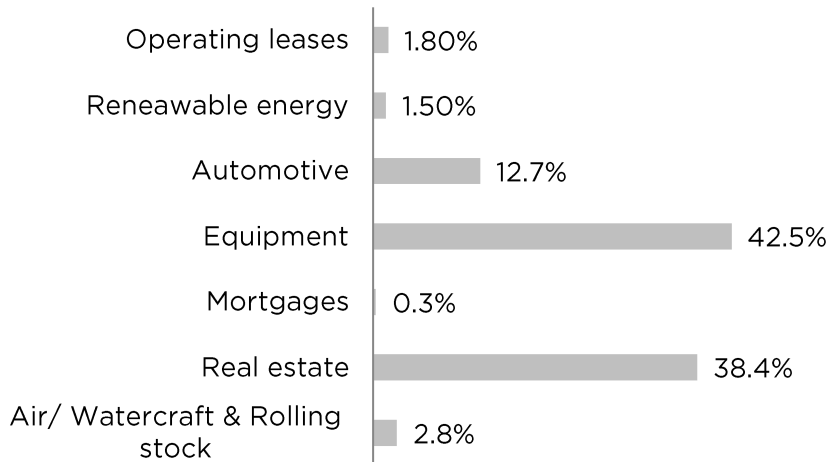
## Total Portfolio as of Jan 2010



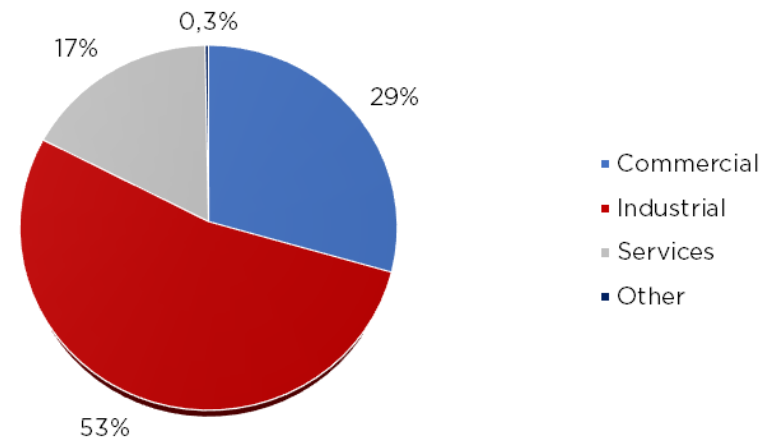
## Total Portfolio as of Dec 2023



## Portfolio new business as of Dec 2023



## Real Estate new business 2023



(\*) **INDUSTRIAL:** craft sheds / warehouses / hydroelectric/electric power plants / industrial sheds / laboratories  
**COMMERCIAL:** boxes / apartments / sports facilities / shops / hotels / commercial sheds/ supermarkets / cinema  
**SERVICES:** schools/kindergartens / offices / hospitals/nursing homes / autosilos / banking dependencies

Source: Alba Leasing



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Credit risk - portfolio performance

Annexes

## Key Financial Data Alba Leasing Statement

| Balance Sheet €/Mln  | 2014  | 2015   | 2016  | 2017  | 2018   | 2019  | 2020   | 2021  | 2022   | 2023   |
|----------------------|-------|--------|-------|-------|--------|-------|--------|-------|--------|--------|
| Total Assets         | 4,922 | 4,882  | 5,056 | 5,218 | 5,132  | 5,288 | 5,268  | 5,505 | 5,450  | 5,350  |
| % annual growth      | 9.18% | -0.81% | 3.56% | 3.20% | -1.65% | 3.04% | -0.38% | 4.50% | -1.00% | -1.83% |
| Total Loans          | 4,381 | 4,440  | 4,569 | 4,678 | 4,688  | 4,783 | 4,802  | 5,028 | 4,951  | 4,947  |
| % annual growth      | 9.91% | 1.35%  | 2.91% | 2.38% | 0.22%  | 2.03% | 0.40%  | 4.71% | -1.53% | -0.08% |
| Shareholders' equity | 398.1 | 403.2  | 407.1 | 408.7 | 402.7  | 407.4 | 407.9  | 415.3 | 425.7  | 437.3  |
| % annual growth      | 9.22% | 1.28%  | 0.97% | 0.39% | -1.47% | 1.18% | 0.12%  | 1.81% | 2.50%  | 2.72%  |

| P&L (€/000)                    | 2014   | 2015   | 2016   | 2017   | 2018   | 2019   | 2020   | 2021   | 2022    | 2023    |
|--------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|---------|---------|
| Net Interest income            | 76,942 | 81,588 | 86,579 | 86,03  | 94,878 | 90,886 | 85,860 | 90,190 | 96,63   | 95,110  |
| Net fees and commission income | 1,187  | 2,842  | 4,241  | 6,775  | 4,884  | 4,011  | 2,98   | 6,710  | 6,770   | 7,030   |
| Total income                   | 78,257 | 84,448 | 90,830 | 92,731 | 99,761 | 94,898 | 88,840 | 96,900 | 103,400 | 100,590 |
| Income (loss) pre tax          | 1,889  | 1,368  | 6,143  | 8,117  | 15,800 | 8,156  | 1,786* | 10,488 | 15,660  | 19,180  |
| Net income (loss)              | 1,015  | 5,007  | 3,914  | 1,633  | 11,323 | 4,824  | 0,564  | 7,300  | 10,370  | 11,480  |

| Regulatory ratios   | 2014  | 2015  | 2016  | 2017  | 2018  | 2019  | 2020  | 2021  | 2022  | 2023   |
|---------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|--------|
| Total Capital ratio | 8.92% | 9.21% | 9.39% | 9.01% | 9.09% | 8.93% | 9.45% | 9.49% | 9.79% | 10.66% |
| Tier One ratio      | 8.92% | 9.21% | 9.39% | 9.01% | 9.09% | 8.93% | 9.45% | 9.49% | 9.79% | 10.66% |

(\*) 2020 Non-recurring/Extraordinary items

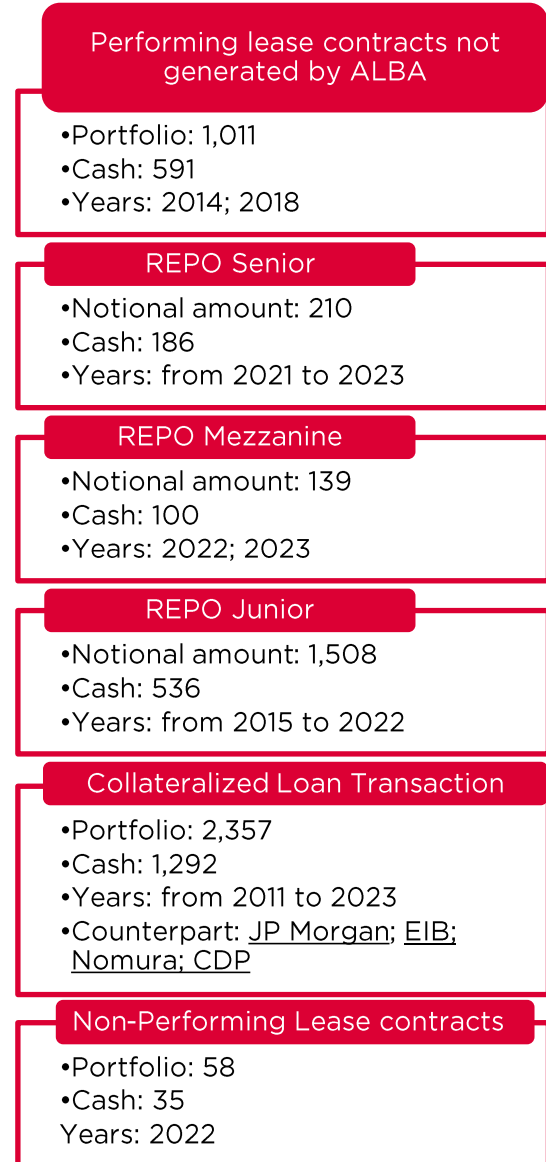
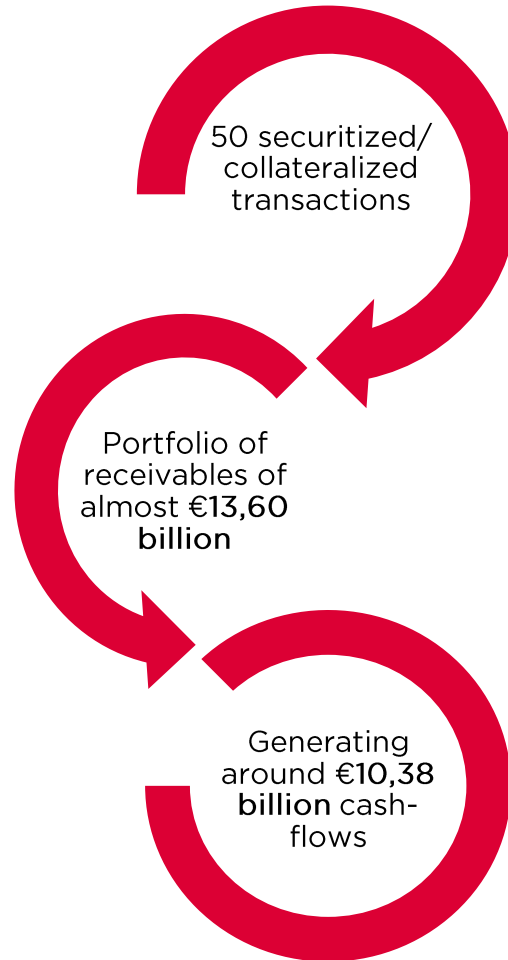
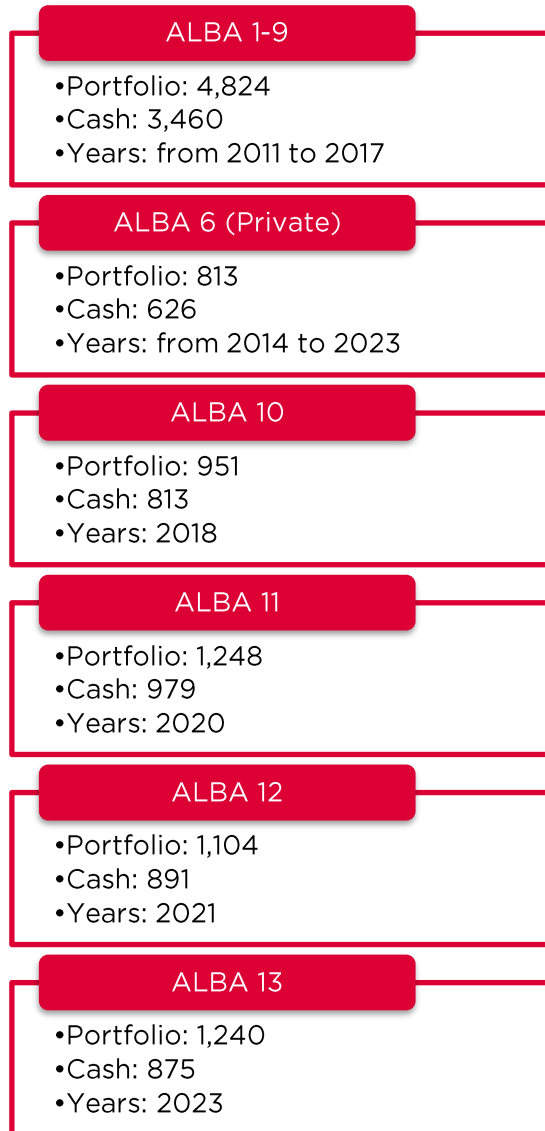
c. €(27)m pre-tax additional LLPs (increase on stage 2 and UtP portfolios coverage)

c. €70m pre-tax other non-operating income from Alba Leasing set-up

c. (43)m pre-tax related to Project Titan (disposal of €190m GBV NPL with GACS)

# Key Financial Data Funding Structure – Funding Transactions since 2010\*

## Alba ABS are all performing lease contracts

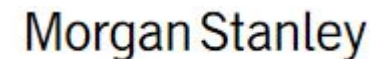
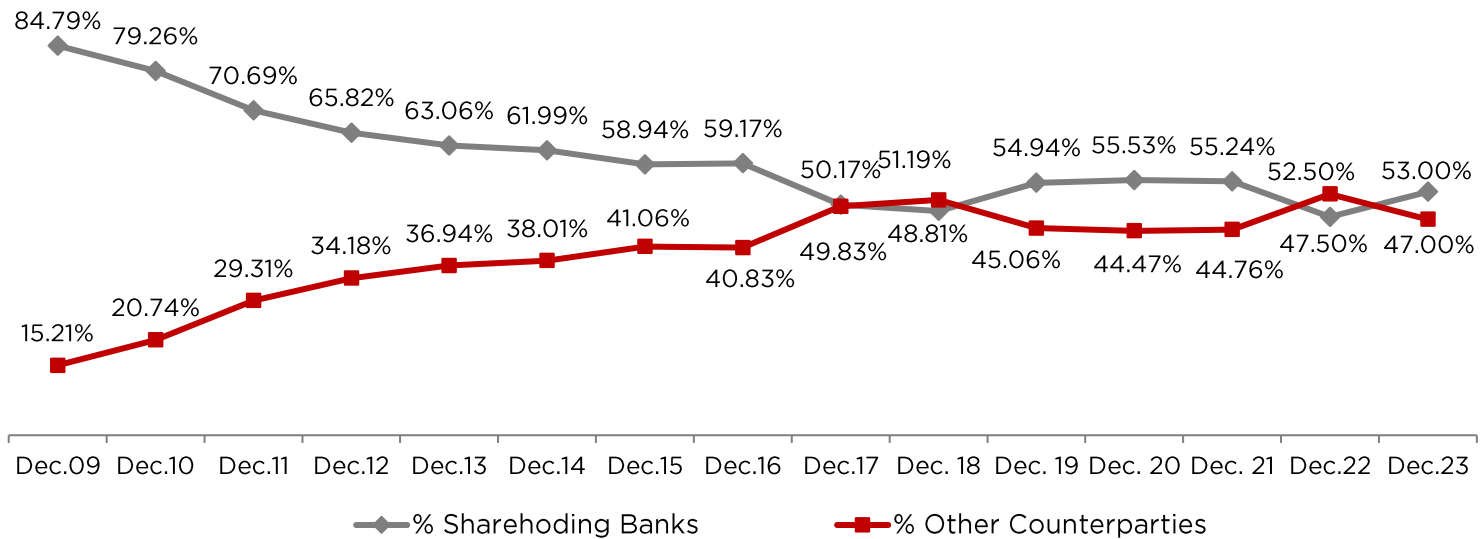


(\* All data in the boxes are expressed in mln/€)

## Key Financial Data Funding Structure

Over the years Alba has diversified its sources of funding, relying less and less on its Shareholders and increasingly resorting to the market to finance its new business.

### Evolution of funding by financial counterparty



Source: Alba Leasing

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Annexes

# The Commercial Strategy Guidelines

## Phase

## Strategic guidelines

1

### Distribution Channels

- New business 2023 of finance leasing: +6.88% compared to the previous year; the greatest contribution is still that of the shareholding Banks (61.1%), followed by business promoter (15.4%), Partner Banks (14.6%) and other channels (8.85%).
- In 2023, Alba Leasing signed and activated 2 new agreements with business promoter and 6 new arrangements with Suppliers.

2

### Market Access

- Differentiation of the business model between Bank Channel and Other Channels (Intermediaries, Agents, Direct, Suppliers and Vendors) with further differentiation of the Bank Channel between Shareholding banks and other Partner banks.

3

### Product Range

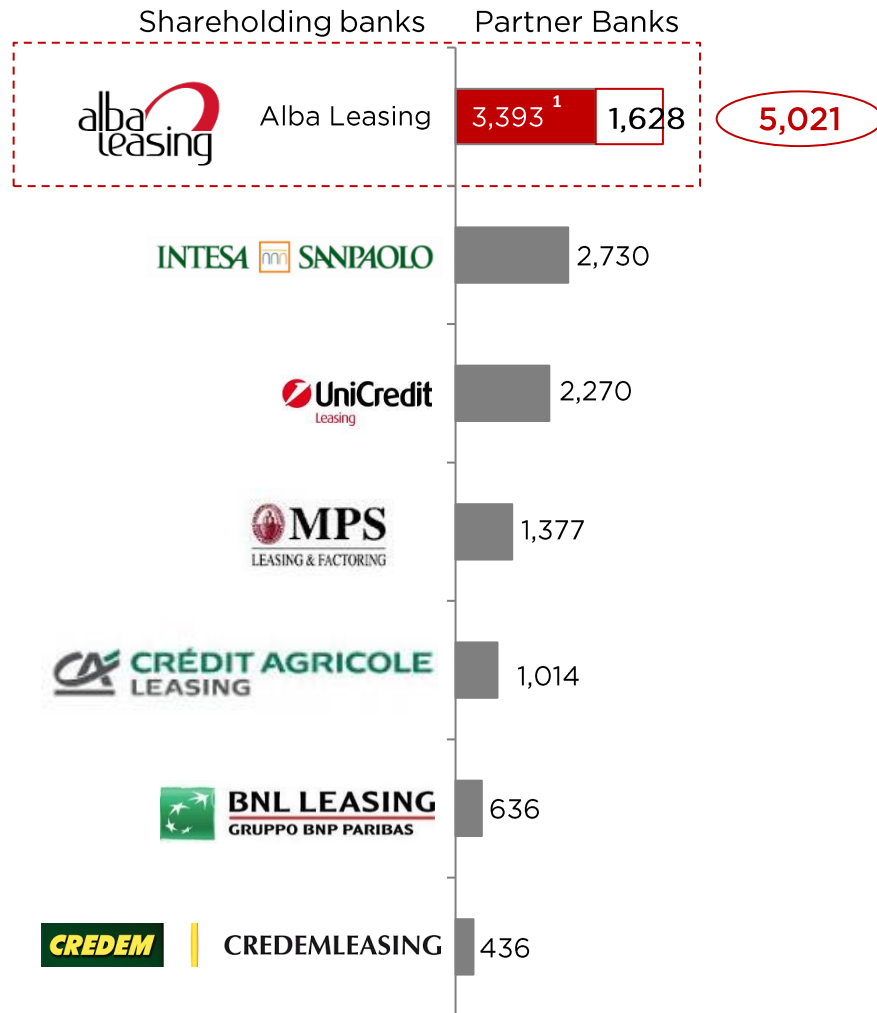
- Steadily innovated comprehensive product range focused on equipment leasing.
- In 2018, Alba launched its operating leasing business partnering up with a number of key vendors (Medical electrical equipment, IT, ...).
- To December 2023 we have signed agreements with about 220 vendors and 55% of these agreements are already operational.

4

### Business Growth Targets

- Targets based on leasing market growth prospects.
- Origination pace in line with the market conditions.

# The Commercial Strategy Lessor Ranking by number of branches\*



- Complementing the network of its Shareholding banks, Alba can also leverage the 1,628 branches of its some 23 Partner Banks, which include



- Alba has also developed other distribution channels, namely through vendors, business promoter and direct sales. In 2023 the new business generated by “Other channels” amounted to €410,6 Mln.

(\*) Data December 2023  
<sup>1</sup> Shareholding banks only

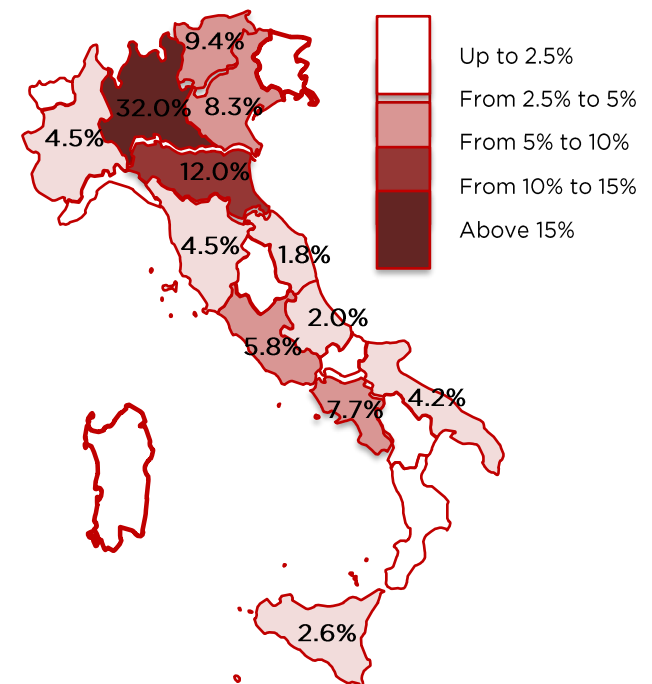
# The Commercial Strategy Distribution Channels – Shareholding Banks contribute 61.2% of total originated business\*

*Alba's market share is 16.8% if we include Shareholding Banks branches only, and goes up to 24.8% including all bank branches*

## Finance Leases originated by each channel in 2023

| Channel                             | N. of Loans  | Amount / 000     | Share         |
|-------------------------------------|--------------|------------------|---------------|
| Shareholding Banks                  | 5,190        | 1,034,633        | 61.2%         |
| Partner Banks                       | 561          | 245,930          | 14.5%         |
| Vendor/ Partnership/ Other channels | 3,100        | 410,611          | 24.3%         |
| <b>Total</b>                        | <b>8,851</b> | <b>1,691,176</b> | <b>100.0%</b> |

## New Business Volume by Region (2023)



(\* Data December 2023  
Source: Alba Leasing

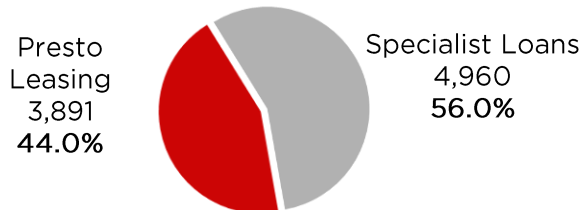


# The Commercial Strategy Range of products by origination channel

Product features and related processes vary based on origination channel and ticket size

| Origination Channel | Shareholding Banks and some Partner banks  |   |
|---------------------|--|---|
| Credit Limit        | <i>Real Estate</i> <= €400 k<br><i>Automotive</i> <= €100 k<br><i>Equipment</i> <= €200 k  |   |
| Product             | PrestoLeasing  | Specialist Loan   |
| Guarantee           | <ul style="list-style-type: none"> <li>10% - 70% guarantee in favor of Alba on the final loss</li> <li>Insurance</li> </ul>  | <ul style="list-style-type: none"> <li>Insurance</li> </ul>   |
| Approval            | <ul style="list-style-type: none"> <li>Lease underwriting and approval by the Banks</li> <li>Alba's sign off and valuation required:               <ul style="list-style-type: none"> <li>Real estate</li> <li>Particular types of operations</li> </ul> </li> </ul> | <ul style="list-style-type: none"> <li>Under the responsibility of Alba:               <ul style="list-style-type: none"> <li>Automated credit approval system (PADC) for leases until to €500k (Max customer/business group 500k)</li> <li>Credit decision based on single customer/business group exposure for leases above €500k or risk customer/business group above 500k</li> </ul> </li> </ul> |

Breakdown of contracts by origination channel (number and % of contracts as of December 2023)

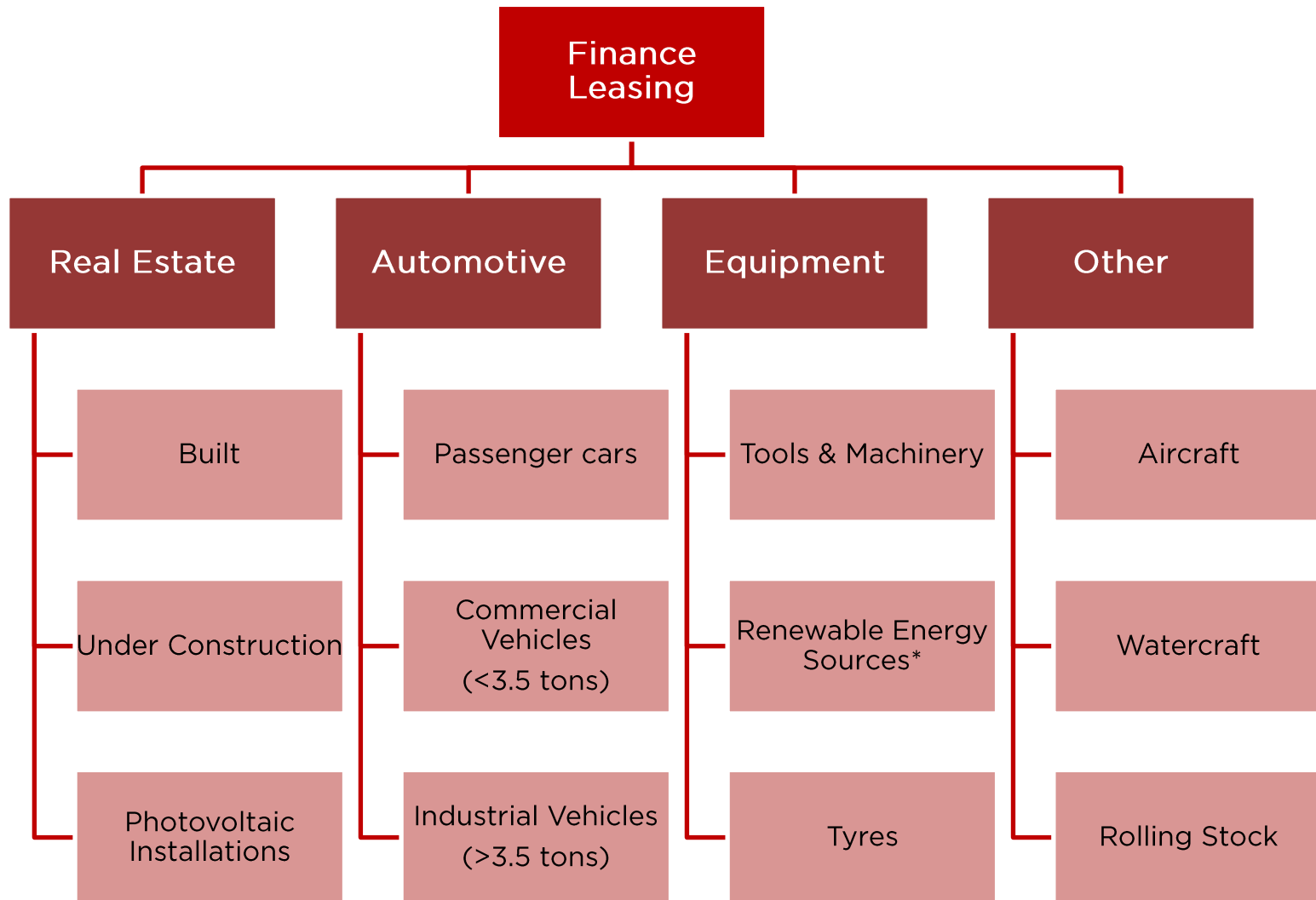


Breakdown of volume by origination channel (€ /000 and % of volume as of December 2023)



Source: Alba Leasing

# The Commercial Strategy Finance Leasing: different types of products



(\*) Mini hydroelectric, mini wind, biogas ecc.

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# The Credit Process Credit process main stages

To ensure credit quality, Alba's credit process focuses on:

- Containing concentration risk from the very beginning, mainly favoring small and medium-sized tickets.
- Monitoring and managing riskier positions through processes and policies shared and agreed with Shareholding Banks.



- |   |  |   |   |  |
|---|--|---|---|--|
| <ul style="list-style-type: none"> <li>▪ Financial documents (i.e. financial statements)</li> <li>▪ Company documents</li> <li>▪ Bank report on borrower's credit-worthiness</li> </ul> | <ul style="list-style-type: none"> <li>▪ Credit bureaus               <ul style="list-style-type: none"> <li>✓ Bankit</li> <li>✓ Assilea</li> </ul> </li> <li>▪ Cerved</li> <li>▪ Eurisc (CRIF)</li> <li>▪ Client profile and negative credit events</li> <li>▪ Forward Looking</li> <li>▪ Anti-fraud</li> <li>▪ Industry analyses (CE.BI. / Assilea)</li> </ul> | <ul style="list-style-type: none"> <li>▪ Credit risk assessment</li> <li>▪ Borrower's creditworthiness assessment</li> <li>▪ Financial analysis (CE.BI.)</li> <li>▪ Asset valuation (appraisal)</li> <li>▪ Guarantee valuation</li> <li>▪ Vendor and seller valuation :               <ul style="list-style-type: none"> <li>Assilea</li> <li>Cerved</li> <li>% of NPL relating to customers presented by the supplier</li> </ul> </li> <li>▪ Rating</li> </ul> | <ul style="list-style-type: none"> <li>▪ Review of the information in the "Lease Application File" (PEF) for completeness</li> <li>▪ Credit decision by the relevant approving officer/Board (depending on risk level)</li> </ul> | <ul style="list-style-type: none"> <li>▪ Ongoing monitoring of outstanding lease contracts</li> <li>▪ Annual review of larger positions</li> </ul> |
|---|--|---|---|--|

# The Credit Process Description of approval procedures (processes, authorities, limits, etc.)

Alba has three different approval procedures:

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## 1) PRESTO LEASING

Under this agreement lease applications up to an aggregate amount of €750k per client/business group are approved and underwritten by the Shareholding Banks on behalf of Alba. Shareholding Banks provide Alba with a 10%-30%-50%-70% final loss guarantee according to the client rating. For Real Estate financing Alba's approval is always required and is based on the value of the asset as appraised by valuers.

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## 2) PADC Automated Credit Approval System

Launched in Feb. 2019, the PADC automated credit approval system processes all applications outside the PrestoLeasing scope, i.e. i) originated by a different channel (e. g. direct channel, Credit Broker) or under special arrangements such as the "Michelin Partnership" or ii) exceeding the credit limit under PrestoLeasing; as well as iii) all lease applications up to €500k. PADC can automatically approve a combined amount up to €500k per client/group. Querying the Bankit credit bureau is required for leases above €30k/75k (threshold varies depending on the type of product). The PADC credit scoring system generates three possible outcomes for the application: **Accepted (Green Light)**: the application moves to the next step; **Accepted conditionally**; **Rejected (Red Light)** The file may be reviewed for exceeding Maximum Total Risk.

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## 3) PEF (Lease Application File)

All lease applications in excess of €500k are handled via PEF. Alba's underwriters check exposure to both (i) individual clients (applicants) and (ii) their business group (i.e. holding or affiliated company). Applications for leases up to a certain limit can be assessed and approved by officers/committees upon authority delegated to them by the Board of Directors. Such approvals remain valid for up to 120 days. This process allows Alba to analyze risk from different angles: lease amount, type of asset, revenues and cash-flow generating capacity.

# AGENDA

The Company

The Market

Key Financial Data

The Commercial Strategy

The Credit Process

**The Collections and Recoveries**

Credit risk - portfolio performance

Annexes

# The Collections and Recoveries Credit Recovery Pipeline




- The system generates a real-time screen-based list of arrears
- For actual arrears not due to system errors, a first reminder is sent to the customer
- Follow-up calls are made by Alba, Shareholding Banks or external phone collection companies
- For 30 days arrears a second reminder is sent to the customer
- The Delinquent Account file is assigned to a home collection company that has up to 30 days + 30 days to contact the customer and recover the amount due
- The Delinquent Account File is transferred back to Alba's Loan Manager who assesses overall risk and determines recovery actions to be taken
- Alba sends a pre Default Notice to the customer
- If all out-of-court actions fail, Alba terminates the contract under Italy's Act 124/2017
- Legal action is started (only for outstanding debt above €2.5k)

# The Collections and Recoveries Credit recovery pipeline

- 1 Accounts in arrears identified by the EPC system.
- 2 **Payment checks frequency:** on a daily basis, the system checks for payments made via SDD/RIBA intercepting any and all missed payments.
- 3 **Identification of actual arrears:** since a payment may have been flagged as arrear due to a procedural or system error, internal checks are run to exclude such possibility. If the payment sits in the EPC arrear bucket for 60 days the system will automatically classify it as an **actual** arrear.
- 4 **Credit Recovery:** both “Large Risks” (above €250k) and “Standard Risks” (up to €250k) are routed through the same credit recovery pathway
  - (i) initially collection phone calls are made to the delinquent customer by Alba, phone collection companies or the Shareholding Banks, then (ii) the account is transferred to a home collection company that has 30 days + 30 days to collect. The procedure monitors all possible outcomes of credit recovery, i.e. (i) the account returns current, (ii) the account remains delinquent, (iii) the contract is terminated, (iv) the asset is repossessed and (v) a bilateral agreement to sell the asset is made. If Alba’s Loan Manager does not approve the proposed asset repossession and sale, Collection Unit\* takes over and legal action is started.
- 5 **Collection:** Alba takes out-of-court and in-court actions to collect from delinquent and defaulted customers: Legal action is taken:
  - for leases: to recover the asset (court ordered repossession) and obtain the payment of the outstanding amount (court ordered payment);
  - for mortgages: to obtain the payment of the outstanding amount (court-ordered enforcement);
  - for unsecured loans: to obtain the payment of the outstanding amount (court ordered payment)If outstanding debt is lower than €2.5 K, the amount is written off.
- 6 **Insolvency proceedings:**

Alba may file claims in insolvency proceedings (bankruptcy, composition with creditors, extraordinary administration, mandatory liquidation, etc.) to repossess the asset (recognition of the creditor right of ownership and right to repossess) and obtain the payment of the outstanding amount (recognition of claim as a creditor in bankruptcy and in composition with creditors).

 Activity carried out by the Workout Unit

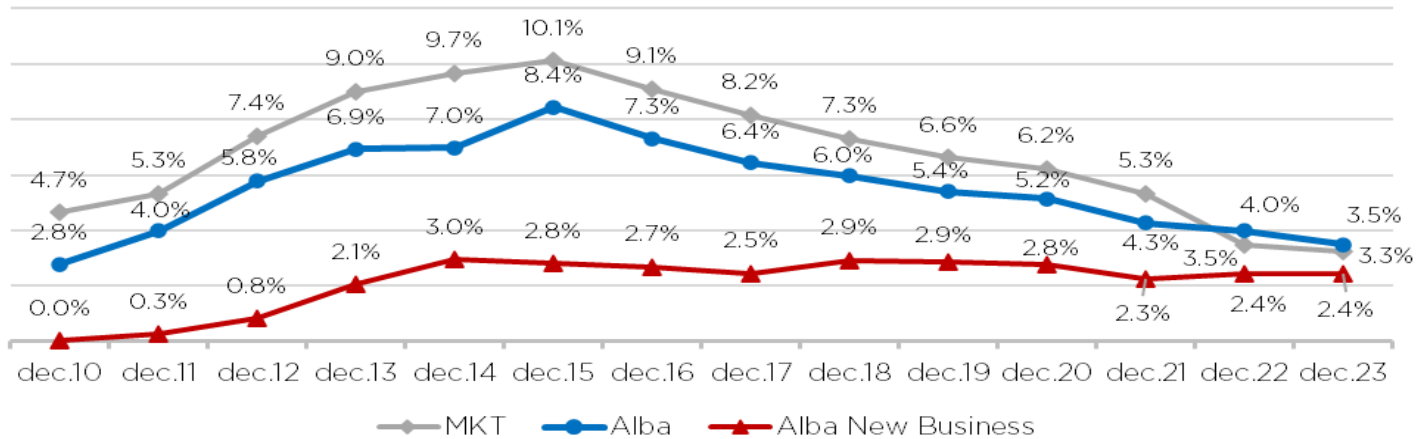
 Activity carried out by Collection Unit

(\*) Included in the NPL Department      Source: Alba Leasing

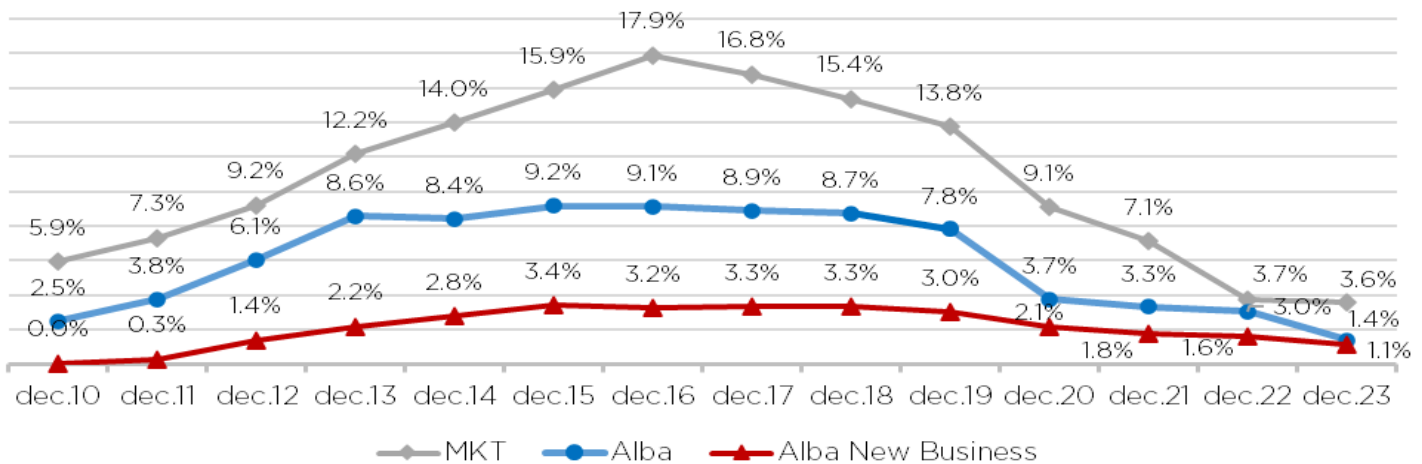


# The Collections and Recoveries Loan book - NPLs trend (2010-2023)

## UTPs (%)



## Bad Loans (%)



Source: Alba Leasing and Assilea

# AGENDA

The Company

The Market

Key Financial Data

The Commercial Strategy

The Credit Process

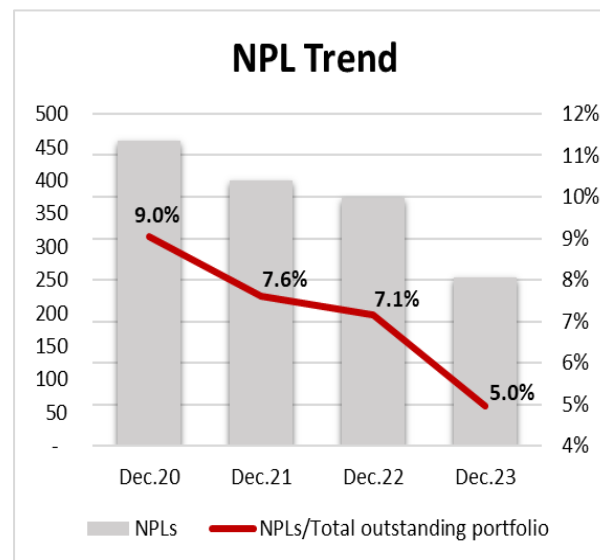
The Collections and Recoveries

**Credit risk - portfolio performance**

Annexes

## Credit Risk Non Performing Loans

| Category                   | dec-2021       | dec-2022       | dec-2023       | Change since dec-2022 |               |
|----------------------------|----------------|----------------|----------------|-----------------------|---------------|
|                            |                |                |                | Amount                | in %          |
| Bad loans                  | 174,916        | 157,858        | 71,171         | -86,687               | -54.9%        |
| UTPs                       | 224,054        | 206,912        | 179,343        | -27,569               | -13.3%        |
| Past due loans             | 720            | 7,570          | 3,874          | -3,696                | -48.8%        |
| <b>Total NPLs</b>          | <b>399,691</b> | <b>372,341</b> | <b>254,388</b> | <b>-117,952</b>       | <b>-31.7%</b> |
| of which transferred       | 211,884        | 174,870        | 81,611         | -93,259               | -53.3%        |
| Transferred contracts/NPLs | 53.2%          | 47.2%          | 32.4%          | -14.8%                | -31.4%        |
| Other delinquencies        | 7,357          | 14,124         | 9,627          | -4,497                | -31.8%        |



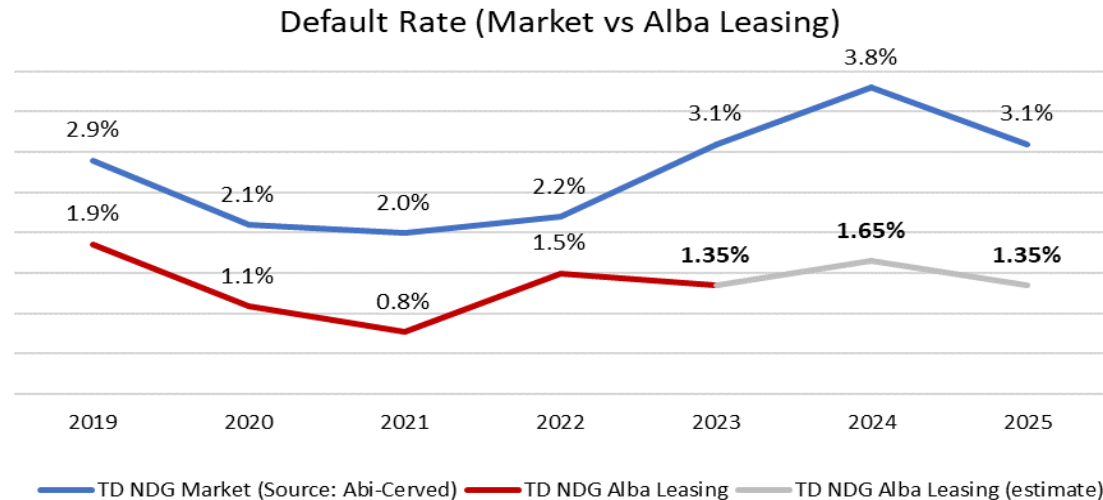
Despite the political tensions and the increase in interest rates that occurred in 2023, which caused economic difficulties for families and businesses, total impaired loans decreased compared to 2022 thanks also to a transfer of a part of the non-performing portfolio.

## Credit Risk Default Rates and Expected default rates

| Default Rate  |       |       |       |
|---------------|-------|-------|-------|
|               | 2021  | 2022  | 2023  |
| <b>Amount</b> | 0.54% | 1.19% | 0.83% |
| <b>NDG</b>    | 0.77% | 1.50% | 1.35% |

The default rates at 12.31.2023, despite the presence of geo-political risk (increase in interest rates, increase in the cost of raw materials, increase in inflation, etc.) show lower values compared to 12.31.2022 and the period precrisis.

Alba Leasing's default rates are historically lower than those of the market



Higher default rate due to the worsening of the macroeconomic scenario compared to expectations (inflation, economic slowdown, geo-political risk, etc.).

The higher default rate also considers concentration risk.

# AGENDA

The Company

The Market

Key Financial Data

The Commercial Strategy

The Credit Process

The Collections and Recoveries

Credit risk - portfolio performance

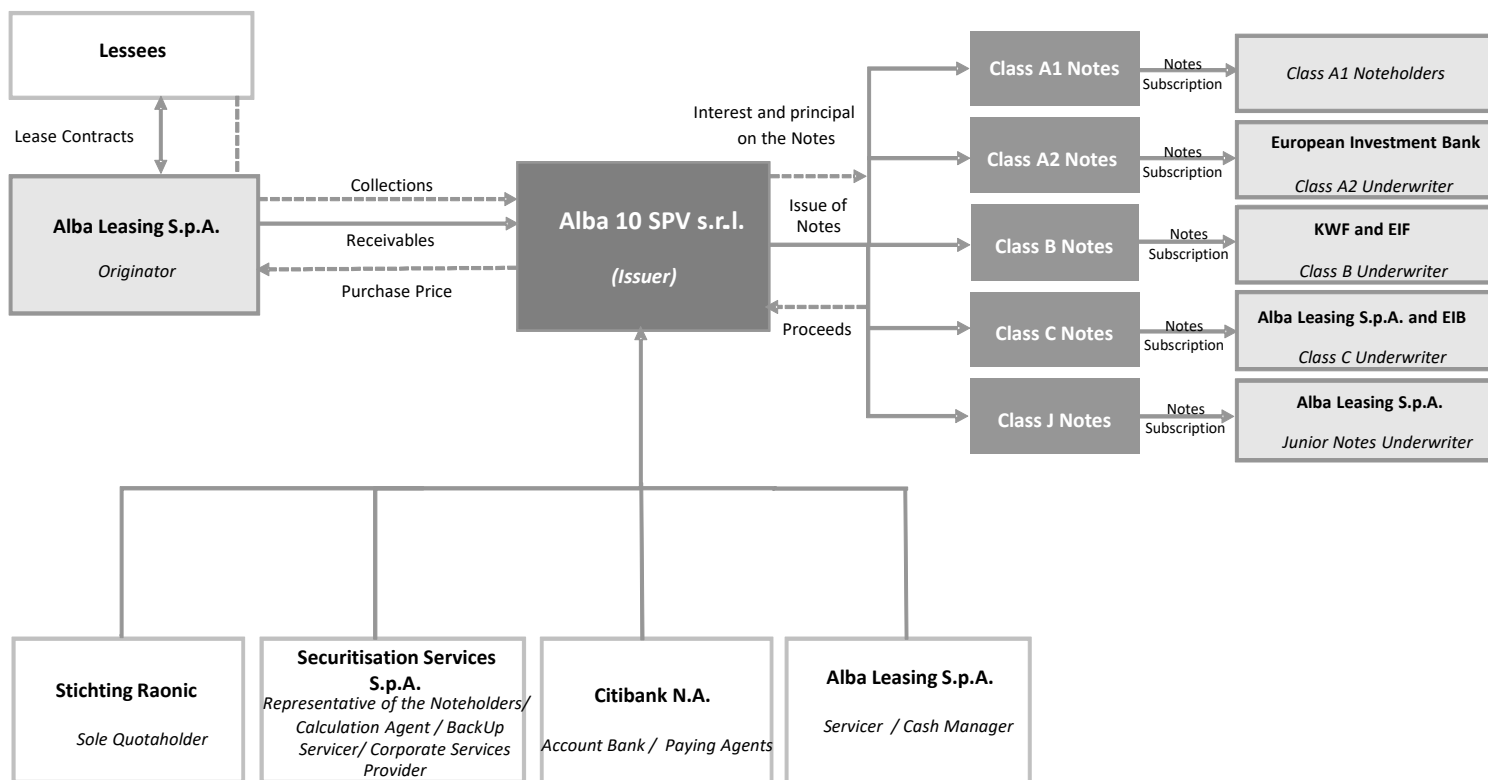
**Annexes**

# Annexes Alba10 – Transaction at issue date 29/11/2018

## Capital structure

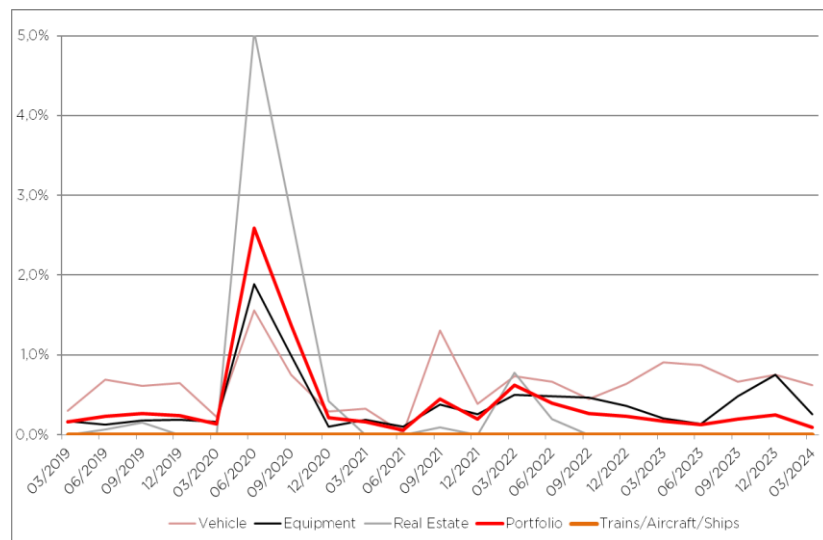
| Notes           | Class | Exp. Rating (M/D/S) | Size (€)  | Size (% on pool) | Rate of Interest (EUR 3m +) | Expected WAL | Expected Maturity Date | Final Legal Maturity | CE%    | Status           |
|-----------------|-------|---------------------|-----------|------------------|-----------------------------|--------------|------------------------|----------------------|--------|------------------|
| Senior Fast Pay | A1    | Aa3/AAA/AAA         | 408,4 mn  | 42.59%           | 0.40%                       | 1.25 yrs     | Jan. 2021              | Oct. 2038            | 57.90% | Publicly offered |
| Senior Slow Pay | A2    | Aa3/AA (high) / AAA | 200,0 mn  | 20.86%           | 0.70%                       | 2.76 yrs     | Jan. 2022              | Oct. 2038            | 36.86% | Pre-Placed       |
| Mezzanine       | B     | A3/A (high)/ A+     | 130,0 mn  | 13.56%           | 1.10%                       | 3.66 yrs     | Oct. 2022              | Oct. 2038            | 23.19% | Investors        |
|                 | C     | Ba2/BBB/ BBB-       | 75,0 mn   | 7.82%            | 1.60%                       | 4.37 yrs     | Oct. 2022              | Oct. 2038            | 15.30% | Retained         |
| Junior Notes    | J     | NR                  | 145,43 mn | 15.17%           | 1.75%                       |              |                        |                      |        | Retained         |

## Transaction Structure

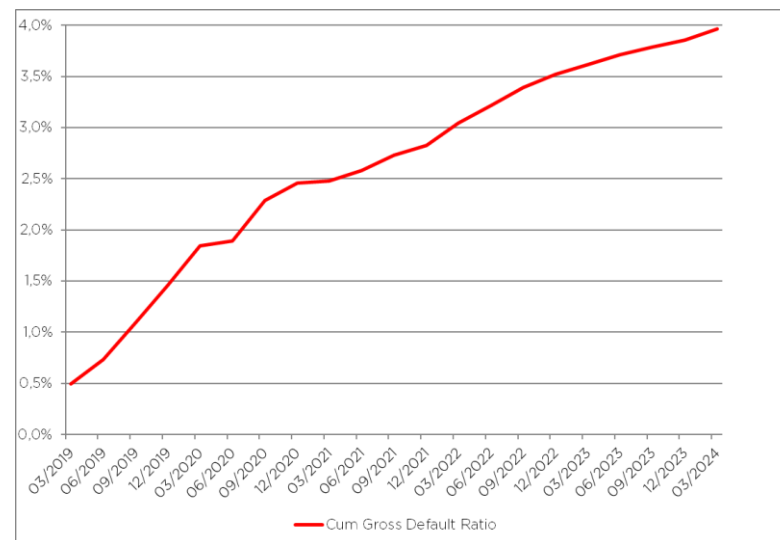


# Annexes Alba10 – Performance ratio at 31/03/2024

## Delinquency Ratio by Pool



## Portfolio Cumulative Gross Default Ratio



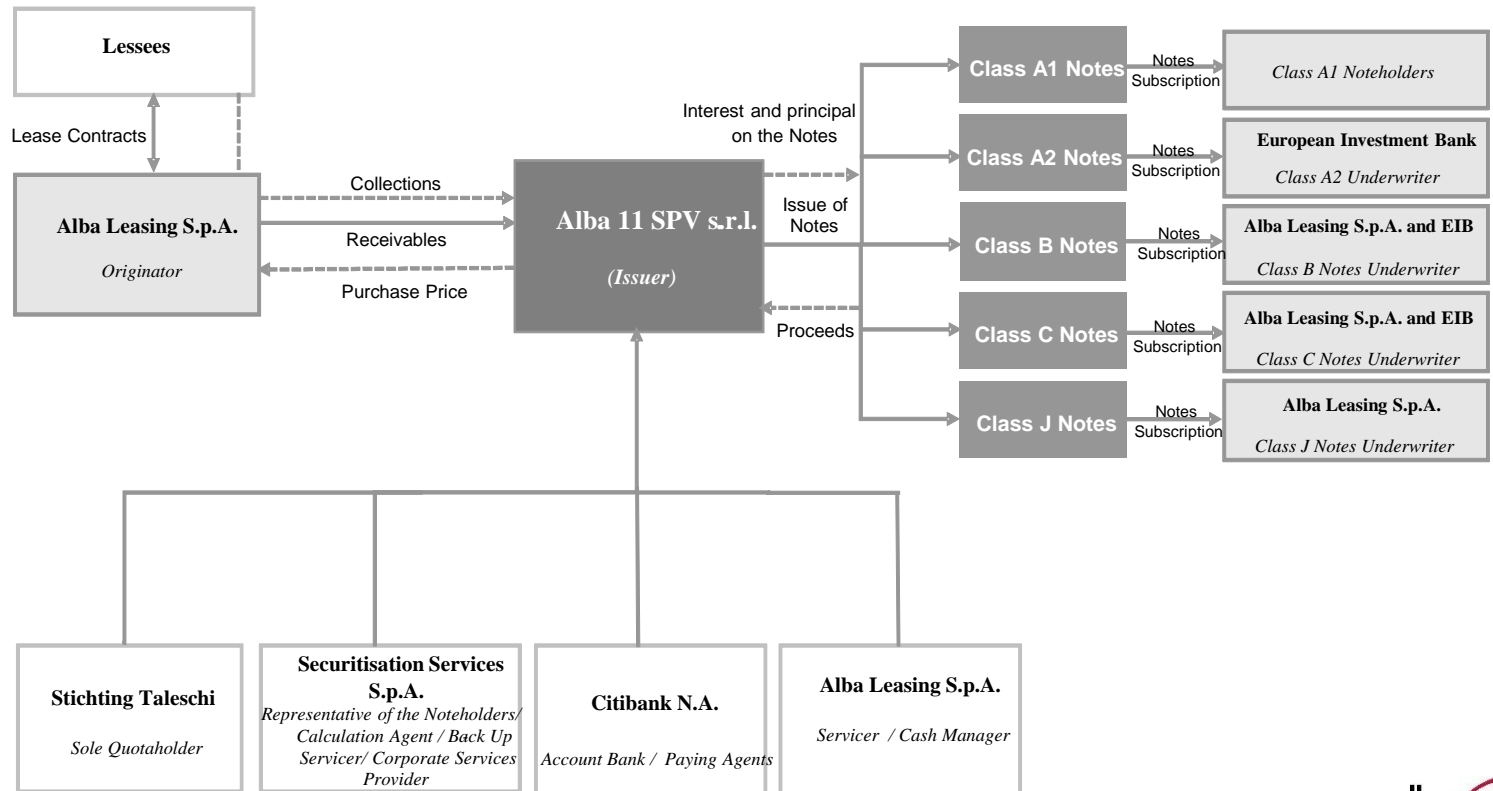
### Note:

- **Delinquent definition:** lease contracts with at least an installment overdue for  $\geq 30$  days. Delinquency ratio is the average ratio (within each quarter) of the delinquent lease receivables over the outstanding amount of all the receivables not defaulted.
- **Default definition** = Means receivables arising from lease contracts with respect to which there is at least one Defaulted Installment and a number of Delinquent Installments equal to or higher than (i) 6 (six) in relation to Lease Contracts which provide for monthly payments; (ii) 3 (three) in relation to Lease Contracts which provide for two-month payments; (iii) 2 (two) in relation to Lease Contracts which provide quarterly payments; (iv) 2 (two) in relation to Lease Contracts which provide for four-monthly payments; or (v) 1 (one) in relation to Lease Contracts which provide for semi-annual payments

## Capital structure

| Notes           | Class | Exp. Rating (M/D/S) | Size (€) | Size (% on pool) | Rate of Interest (EUR 3m +) | Expected WAL | Expected Maturity Date | Final Legal Maturity | CE%    | Status             |
|-----------------|-------|---------------------|----------|------------------|-----------------------------|--------------|------------------------|----------------------|--------|--------------------|
| Senior Fast Pay | A1    | Aa3/AAA/AAA         | 498,7 mn | 39.60%           | 0.70%                       | 1.23 yrs     | Dec. 2022              | Sep. 2040            | 61.00% | Publicly offered   |
| Senior Slow Pay | A2    | Aa3/AAA/AA          | 300,0 mn | 23.80%           | 0.85%                       | 2.71 yrs     | Mar. 2024              | Sep. 2040            | 37.00% | Pre-Placed         |
| Mezzanine       | B     | Baa1/AA/A           | 143,6 mn | 11.40%           | 1.35%                       | 3.62 yrs     | Dec. 2024              | Sep. 2040            | 25.50% | Investors          |
|                 | C     | B1/BB(high)/BB+     | 131,1 mn | 10.40%           | 1.85%                       | 4.42 yrs     | Dec. 2025              | Sep. 2040            | 15.00% | Retained/Investors |
| Junior Notes    | J     | NR                  | 187,0 mn | 14.80%           | 2.00%                       |              |                        |                      |        | Retained           |

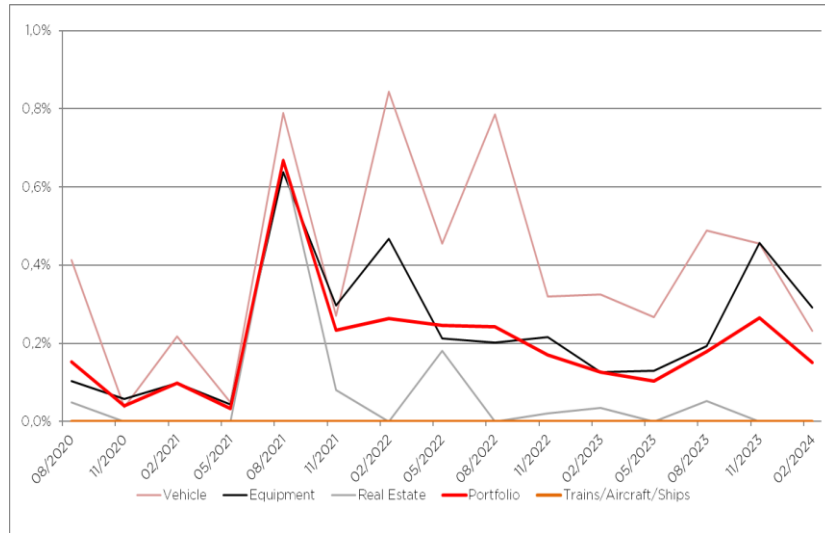
## Transaction Structure



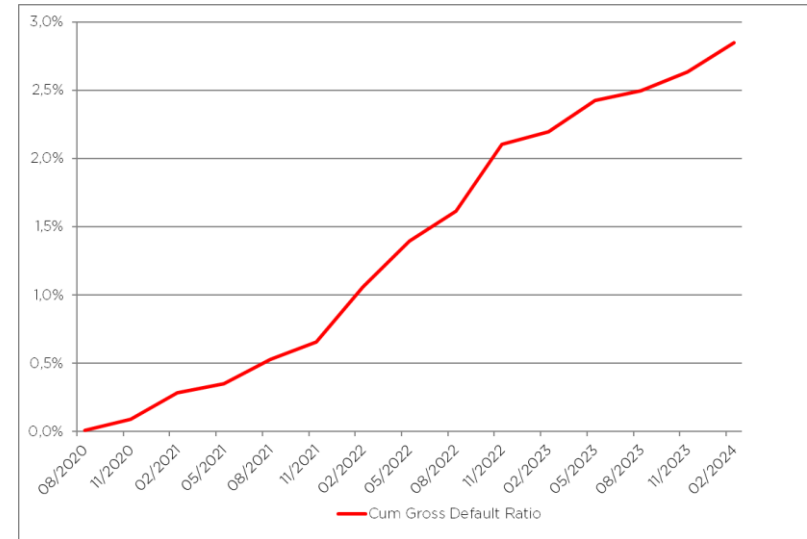


# Annexes Alba11 – Performance ratio at 29/02/2024

## Delinquency Ratio by Pool



## Portfolio Cumulative Gross Default Ratio



### Note:

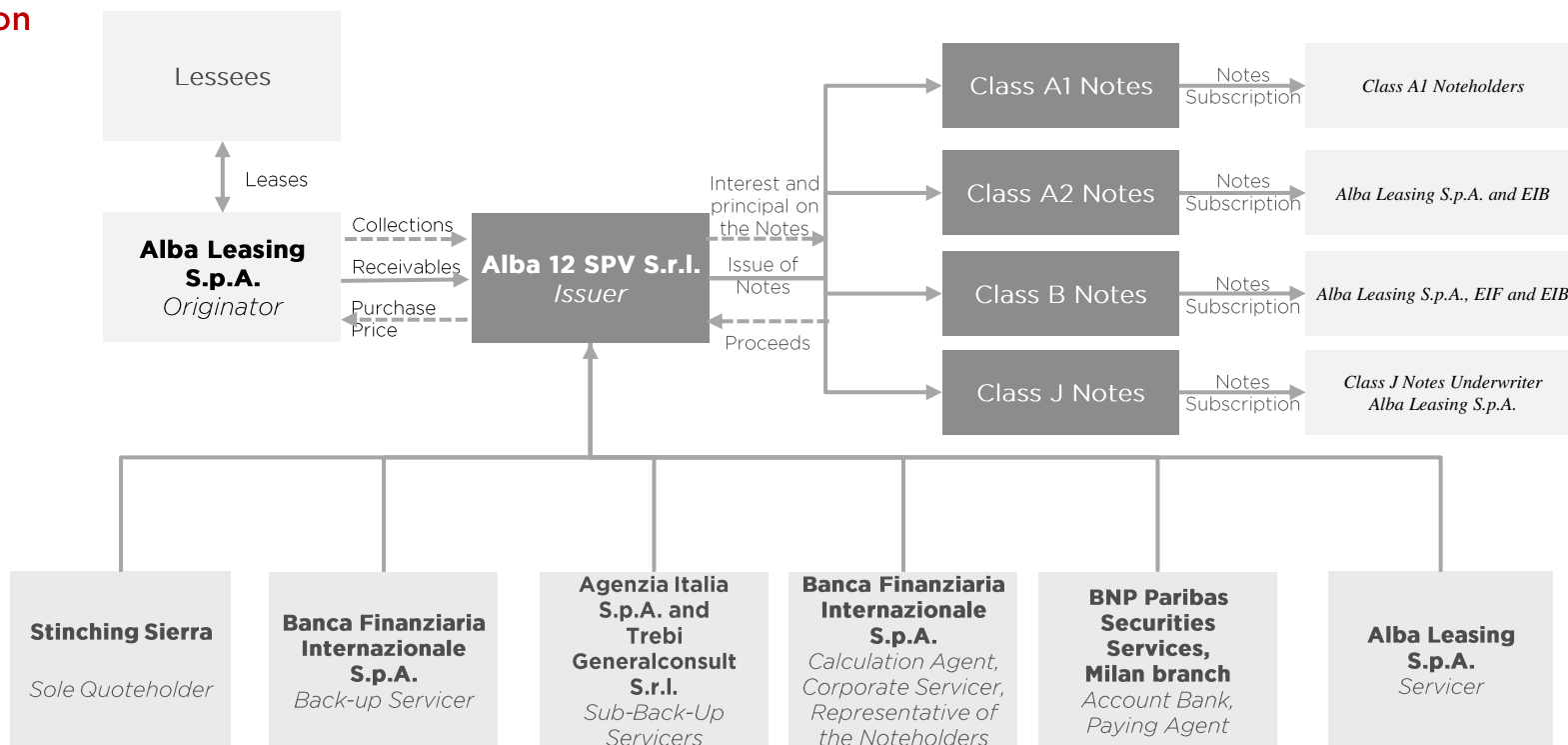
- **Delinquent definition:** lease contracts with at least an installment overdue for  $\geq 30$  days. Delinquency ratio is the average ratio (within each quarter) of the delinquent lease receivables over the outstanding amount of all the receivables not defaulted.
- **Default definition** = Means receivables arising from lease contracts with respect to which there is at least one Defaulted Installment and a number of Delinquent Installments equal to or higher than (i) 6 (six) in relation to Lease Contracts which provide for monthly payments; (ii) 3 (three) in relation to Lease Contracts which provide for two-month payments; (iii) 2 (two) in relation to Lease Contracts which provide quarterly payments; (iv) 2 (two) in relation to Lease Contracts which provide for four-monthly payments; or (v) 1 (one) in relation to Lease Contracts which provide for semi-annual payments

## Capital structure

| Notes           | Class | Exp. Rating (M/D/S) | Size (€mn)^ | Size (% of notes) | Rate of Interest (EUR 3m +) * | IP/DM*           | Expected WAL ** | Expected Maturity Date** | CE%*** | Status           |
|-----------------|-------|---------------------|-------------|-------------------|-------------------------------|------------------|-----------------|--------------------------|--------|------------------|
| Senior Fast Pay | A1    | Aa3 / AAA / AAA     | 474,7       | 42.6%             | 0.70%                         | 100.425 / 36 bps | 1.23 yrs        | Jan-24                   | 57.9%  | Publicly offered |
| Senior Slow Pay | A2    | Aa3 / AAA / AAA     | 225,2       | 20.2%             | 0.80%                         |                  | 2.74 yrs        | Jan-25                   | 37.5%  | Retained         |
| Mezzanine       | B     | Ba1 / BBB(h) / BBB+ | 238,4       | 21.4%             | 1.10%                         |                  | 3.93 yrs        | July-26                  | 15.9%  | Retained         |
| Junior Notes    | J     | NR                  | 175,1****   | 15.7%             | 2.00%                         |                  |                 |                          |        | Retained         |

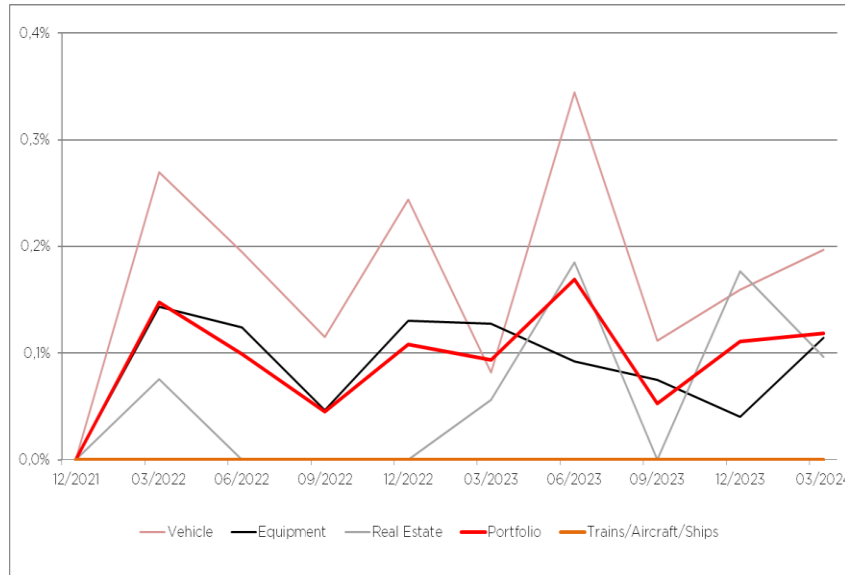
\* Coupon rate floored to 0%. Class A1 Notes priced above par at 100.425 \*\* Based on 1.0% CPR p.a., 0% defaults and 0% delinquencies. Please refer to the Preliminary Prospectus for further details. \*\*\* CE% prior to delivery of a trigger notice - expressed as % of notes subordinated to the relevant Class + Debt Service Reserve (DSR) % (in % on Initial Portfolio). \*\*\*\* Including € [9.38]mn Debt Service Reserve amount funded through the Class J Notes.

## Transaction Structure

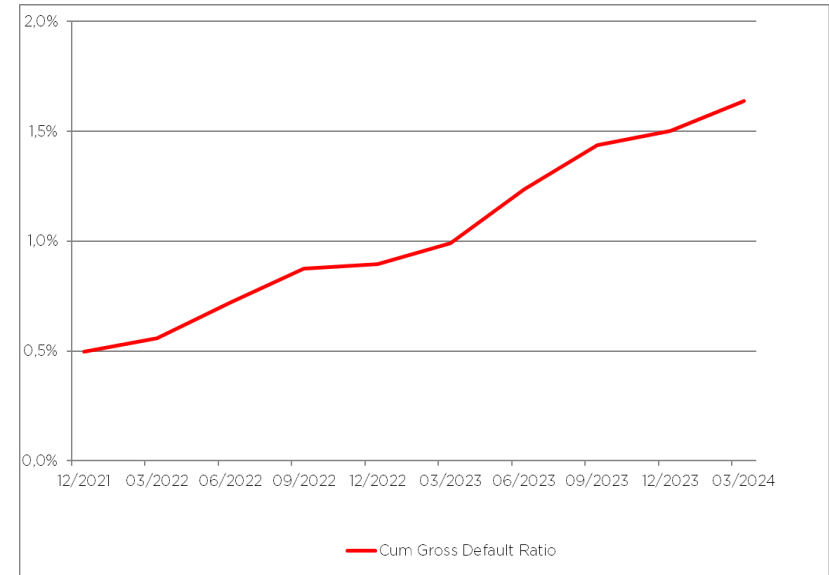


# Annexes Alba12 – Performance ratio at 31/03/2024

## Delinquency Ratio by Pool



## Portfolio Cumulative Gross Default Ratio



### Note:

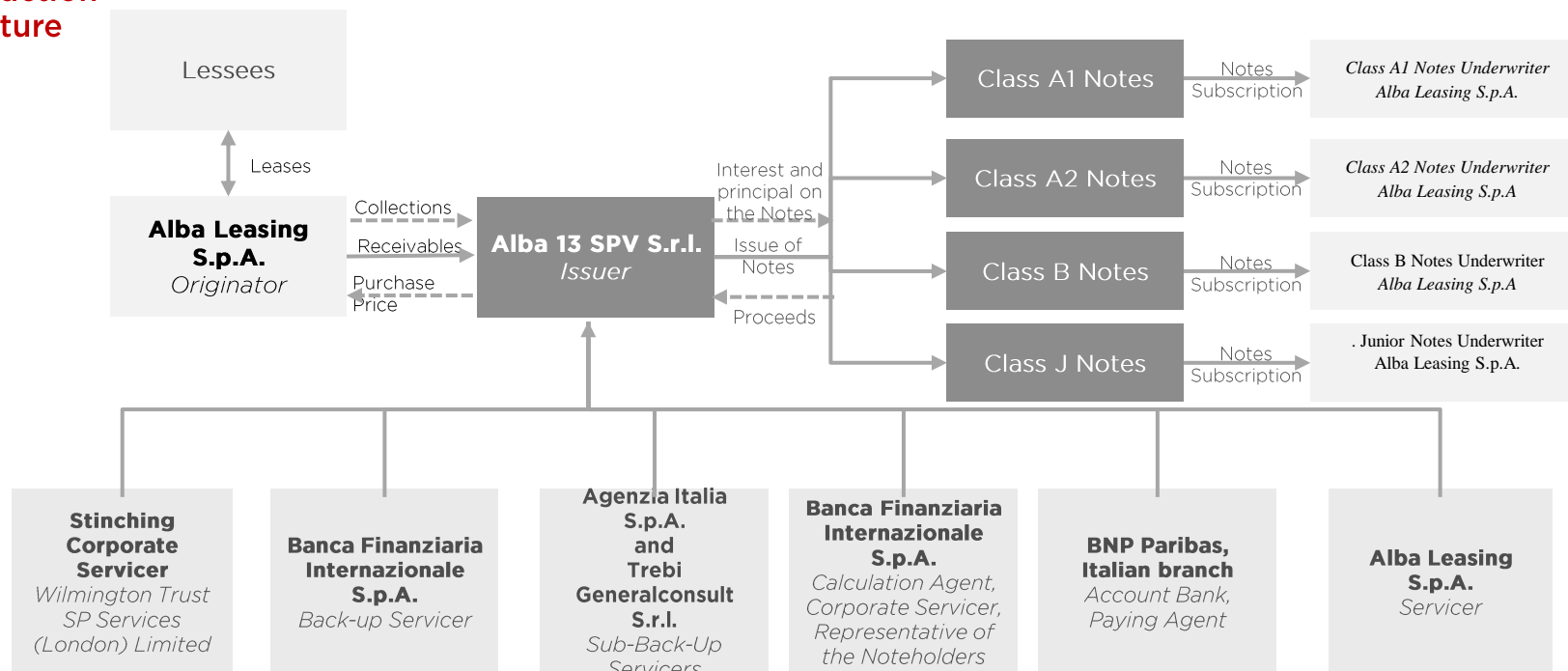
- **Delinquent definition:** lease contracts with at least an installment overdue for  $\geq 30$  days. Delinquency ratio is the average ratio (within each quarter) of the delinquent lease receivables over the outstanding amount of all the receivables not defaulted.
- **Default definition** = Means receivables arising from lease contracts with respect to which there is at least one Defaulted Installment and a number of Delinquent Installments equal to or higher than (i) 6 (six) in relation to Lease Contracts which provide for monthly payments; (ii) 3 (three) in relation to Lease Contracts which provide for two-month payments; (iii) 2 (two) in relation to Lease Contracts which provide quarterly payments; (iv) 2 (two) in relation to Lease Contracts which provide for four-monthly payments; or (v) 1 (one) in relation to Lease Contracts which provide for semi-annual payments

## Capital structure

| Notes           | Class | Exp. Rating (M/D/S) | Size (€mn)^ | Size (% of notes) | Rate of Interest (EUR 3m +) | Expected WAL* | Expected Maturity Date* | CE%** | Status   |
|-----------------|-------|---------------------|-------------|-------------------|-----------------------------|---------------|-------------------------|-------|----------|
| Senior Fast Pay | A1    | Aa3/ AAA/AAA        | 522,6       | 42.2%             | 0.75%                       | 1.06 yrs      | Jun-25                  | 59.1% | Retained |
| Senior Slow Pay | A2    | Aa3/ AAA/AAA        | 263,1       | 21.2%             | 0.85%                       | 2.47 yrs      | Jun-26                  | 38.0% | Retained |
| High Mezzanine  | B     | Ba1/ A(high)/ BBB+  | 267,6       | 21.6%             | 1.30%                       | 3.54 yrs      | Sept-27                 | 16.6% | Retained |
| Junior Notes    | J     | NR                  | 196,4***    | 15.9%             | 2.00%                       |               |                         |       | Retained |

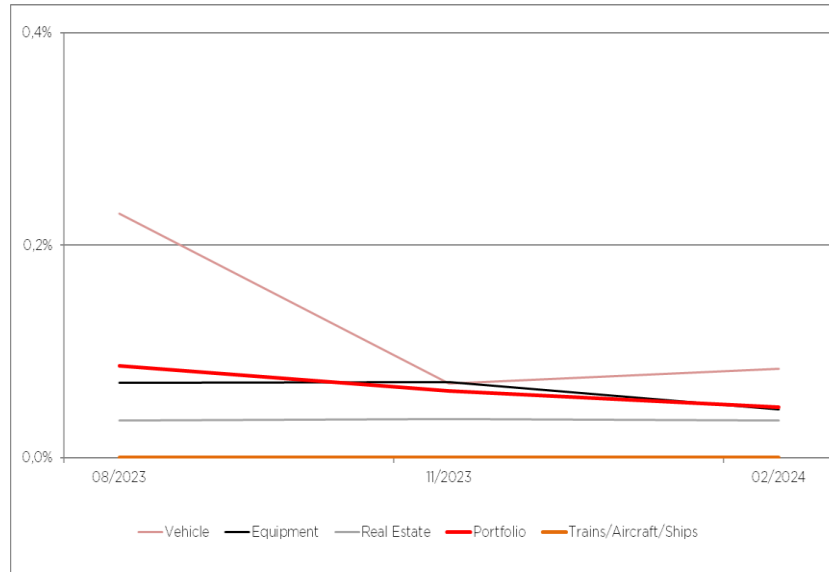
\* Based on 1.0% CPR p.a., 0% defaults and 0% delinquencies. Please refer to the Preliminary Prospectus for further details. \*\* CE% prior to delivery of a trigger notice - expressed as % of notes subordinated to the relevant Class + Debt Service Reserve (DSR) % (in % on Initial Portfolio). \*\*\* Including € [10.53]mn Debt Service Reserve amount funded through the Class J Notes.

## Transaction Structure

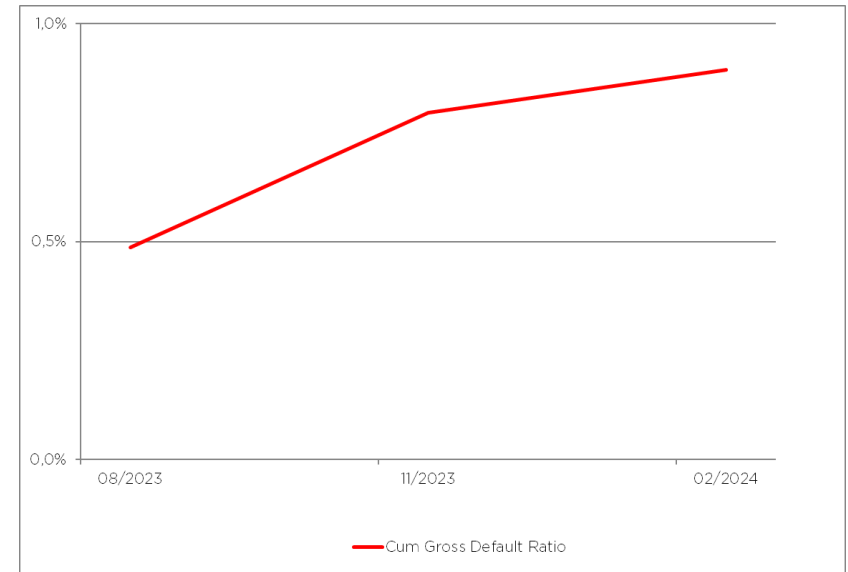


# Annexes Alba13 – Performance ratio at 29/02/2024

## Delinquency Ratio by Pool



## Portfolio Cumulative Gross Default Ratio



### Note:

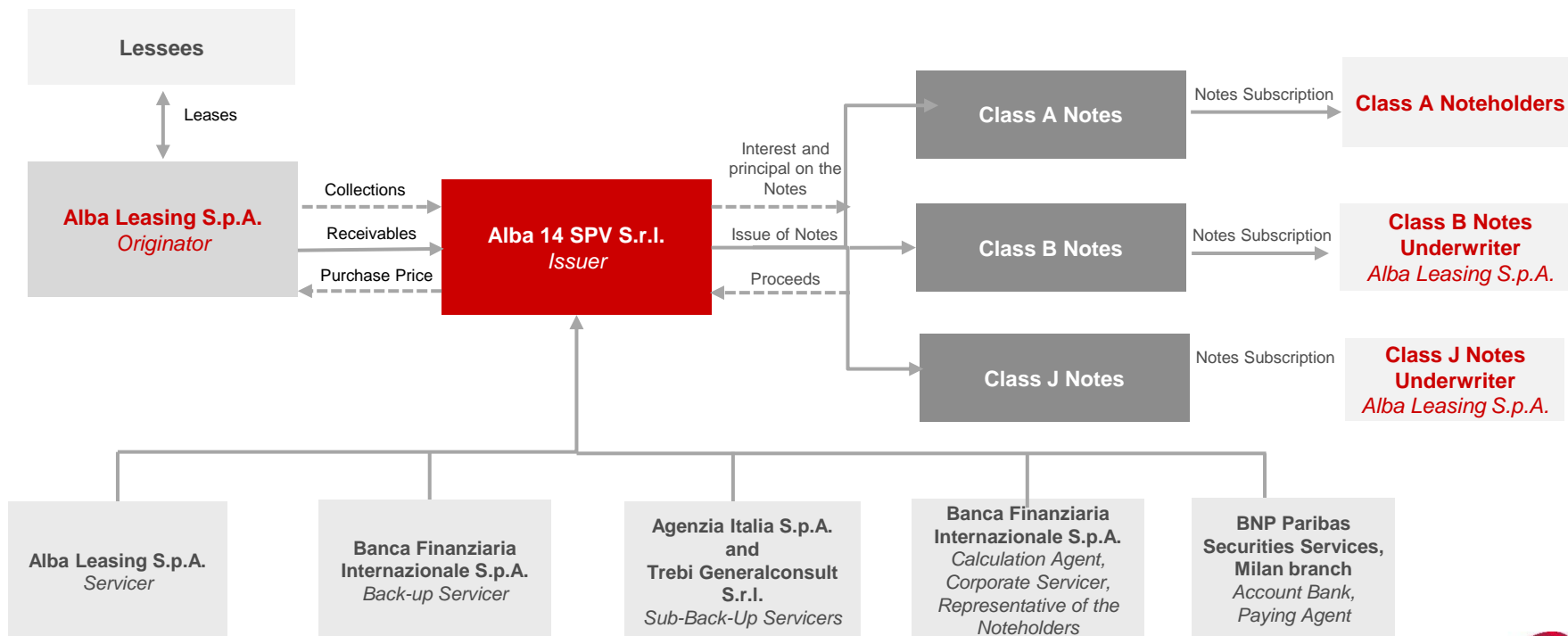
- **Delinquent definition:** lease contracts with at least an installment overdue for  $\geq 30$  days. Delinquency ratio is the average ratio (within each quarter) of the delinquent lease receivables over the outstanding amount of all the receivables not defaulted.
- **Default definition** = Means receivables arising from lease contracts with respect to which there is at least one Defaulted Installment and a number of Delinquent Installments equal to or higher than (i) 6 (six) in relation to Lease Contracts which provide for monthly payments; (ii) 3 (three) in relation to Lease Contracts which provide for two-month payments; (iii) 2 (two) in relation to Lease Contracts which provide quarterly payments; (iv) 2 (two) in relation to Lease Contracts which provide for four-monthly payments; or (v) 1 (one) in relation to Lease Contracts which provide for semi-annual payments.

## Capital structure

| Notes        | Class | Exp. Rating (M/D) | Size (€mn)^ | Size (% of notes) | Rate of Interest (EUR 3m +) * | Expected WAL** | Expected Maturity Date** | CE%*** | Status           |
|--------------|-------|-------------------|-------------|-------------------|-------------------------------|----------------|--------------------------|--------|------------------|
| Senior       | A     | Aa3 / AAA         | 550.3       | 65.4%             | 0.82%                         | 1.7yrs         | Jan-44                   | 34.9%  | Publicly offered |
| Mezzanine    | B     | Ba1 / A(high)     | 175.1       | 20.8%             | 1.30%                         | 3.4 yrs        | Jan-44                   | 13.9%  | Retained         |
| Junior Notes | J     | NR                | 115.6****   | 13.7%             | 2.00%                         |                |                          |        | Retained         |

^ Size gross of min 5% net economic interest to be retained by the Originator \* Coupon rate floored to 0%. Class A Notes expected to be priced at par \*\* Based on 1.0% CPR p.a., 0% defaults and 0% delinquencies. Please refer to the Preliminary Prospectus for further details.\*\*\* CE% expressed as % of notes subordinated to the relevant Class + Debt Service Reserve (DSR) % (in % on Initial Portfolio). \*\*\*\* Including € [7.3]mn Debt Service Reserve amount funded through the Class J Notes.

## Transaction Structure



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