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CREDIT OPINION
17 November 2021

New Issue

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Alba 12 SPV S.r.l.

New issue report

Capital structure

Exhibit 1
Definitive ratings

Notes	Definitive rating	Amount (€ million)	% of total notes	Legal final maturity	Notes coupon	Subordination (% of total assets)	Reserve fund (CE only) (**)(***)	Total credit enhancement****
Class A1	Aa3	474.7	42.6%	Oct-41	3M EUR + 0.70%	57.00%	0.85%	57.85%
Class A2	Aa3	225.2	20.2%	Oct-41	3M EUR + 0.80%	36.60%	0.85%	37.45%
Class B	Ba1	238.4	21.4%	Oct-41	3M EUR + 1.10%	15.01%	0.85%	15.86%
Class J *	NR	175.1	15.7%	Oct-41	3M EUR + 2.00%	0.00%		
Total		1,113.4	100.0%					

(*) Class J funds a portion of the portfolio at closing, as well as the debt service reserve amount.
(**) As of the closing date, in % of total assets.
(***) For the purpose of this table in % of total assets; which is re-calibrated from what is defined in the transaction documents as 1.00% of rated notes (i.e. class A1, A2 and B). The reserve fund will provide credit support only at deal maturity.
(****) No benefit attributed to excess spread.
Source: Moody's Investors Service

Closing date
15 October 2021

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Summary
Alba 12 SPV is a static cash securitisation of lease receivables granted by Alba Leasing SpA (Alba, NR/NR)] to individual entrepreneurs and small and medium-sized enterprises (SMEs) in Italy. Our quantitative, structural and legal analysis of this transaction supports the ratings that we have assigned.

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CLIENT SERVICES

Americas	1-212-553-1653
Asia Pacific	852-3551-3077
Japan	81-3-5408-4100
EMEA	44-20-7772-5454

Credit strengths

- ***Portfolio structure***: The portfolio is static and will start to amortize from deal's closing date. This feature limits portfolio performance volatility that would otherwise be caused by additional lease purchases. (See Asset Description – Asset Acquisition Guidelines).
- ***Liquidity arrangement***: The deal structure includes an amortising cash reserve ("debt service reserve amount"), funded for an amount equal to 1.00% of rated notes as of closing date. The cash reserve provides liquidity support to the rated notes, and it is available to repay principal on the rated notes at maturity. (See Structure Description – Detailed Description of the Structure).
- ***Portfolio composition****:* Securitised portfolio is diversified and granular. There is a limited industry sector concentration with lessees from top 2 sectors represent not more than 36.25%. In terms of exposure to individual lessees, the portfolio is highly granular, with the top lessee and top 5 lessees group exposure being 0.71% and 3.11% respectively. (See Asset Description – Pool Characteristics).
- ***No set-off risk****:* There is no potential losses resulting from set-off risk because obligors do not have deposits and did not enter into a derivative contract with Alba leasing SpA. (See Structure Description – Detailed Description of the Structure).
- ***The residual value component of the lease contracts is not Securitised****:* Investors are not exposed to the risk of non-exercise of the residual option by the obligors and the possible loss of the residual value upon the originator's liquidation. The SPV benefits from the interest paid on the residual value. This leads to an increasing excess spread over time. (See Structure Description – Detailed Description of the Structure).
- ***No leases under moratorium****:* compared to Alba 11, no lease contract in the closing pool is subject to moratorium (on both principal and interest payments) as defined in the Law Decree "Cura Italia", which has been offered to borrowers to overcome temporary liquidity problems resulting from the coronavirus national lockdown enforced in March 11, 2020 (See Asset Analysis – Primary Asset Analysis).

Credit challenges

- ***Financial strength of originator*** : We do not rate Alba Leasing or Banca Finanziaria Internazionale S.p.A. Alba Leasing (NR) is a medium-sized monoline leasing company mainly operating in Northern Italy. However, the transaction benefits from (i) a strong back-up servicing arrangement with Banca Finanziaria Internazionale S.p.A. (NR) signed at closing, (ii) a reserve fund as liquidity cushion (See Asset Description – Pool Characteristics) and (iii) Alba Leasing S.p.a securitisation track record with 11 ABS SME leasing transactions which performed in line with expectations.
- ***Exposure to real estate*** : The building and real estate sector account for 24.07% of the portfolio. We account for this exposure in our quantitative analysis. (See Asset Analysis – Primary Asset Analysis).
- ***No hedging arrangements*** : The transaction structure does not include a hedging mechanism to cure potential interest rate mismatches between the portfolio and the notes. We accounted for this feature in our modelling of the transaction. (See Structure Analysis – Additional Structural Analysis).

Environmental, social and governance (ESG) considerations

In general, we consider ESG risks “low” for securitisations backed by lease receivables granted to small and medium-sized enterprises (SMEs) or large companies in EMEA. Our credit analysis of the securitised portfolio, which considers ESG risks, as well as the level of borrower, regional and industry diversification within such portfolios, mitigate environmental and social risks. In addition, governance risk is mitigated by the structure of the transaction and our consideration of the transaction parties. Please see our Cross-Sector Rating Methodology: General Principles for Assessing Environmental, Social and Governance Risks, which explains the general principles for assessing ESG risks in our credit analysis globally.

Environmental: The rated notes of this ABS SME transaction have a low exposure to environmental risks because the granularity and diversification of the portfolio, and the credit enhancement provided limit the transaction’s overall exposure in case any environmental risk factor materialises. (See “Asset description - ESG - Environmental considerations”).

Social: The rated notes of this ABS SME equipment lease securitisation have a moderate exposure to social risks because of the SMEs’ role as employers and related health and safety aspects for the workforce; the SME’s supply-chain partners and/or their production processes; and certain labour-intense activities that limit the SME's ability to benefit from automatisation and/or artificial intelligence. However, industry diversification within the portfolio mitigates these social risks. (See “Asset description - ESG - Social considerations”).

Governance: This transaction’s governance risk is low and is comparable with that of other securitisations in EMEA.

Key characteristics

Exhibit 2

Asset characteristics

Asset characteristics	
Receivables	Leases extended to small and medium-sized enterprises (SMEs) and self-employed individuals located in Italy
Total amount (EUR)	€ 1,103,991,372
Number of borrowers	8,935
Number of borrower groups	8,609
Number of assets	12,568
Effective number	1,350
WA remaining term (in years)	5.90
WA seasoning (in years)	1.80
WAL of the portfolio (in years)	3.24
Interest basis	6.18% fixed rate loans, 93.82% floating rate loans
WA interest rate (total pool)	2.60% (Floating portion), 2.17% (Fixed portion)
% collateralised by first lien mortgage	N/A
WALTV	66.64%
Delinquency status	0.00% of pool balance relates to contracts that are delinquent for more than 30 days.
Historical portfolio performance data	
Default rate:	Based on extrapolated historical vintage analysis, 3.72%, subpools: Real Estate 5.09%, Equipment 3.72%, Aircraft and Train 7.89% and Auto 2.44% over a time horizon of 10 years (180+ definition of defaults)
Coefficient of variation:	Based on extrapolated historical vintage analysis 55.49% subpools: Real Estate 89.43%, Equipment 47.95%, Aircraft and Train 152.51% and Auto 52.84%, over a time horizon of 10 years (180+ definition of defaults)
Recovery rate:	Based on extrapolated historical vintage analysis, 61.61%, subpools: Real Estate 39.90%, Equipment 65.77%, Aircraft and Train 77.58% and Auto 81.65%, over a time horizon of 10 years (180+ definition of defaults)
Transaction parties	
Seller/originator:	Alba Leasing SpA (Long Term Senior Unsecured Rating: NR /Short Term Deposit Rating: NR; Long Term Counterparty Risk Assessment: NR /Short Term Counterparty Risk Assessment: NR)
Servicer	Alba Leasing SpA (Long Term Senior Unsecured Rating: NR /Short Term Deposit Rating: NR; Long Term Counterparty Risk Assessment: NR /Short Term Counterparty Risk Assessment: NR)
Back-up servicer @ closing	Banca Finanziaria Internazionale S.p.A. (NR)
Back-up servicer facilitator	N/A

Sources: Alba Leasing and Moody's Investors Service

Exhibit 3

Securitisation structure characteristics

Structural characteristics	
Excess spread at closing:	0.93% p.a. taking into account stressed servicing fees, yield and coupon on rated notes
Credit enhancement/Reserves:	Subordination of the notes, excess spread and a reserve fund equal to 1.00% of the rated notes
Form of liquidity:	Excess spread, debt service reserve, principal to pay interest
Number of interest payments covered by liquidity:	Approximately 1.6 quaterly payment dates assuming Euribor of 1%
Interest payments:	Quaterly in arrears of each payment date
Principal payments:	Pass-throgh in each payment date
Payment dates:	27th day of January, April, July and October of each year
Hedging arrangements:	None
Transaction parties	
Issuer:	Alba 12 SPV S.R.L. (NR)
Computational agent:	Banca Finanziaria Internazionale S.p.A. (NR)
Back-up calculation/Computational agent:	N/A
Swap counterparty:	N/A
Issuer account bank:	BNP PARIBAS Securities Services, Milan Branch, (Long Term Deposit Rating: Aa3 Not on Watch / Short Term Deposit Rating: P-1 Not on Watch; Long Term Counterparty Risk Assessment: NR / Short Term Counterparty Risk Assessment: NR; Outlook: Stable)
Collection account bank:	BNP PARIBAS Securities Services, Milan Branch, (Long Term Deposit Rating: Aa3 Not on Watch / Short Term Deposit Rating: P-1 Not on Watch; Long Term Counterparty Risk Assessment: NR / Short Term Counterparty Risk Assessment: NR; Outlook: Stable)
Paying agent:	BNP PARIBAS Securities Services, Milan Branch, (Long Term Deposit Rating: Aa3 Not on Watch / Short Term Deposit Rating: P-1 Not on Watch; Long Term Counterparty Risk Assessment: NR / Short Term Counterparty Risk Assessment: NR; Outlook: Stable)
Corporate service provider:	Banca Finanziaria Internazionale S.p.A. (NR)
Representative of the noteholders:	Banca Finanziaria Internazionale S.p.A. (NR)
Joint arrangers:	Intesa Sanpaolo S.p.A., Banca Akros and Société Générale
Cash manager:	Alba Leasing S.p.A.
Back-up cash manager:	N/A

Source: Alba Leasing and Moody's Investors Service

Asset description

Assets as of closing date

The securitised portfolio consists of lease contracts entered into by Alba Leasing S.p.A. with mainly small and medium-sized businesses and individual entrepreneurs in Italy. The underlying assets of the lease contracts are transportation assets (20.75%) , equipment (49.66%), real estate properties (28.03%) and air/naval and rail assets (1.55%). The balance of the portfolio (as of 25 September 2021) is €1,104.0 million. The vast majority of the portfolio are leases that pay monthly (97%) and have floating rates (94%).

Pool characteristics

The following exhibits show some basic characteristics of the initial pool of assets, describing the pool as a whole and providing statistics for various sub-pools.

Exhibit 4

Initial pool details

Pool details	
Type of assets	Lease contracts
Total amount (EUR)	1,103,991,372
Average loan balance (EUR)	87,841.5
Number of assets	12,568
Minimum maturity	Feb-22
Maximum maturity	Jul-36
WA spread (floating rate subpool)	2.6%
WA interest rate (fix rate subpool)	2.2%
Contract amortisation type	100.0% amortizing contracts and 0.00% bullet contracts.
% Bullet loans	0.00%
% Large corporates	11.33%
% Real estate developers*	7.25%
WA internal rating	B1

* Real estate developers include NACE codes 41.10, 68.10 and 68.20.
Sources: Alba Leasing

The following exhibits show portfolio concentrations according to obligor size, industry and region.

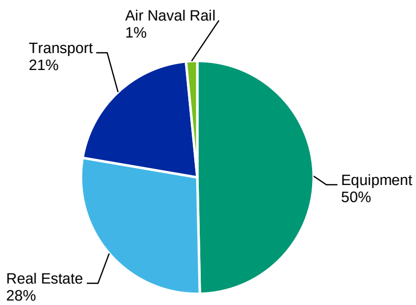
Exhibit 5

Top pool concentration levels

Pool details	
Top debtor group concentration	0.71%
Top 5 debtor groups	3.11%
Top 10 debtor groups	5.23%
Top 20 debtor groups	8.03%
Effective number	1,350
Largest industry (as % of total portfolio)	Construction & Building (24.07%)
Largest region (as % of total portfolio)	Lombardia (30.86%)

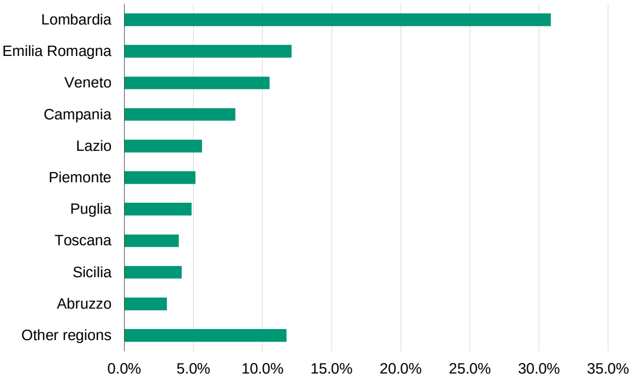
Sources: Alba Leasing

Exhibit 6
Sub-pool concentrations



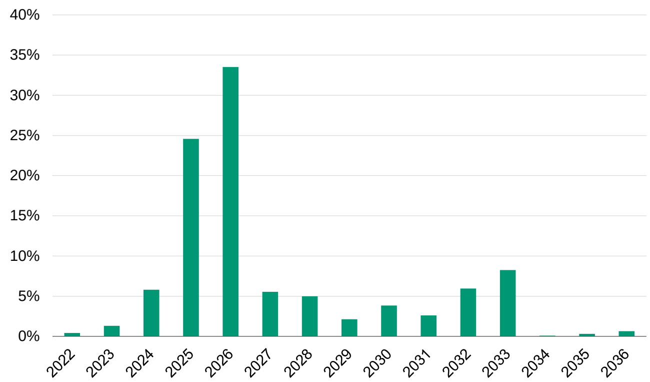
Source: Alba Leasing

Exhibit 7
Regional concentrations (based on operating company)



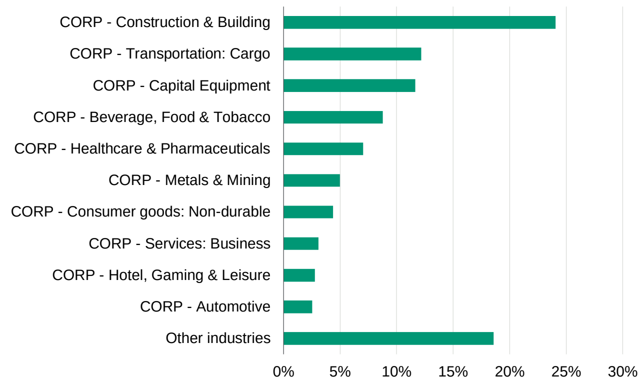
Sources: Alba Leasing

Exhibit 8
Year of maturity



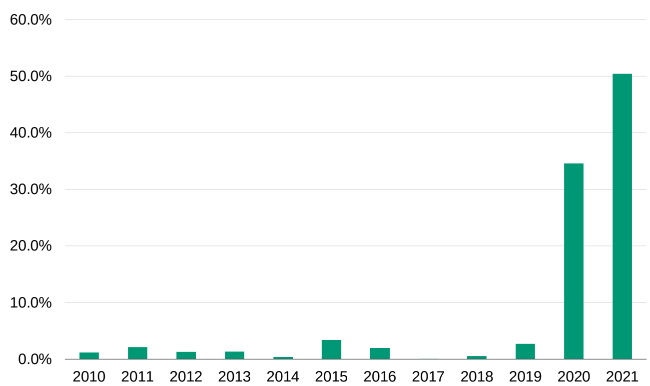
Source: Alba Leasing

Exhibit 9
Sector Concentration



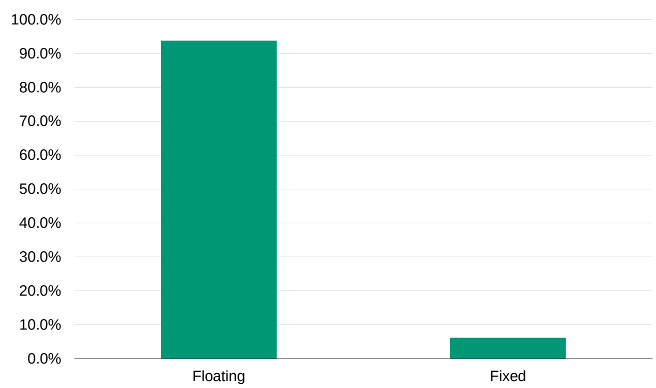
Source: Alba Leasing

Exhibit 10
Year of origination



Source: Alba Leasing

Exhibit 11
Interest rate basis



Source: Alba Leasing

Originator and servicer

Alba Leasing SpA is the transaction's originator and servicer. The following exhibits provide details about Alba Leasing SpA and its origination volumes.

Exhibit 12

Originator background: Alba Leasing SpA

Originator background	Alba Leasing SpA
Rating:	NR
Financial institution group outlook for sector:	Stable
Ownership structure:	Banco BPM (39.19%), Banco Popolare Emilia Romagna (33.50%), Banca Popolare di Sondrio (19.26%) and Credito Valtellinese (8.05%)
Asset size:	EUR 4.725 billion (YE 2020)
% of Total book securitised:	67.98% (YE 2020)
Transaction as % of total book:	23.36% (YE 2020)
% of Transaction retained:	36.5% (YE 2020)

Servicer background	Alba Leasing SpA
Rating:	NR
Regulated by	Bank of Italy
Total number of receivables serviced	9,048
Number of staff	281

Source: Alba Leasing

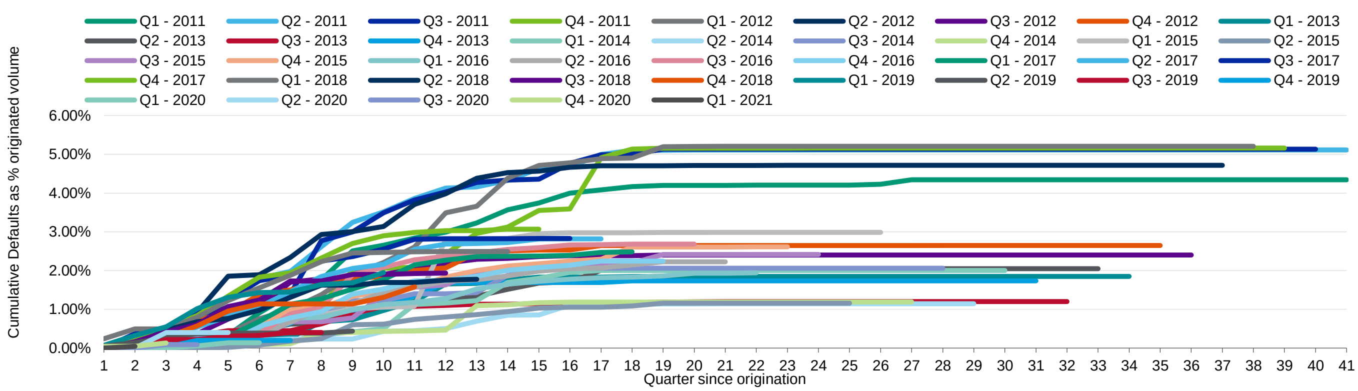
The exhibits below show the historical performance data of Alba originations.

- The data sets consisted of: static vintage data on defaults, static vintage data on recoveries, dynamic delinquency information and dynamic prepayment information.
- We have received the following set of data: (i) new production (vintages 2011-2021) as originated since inception from Alba Leasing in 2010. Note, only leases originated by Alba Leasing (i.e. New Production) are eligible for this transaction.

The data received on the new production does not cover a full economic cycle. However, it covers a period of 10 years, which is in line with the original contract maturity for most lease contracts in the actual portfolio except for the real estate leases. Static default curves flatten out for all sub-pools before or after 20 quarters, except for the real estate portion.

Exhibit 13

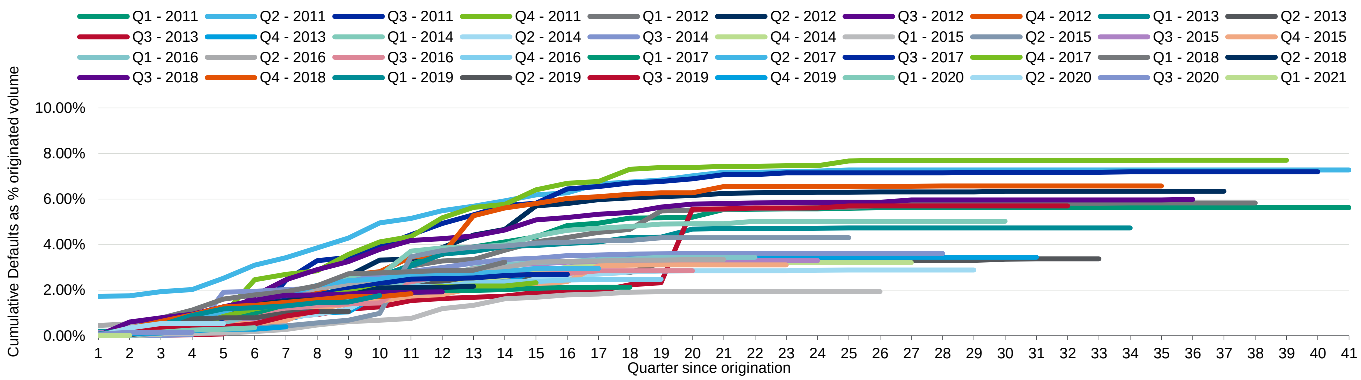
Cumulative default rate (New Production) for auto assets sub-pool



Source: Alba Leasing

Exhibit 14

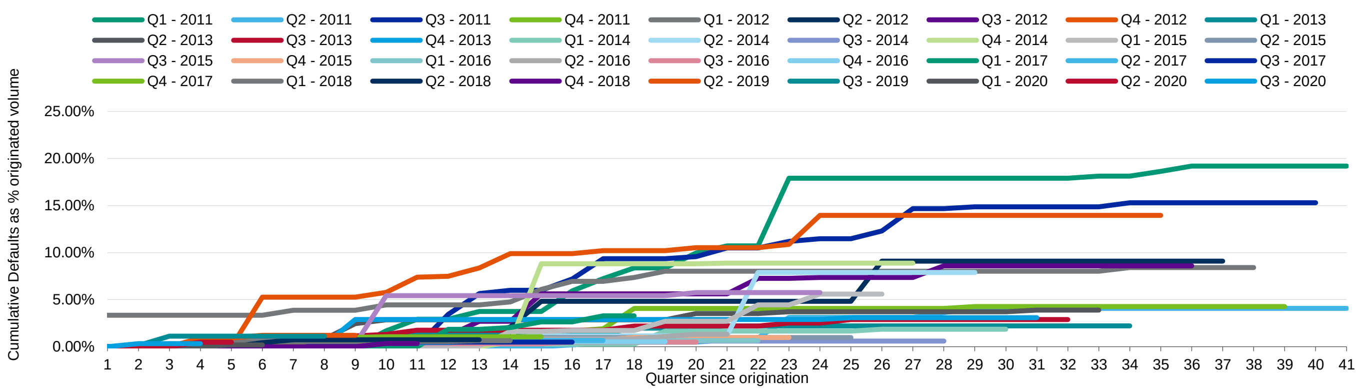
Cumulative default rate (new production) for equipment sub-pool



Source: Alba Leasing

Exhibit 15

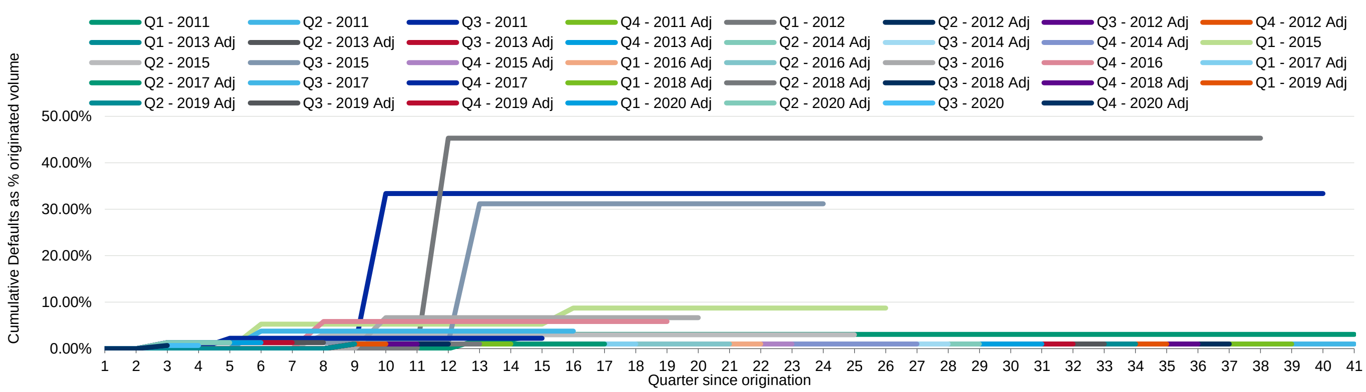
Cumulative default rate (new production) for real estate sub-pool



Source: Alba Leasing

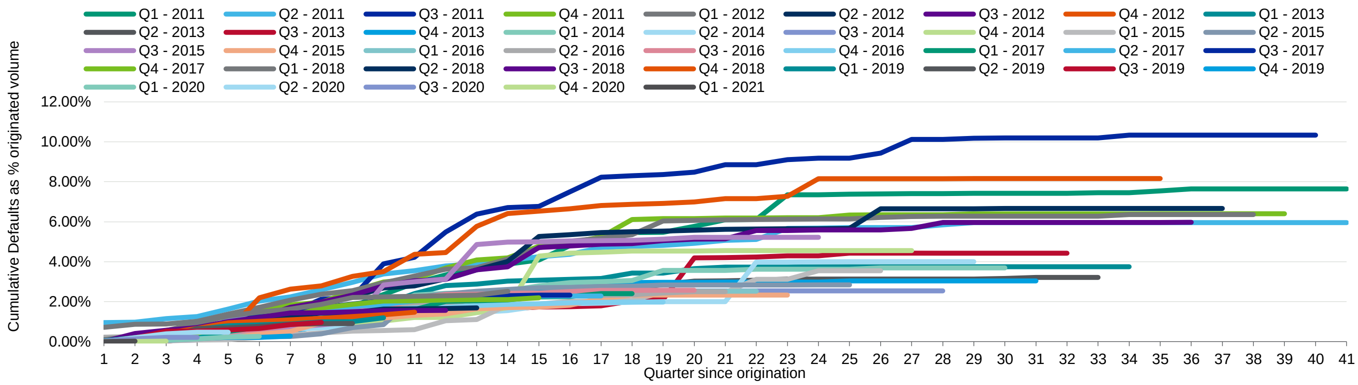
Exhibit 16

Cumulative Default Rate (New Production) for Aircraft and Train Sub-Pool



Note: this sub-pool represents less than 1% of the total pool as of closing.
Source: Alba Leasing

Exhibit 17
Cumulative default rate for all cohort



Source: Alba Leasing

Eligibility criteria

The types of assets that the transaction can purchase are subject to eligibility criteria. See the appendix for a complete list of the transaction's eligibility criteria.

Asset acquisition after closing date

Revolving period

No revolving period: The securitization does not include a revolving period during which the SPV may purchase additional leases, limiting the portfolio performance volatility that additional lease purchases would otherwise cause.

ESG - Environmental considerations

The impact of environmental risks on the rated notes of this securitisation backed by leases to SMEs is low.

The rated notes are not exposed to significant industry specific environmental risks, related to carbon transition, physical climate risk, water management, waste & pollution and / or natural capital[1]nor to material environmental issues of a single obligor because of:

» the portfolio granularity (effective number of 1350 and top borrower representing 0.71% of the portfolio)

» geographic (Lombardia representing 30.86% of the portfolio, Emilia Romagna 12.10% and Veneto 10.51% as well as industry diversification in this portfolio top industry representing 24.07% of the portfolio, top 3 47.90% and top 10 81.47%)

The available credit enhancement will] limit the transaction's overall exposure if any environmental risk factor materialises.

Consequently, exposure of the rated notes to environmental risk is adequately mitigated.

ESG - Social considerations

The portfolio of SME leases represents broadly the economic activities of the regions in which Alba Leasing S.p.a is active within Italy; hence, the portfolio is broadly exposed to the demographic and social trends and related risk factors of Italy.

Overall, the impact of social risks on the credit analysis of the rated notes of this securitisation of leases to SMEs is moderate.

More specifically, the industry diversification in the portfolio (top industry accounting for 24.07%, top three for 47.90% and top 10 for 81.47%), which protects the transaction from any large-scale impact of social risks arising from any one single industry sector; the relatively short tenor of the transaction; and the credit enhancement available to support the rated notes mitigate the potential negative impact from following social risk aspects[2]

» Demographic trends in the demand for goods and services shift over time, and waxes and wanes with the business cycle, which could increase obligor default risk. Small business obligors are particularly vulnerable because of their lean cash buffers. Industry diversification mitigates the risk of a downturn in any one industry stemming from changing demographic trends.

» SME debtors included in the portfolio represent a significant portion of employers in Italy and, as such, they are exposed to changing regulations or incidences related to health and safety issues of the employees and/or contactors at the workplace.

Asset analysis

Primary asset analysis

We based our analysis of the transaction's assets on factors including historical performance data, originator and servicer quality, and pool characteristics.

Probability of default

We use the originator's historical performance data to help determine the probability of default of the securitised pool. This transaction defines a defaulted asset as an asset that is more than 180 days in arrear or any lease contract classified as "sofferenza" in accordance with the Bank of Italy's definition.

The default definition applied for the historical data (incagli or sofferenze in accordance with Bank of Italy criteria) is broadly aligned with the deal default definition for the transaction.

Derivation of default rate assumption: We analysed the available historical performance data the originator provided by sub-portfolio type and the performance of Alba 8, Alba 9, Alba 10 and Alba 11 which we rated respectively in 2016, 2017, 2018 and 2020. We extrapolated the default vintage data to define the cumulative default curve for each of the origination vintages. The following table shows the result of the historical default data analysis we performed:

Exhibit 18
Summary of historical default data analysis

	Weighted average pool	Auto pool	Equipment pool	Real estate pool	Aircraft and train
Avg. extrapolated default rate (by projected WAL)	3.7%	2.4%	3.7%	5.1%	7.9%
CoV	55%	53%	48%	89%	153%
Moody's equivalent (by projected WAL)	Ba1-	Ba1+	Ba1-	Ba2	Ba3

Source: Moody's Investors Service

We complemented the above analysis with a top-down approach. Starting from Italy (Baa3/P-3) base rating proxy for SMEs of Ba2, we evaluate the portfolio based on the following:

1. The size of the companies (assuming one notch penalty for micro-SMEs representing approximately 48.75% of the portfolio, and one notch benefit for large corporates)

2. The borrowers' sector of activity. For example, we applied a ¾-notch penalty to leases whose underlying borrower was active in the construction sector and a two-notch penalty for borrowers classified as real estate developers. If no information is provided for the sector of activity for a lessee (2.38% of the portfolio) we applied a one-notch penalty

We also adjusted our assumption to take into account that, although, the strong economic prospects in Italy — with strong projected real GDP growth of 5.5% and 4.5% for 2021 and 2022, respectively — public measures to support SMEs are phasing out and will affect the transaction's performance (that is, a penalty of three-quarter of a notch). Similarly, we evaluated and benchmarked the originator's underwriting capabilities against those of other Italian originators (0.5 notch penalty). Finally, we applied adjustments to address industry outlooks or past observed cyclicality of sector-specific delinquency and default rates.

As a result, we expect an average portfolio credit quality equivalent to a B1 proxy for an average life of approximately 3.0 years for the portfolio. This translates into a gross cumulative default rate of around 11.0%.

Default distribution

The first step in the analysis of the expected loss on the bonds is to define a default distribution of the lease portfolio to be securitised (See Asset Analysis – Probability of Default). Owing to the high granularity of the pool, we used a normal inverse default distribution. Two basic parameters needed to be assessed as main inputs for the model as follows:

» The mean default probability for the portfolio, and

» The standard deviation of the normal inverse distribution.

Standard deviation: To define the standard deviation for the normal inverse default distribution, we ran a Monte Carlo simulation (using the Moody's CDOROM™) based on the securitised portfolio's actual loan-by-loan information to capture the pool concentrations in terms of single obligors and industry segments. We used, inter alia, the loan-by-loan default probabilities (i.e. outcome of our top-down approach), the borrower industry sectors, the weighted average life and a probabilistic correlation framework.

As a result, we assume a normal inverse default distribution with a coefficient of variation (ratio between standard deviation and mean default rate) of 49.31% that takes into account sovereign risk as well.

Timing of default: We assumed a flat default timing curve as base case, spread over the portfolio's average life starting after the default definition.

Severity

We analyzed the historical recovery data as provided by the originator shown in the exhibit below. The quality of the information on the recovery side is also limited, especially for the real estate segment, given the rather short time horizon available.

Derivation of recovery rate assumption: The recovery data includes both open and closed files. However, the number of observations per vintage was limited for the real estate sub-portfolio. As such we also tested an alternative method of estimating potential recoveries. Based on the contract-by-contract information provided and the asset values available of the property underlying the contract, we applied price stresses. Based on this analysis, which we combined with historical recovery information and benchmarked against other transactions, we assumed a stochastic mean recovery rate of 35% and a standard deviation of 20%. We assumed the base case recovery timing to be as follows: 50% after two years and 50% after four years. However, we also tested a longer recovery timing based on a longer recovery process, especially expected for the real estate sub-pool.

Recovery upon servicer insolvency: The deal documentation requires the servicer to pass on to the issuer all recovery collections on defaulted positions. Recovery may result from the voluntary payment on the part of the borrower or, alternatively, from the sale/re-lease of the asset the servicer has reposed upon borrower default. In Italy, we cannot exclude with certainty the possibility that such latter recovery flows will not be trapped within the bankruptcy estate (should the servicer itself default). As a result we consider such risk when we model the deal, and apply a severe stress to the recovery value upon servicer default. We assumed the recovery rate to decrease to approximately 10.5% should the servicer default.

Portfolio credit enhancement (PCE)

To sum up and for comparison purposes, the aforementioned assumptions of 11% on cumulative mean default for the initial and replenishment portfolios, respectively, 49.31% of coefficient of variation together with 35% of stochastic recoveries correspond to a portfolio credit enhancement of 22%.

Prepayments

Based on historical prepayment information and based on benchmarking with other lessors, we assumed a CPR at a level of 5% per annum.

Data quality

The quantity and quality of the originator's historical default data we received is generally good compared with other transactions in this sector with high investment grade ratings. However, the default data for the air/naval/train sub-pool is limited given the small number of contracts initially.

Exposure to real estate

Approximately 24.07% of the portfolio is exposed to the building and real estate sector (according to our industry classification). In the implementation of the top down approach, we assumed a higher default probability for these lessees than other lessees.

Comparables

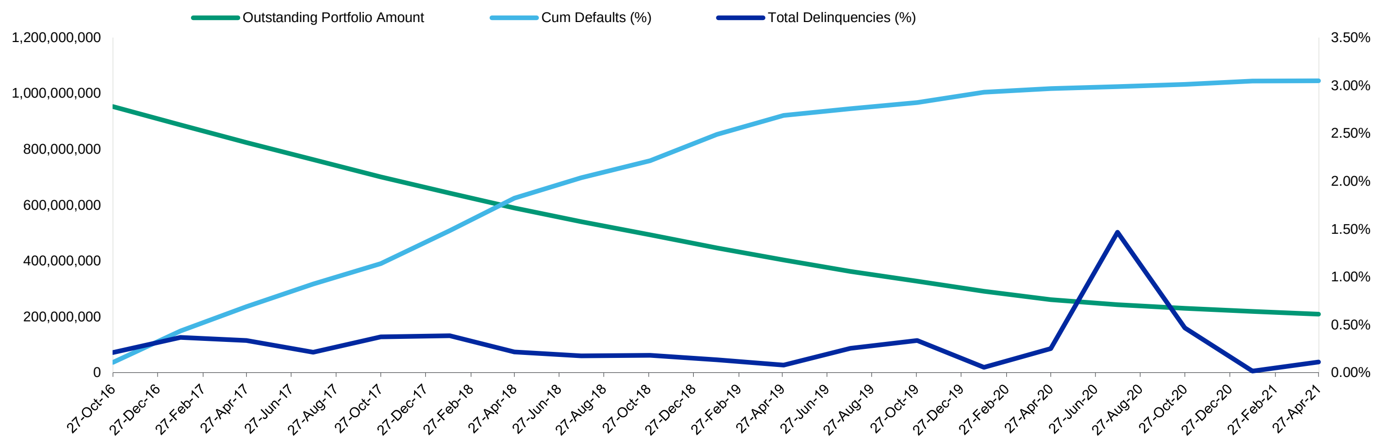
Prior transactions of the sponsor

We have performance information for four previous transactions from Alba Leasing that we rated: Alba 8, 9, 10 and 11.

Cumulative defaults in Alba 8 totaled 3.04% of the original balance, as of April 2021, which reflects a Ba1 pool quality since the closing date. The performance of Alba 8 has been in line with our original expectations and also comparable to other Italian leasing transactions. Cumulative defaults in Alba 9 and Alba 10 totaled 3.65% and 2.58%, respectively of the original balance, as of September 2021 and July 2021, respectively which reflects a Ba2 pool quality since the closing date. The performance of the Alba 11 is less relevant due to the short time from closing which is approximately one year.

Exhibit 19

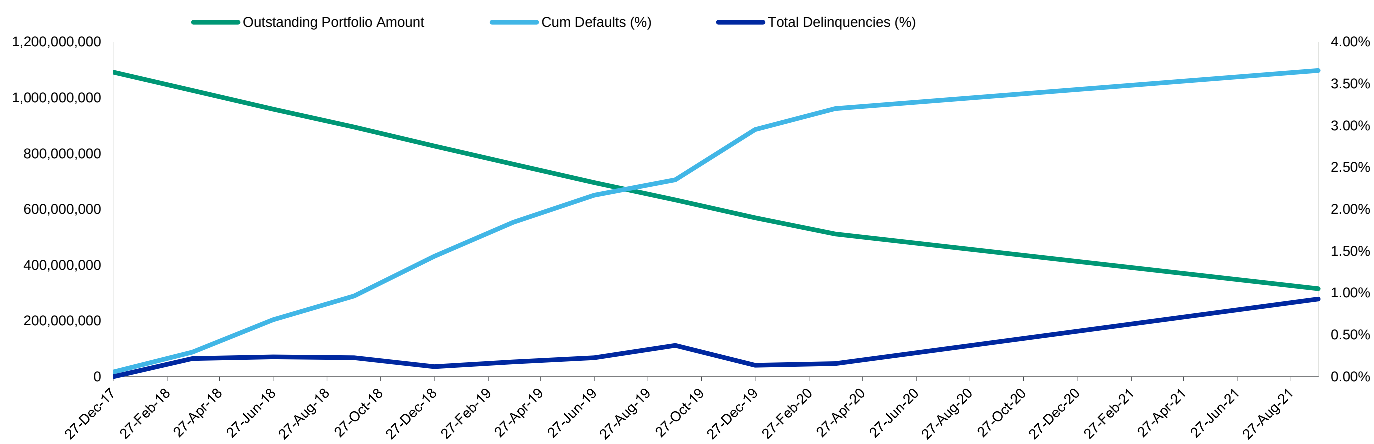
Delinquencies, cumulative defaults and portfolio outstanding for Alba 8 S.r.l.



Source: Moody's Investors Service, Alba Leasing

Exhibit 20

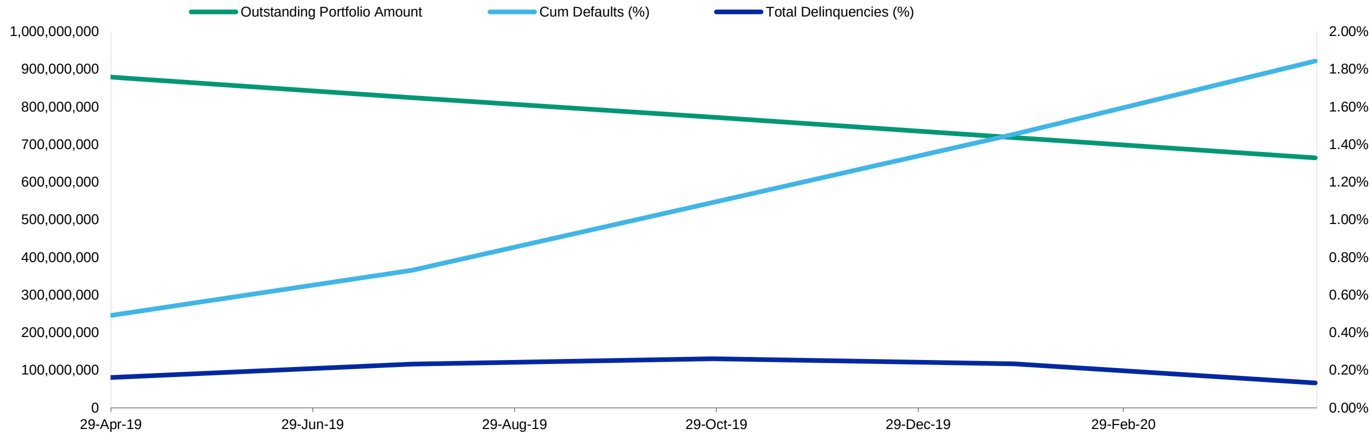
Delinquencies, cumulative defaults and portfolio outstanding for Alba 9 S.r.l.



Source: Moody's Investors Service, Alba Leasing

Exhibit 21

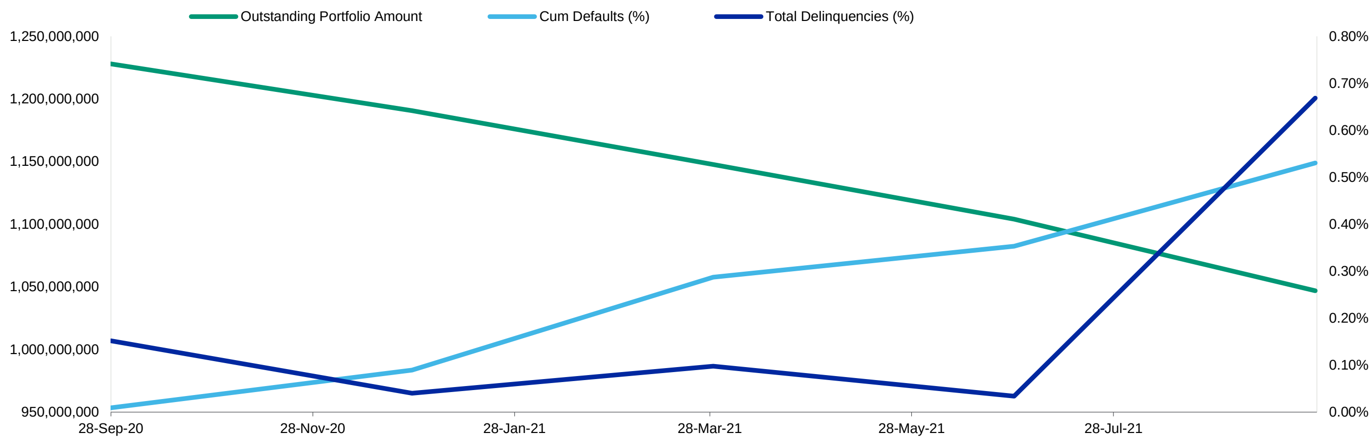
Delinquencies, cumulative defaults and portfolio outstanding for Alba 10 S.r.l.



Source: Moody's Investors Service, Alba Leasing

Exhibit 22

Delinquencies, cumulative defaults and portfolio outstanding for Alba 11 S.r.l.



Source: Moody's Investors Service, Alba Leasing

Transactions of other sponsors

Alba 12's expected metrics are largely in line with those of other transactions in this sector, with some notable exceptions. Namely, the assumed default rate of 11% and assumed recovery rate of 35% are below those of its peer group. The lower default rate is mainly driven by the high granularity in terms of lessees, industry diversification and the absence of leases under moratorium at closing. The lower recovery rate is driven by a large exposure to equipment and transportation leases.

Exhibit 23

Benchmark table: Part 1

Deal name	Alba 12 SPV S.r.l.	Alba 11 SPV S.r.l.	Alba 10 SPV S.r.l.	Alba 9 SPV S.r.l.	Adriano Lease Sec. S.r.l.	Siena Lease 2016-2 S.R.L.
Country	ITALY	ITALY	ITALY	ITALY	ITALY	ITALY
Closing date or rating review date (dd/mm/yyyy)	23-Sep-21	25-Jun-20	29-Nov-18	30-Oct-17	30-Nov-17	28-Jan-16
Name of originator / servicer	Alba Leasing S.p.A.	Alba Leasing S.p.A.	Alba Leasing S.p.A.	Alba Leasing SpA	Mediocredito Italiano S.p.A.	MPS Leasing and Factoring Banca per i Servizi alle Imprese SpA
Long-term rating ([SU]/ [CRA]) - if not rated put "NR/NR"	NR/NR	NR/NR	NR/NR	NR/NR	NR/NR	NR/NR
Short-term rating ([SU]/ [CRA]) - if not rated put "NR/NR"	NR/NR	NR/NR	NR/NR	NR/NR	NR/NR	NR/NR
Portfolio information (as of [...])	25-Sep-21	10-May-20	12-Oct-18	22-Sep-17	31-Oct-17	30-Nov-15
Securitised pool balance ("Total pool")	1,103,991,372	€ 1,247,827,248	€ 950,700,000	€ 1,113,066,279	€ 4,220,200,000	€ 1,619,800,000
No. of contracts	12,568	14,680	11,518	16,075	22,553	13,181
No. of obligor groups	8,609	9,455	7,627	10,736	12,192	13,181
Effective number (obligor group level)	1,350	1,338	976	1,237	11,708	914
WAL of total pool (in years)	3.24	3.24	2.93	3.00	4.50	4.90
WA seasoning (in years)	1.80	1.34	0.66	0.90	5.80	4.24
WA remaining term (in years)	5.90	5.71	5.84	5.60	8.40	8.89
Portfolio share in arrears >30 days %	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Obligor information (as a % Total pool)						
Top single obligor (group) concentration %	0.71%	0.58%	0.86%	0.78%	0.73%	0.70%
Top 10 obligor (group) concentration %	5.23%	4.64%	6.04%	2.94%	4.93%	4.50%
Name Largest industry	Construction & Building	Construction & Building	Construction & Building	Construction & Building	Construction & Building	Construction & Building
Second-largest industry	Transportation: Cargo	Capital Equipment	Capital Equipment	Transportation: Cargo	N/A	N/A
Third-largest industry	Capital Equipment	Transportation: Cargo	Transportation Cargo	Capital Equipment	N/A	N/A
Size % Largest industry	24.07%	17.39%	17.57%	17.00%	38.00%	32.20%
Second-largest industry	12.18%	12.78%	15.62%	13.10%	N/A	N/A
Third-largest industry	11.64%	11.27%	11.90%	10.50%	N/A	N/A
% of Real estate developpers (included in B&RE %)	7.25%	4.52%	6.40%	4.00%	30.00%	19.90%
Name Largest region	Lombardia	Lombardia	Lombardy	Lombardy	Lombardy	Lombardy
Second-largest region	Emilia Romagna	Emilia Romagna	Veneto	Emilia Romagna	N/A	N/A
Size % Largest region	30.86%	30.56%	30.27%	29.35%	37.00%	19.11%
Second-largest region	12.10%	13.48%	13.76%	14.96%	N/A	N/A
Debtor size: Micro companies % (incl. self-employed)	48.75%	48.38%	49.50%	50.80%	16.00%	46.00%
Medium-sized companies %	39.92%	36.74%	38.70%	34.90%	54.20%	38.80%
Corporates %	11.33%	14.88%	11.80%	14.30%	29.80%	15.20%
Contract information (as a % Total pool)						
Portion of bullet / balloon contracts %	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Fixed-rate contracts %	6.18%	5.34%	5.29%	2.93%	10.70%	6.98%
WA initial coupon (of fixed-rate contracts)	2.17%	2.25%	2.12%	2.32%	3.93%	4.83%
WA initial spread (of floating-rate contracts)	2.60%	2.57%	2.48%	2.73%	2.04%	3.34%

Source: Alba Leasing S.p.A, Moody's Investors Service

Exhibit 24
Benchmark table: Part 2

Deal name	Alba 12 SPV S.r.l.	Alba 11 SPV S.r.l.	Alba 10 SPV S.r.l.	Alba 9 SPV S.r.l.	Adriano Lease Sec. S.r.l.	Siena Lease 2016-2 S.R.L.
Key collateral assumption						
Moody's equivalent rating for initial pool	B1	B1/B2	B1+	Ba3/B1	B1-	B3+
Mean gross default rate - initial pool	11.00%	14.00%	9.40%	9.10%	16.90%	23.57%
Mean gross default rate - replenished pool	N/A	N/A	N/A	N/A	N/A	N/A
CoV	49.31%	38.70%	54.70%	50.00%	48.50%	27.50%
PCE (initial pool)	22.00%	23.00%	21.00%	20.60%	N/A	32.80%
Type of recoveries modelled? - stochastic or fixed	Stochastic	Stochastic	Stochastic	Stochastic	Stochastic	Stochastic
Mean recovery rate	35.00%	35.00%	35.00%	35.00%	40.00%	35.00%
Prepayment rate(s)	5.00%	5.00%	5.00%	5.00%	3.00%	5.00%
Structural features						
Revolving period (in years)	N/A	N/A	N/A	N/A	N/A	N/A
Reserve fund(s) available and how can it be used?	yes - liquidity ongoing & CE upon full portfolio amortisation	yes - liquidity ongoing & CE upon full portfolio amortisation	yes - liquidity ongoing & CE upon full portfolio amortisation	yes - liquidity ongoing & CE upon full portfolio amortisation	yes - liquidity ongoing & CE upon full portfolio amortisation	yes - liquidity ongoing & CE upon full portfolio amortisation
Reserve upfront amount(s) as % of Rated notes	1.00%	1.16% of Class A1, A2, B, C Note(s) for RF1	1.00%	1.00%	1.50%	2.25%
Reserve fund floor(s) (as % of initial notes balance (excl. notes funding reserves))	0.50%	0.50%	After closing, the required reserve level must be equal to the higher between (i) 1% of the outstanding amount of the rated notes as of the relevant payment date and (ii) 0.5% of the initial outstanding amount of the rated notes (i.e. approximately € 4.1million) as long as the rated notes are outstanding; it will be zero thereafter. the outstanding amount of the rated notes as of the relevant payment date and (ii) 0.5% of the initial outstanding amount of the rated notes (i.e. approximately € 4.1million) as long as the rated notes are outstanding; it will be zero thereafter. The reserve fund will be replenished after the interest payment of the class A, B and (only prior to a class C interest subordination event) C notes. The cash reserve only provides liquidity support for the rated notes during the lifetime of the transaction, upon all rated notes amortisation or (if earlier) on maturity date it is also available for the payment of principal on the rated notes.	0.50%	1.50%	2.25%
Principal available to pay interest?	Yes	Yes	Yes	Yes	Yes	Yes
Type of swap	No Swap	No Swap	No Swap	No Swap	No Swap	No Swap
Back-up servicer (BUS)	BUS in place at closing	BUS in place at closing	BUS appointed upon servicer's insolvency	BUS in place at closing	No BUS	BUS in place at closing
Back-up servicer facilitator	No BUS facilitator	No BUS facilitator	No BUS facilitator	No BUS facilitator	No BUS facilitator	Other
Set-off risk?	No	No	No	No	No	No
Set-off risk considered (as % of pool)	N/A	N/A	N/A	N/A	N/A	N/A
Commingling risk?	Yes	Yes	Yes	Yes	Yes	Yes
Commingling risk exposure considered (size prior to RR)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Capital structure (as % Total pool)						
Size of Aaa rated class	43.00%	39.97%				
Aa1 rated class	20.40%	24.04%				
Aa2 rated class				63.45%		47.00%
Aa3 rated class			63.45%			
A rated class			13.56%	13.00%	68.70%	12.50%
Baa rated class		11.51%				
Ba rated class	21.60%		7.82%	8.90%		12.50%
B rated class		10.51%				
Caa1 and below rated class					31.30%	15.50%
NR/Equity class	15.86%	14.99%	15.17%	14.63%		12.50%

Source: Moody's Investors Service

Additional asset analysis

Alba Leasing is a relatively new company that we do not rate. We last reviewed their operations in September 2018 and we receive a yearly update before closing of each transaction. See the table below for further details.

Origination and servicer quality

Exhibit 25
Originator and servicer review

Originator review	Alba Leasing SpA (NR/NR)
Date of operations review	13-Jul-2021
Originator overall quality	**Weak**
Strength	» Although the company is relatively young, management has multi-year experience in the sector (former Banca Italease employees). New origination mainly focused on small tickets, as opposed to larger real estate contracts.
Weaknesses	» Modest profitability in light of asset quality pressures and higher provisioning needs. » Reliance on shareholder bank funding and weak liquidity position.

Servicer review	Alba Leasing SpA (NR/NR)
Servicer quality	
Strengths	» Cash reconciliation is on a daily basis
Challenges	» Given the small size of the originator, the arrears management process is not particularly proactive.

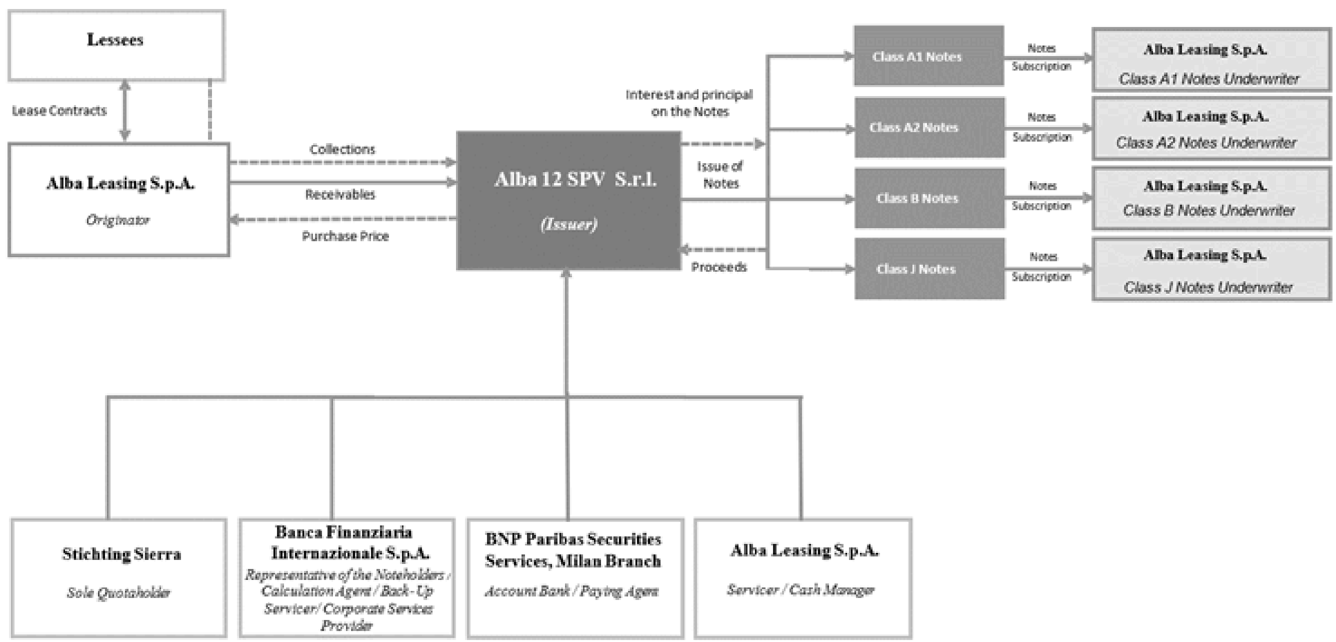
Source: Moody's Investors Service

Securitisation structure description

The proceeds of the notes will be used to finance the acquisition of the portfolio, the original amount of which equals €1,103,991,372. The interest and principal priorities of payment are combined in a single waterfall. The amortization period will start on the first interest payment date.

Structural diagram

Exhibit 26
Structural diagram



Source: Prospectus

Detailed description of the structure

Credit enhancement

Debt service reserve: At close, the debt service reserve requirement is 1.00% of the principal outstanding of the rated notes (being the Class A1 and A2 plus B notes), i.e. €9.38 million. After closing, the required reserve level must be equal to the higher between (i) 1.00% of the outstanding amount of the rated notes as of the relevant payment date and (ii) 0.5% of the initial outstanding amount of the rated notes (i.e. approximately € 4.69 million) as long as the rated notes are outstanding; it will be zero thereafter.

The reserve fund will be replenished after the interest payment of the Class A, B (only prior to a Class B interest subordination event). The cash reserve only provides liquidity support for the rated notes during the lifetime of the transaction, however it is also available for the payment of principal on the rated notes upon the amortisation of all rated notes or (if earlier) on maturity date.

Liquidity

The single waterfall means principal is available to make interest payments. The cash reserve is a further source of liquidity; it covers coupon payments on the Class A and coupon payments on the Class B (only prior to a Class B interest subordination event) for approximately 1.6 quarterly payment dates assuming a three-month Euribor of 1%.

The residual value component of the lease contracts is not securitised: Investors are not exposed to risk of non-exercise of the residual option by the obligors and the possible loss of the residual value upon the originator's liquidation, whereas the SPV benefits from the interests paid on the residual value. This leads to increasing excess spread over time.

Priority of payments

On each quarterly payment date, the issuer's available funds (i.e. interest and principal amounts received from the portfolio, the reserve fund, and interest earned on the issuer's account) will be applied in the simplified order of priority shown in the Appendix. The Class A1 and A2 coupon are senior and pro rata and pari passu to the Class B interest. Class A1 principal is senior to Class A2 principal. The Class B principal is subordinated to Class A1 and Class A2. The Class B coupon would become subordinated to Class A1 and Class A2 principal in case of trigger breach.

Triggers

Various trigger levels dictate changes to the priority of payments, and potential repercussions for deterioration in the quality of the transaction's key parties, as the exhibits below show.

Exhibit 27

Performance triggers

Performance triggers		
Trigger	**Conditions**	**Remedies / Cure**
Class B notes interest subordination event	The gross cumulative default ratio > 35.0%	If the conditions are met, payment of interest on the class B will be subordinated to the payment of principal of the class A notes in accordance with the pre-enforcement priority of payments
Cash trapping	The cumulative default ratio exceeds certain ratio level over deal life	Upon occurrence of a cash trapping condition, the issuer available funds available at that point of the waterfall will be provisioned into the payments accounts and shall form part of the issuer available funds to be applied on any succeeding payment dates.

Source: Alba Leasing (transaction documents)

Exhibit 28

Originator, servicer, cash manager and counterparty triggers

Originator, servicer, cash manager and counterparty triggers	
Key servicer termination events:	Insolvency, payment default
Appointment of back-up servicer upon:	At closing
Key cash manager termination events:	N/A
Notification of obligors of true sale:	N/A
Conversion to daily sweep (if original sweep is not daily):	Daily at closing
Notification of redirection of payments to spvs account:	Following the termination of the appointment of the servicer
Accumulation of set off reserve:	N/A
Accumulation of liquidity reserve :	N/A
Set up liquidity facility:	N/A

Source: Alba Leasing (transaction documents)

Backup servicer

Banca Finanziaria Internazionale S.p.A. is the transaction's back-up servicer.

Exhibit 29

Backup servicer background

Back-up servicer review	Banca Finanziaria Internazionale S.p.A
Rating:	Not rated
Regulated by:	Bank of Italy
Total number of receivables serviced	EUR 60.7 billion
Number of staff:	Over 50 in servicing department
Strength of back-up servicing arrangement	The company is leader in Italy in managing securitizations transactions acting principally as servicer, computation agent, corporate servicer and representative of the noteholders
Receivables administration	
Method of payment of borrowers in the pool	Borrowers pay by direct debit into a dedicated servicer account
% of obligors with account at the originator	N/A
Distribution of payment dates:	All borrowers pay on the first day of the month

Source: Alba Leasing, Moody's Investors Service

Computation agent

Banca Finanziaria Internazionale S.p.A is the transaction's computation agent.

Exhibit 30

Computation agent background	Banca Finanziaria Internazionale S.p.A
Rating	Not Rated
Main responsibilities	Preparation of payment report and, if the servicers don't deliver the servicer report, preparation of a simplified payment report to avoid payment disruption
Calculation timeline	Collection period: quarterly
	Calculation date: the 5th business day prior to each IPD
	IPD: January, April, July, October

Source: Alba Leasing (transaction documents), Moody's Investors Service

Securitisation structure analysis

We modeled the bond structure and cash flow waterfall to assess the amount of credit enhancement supporting each class of rated securities. We also analyzed the allocation of payment, bankruptcy remoteness and other structural issues.

Primary structural analysis

Expected loss

We determine expected losses for each tranche based on a number of assumptions, listed in the exhibit below.

Exhibit 31

Expected loss assumptions

Expected loss assumptions	
Default distribution	Normal inverse
Default rate	11.00%
Default definition	180 days in line with "sofferenza" definition
COV (Standard Deviation/Mean)	49.31%
Portfolio credit enhancement (PCE)	22.00%
Timing of default	Flat over portfolio average life
Recovery mean	35.00%
Recovery Cov	20.00%
Recovery lag	50% after 2 years, 50% after 4 years
Correlation defaults/Recoveries	10.00%
Conditional prepayment rate (CPR)	5.00%
Amortisation profile	Calculated from line-by-line data
Portfolio yield vector	based on vector provided by originator, stressed to take into account lack of hedge mechanism
Fees (as modeled)	0.6% on collections p.a. (floor EUR 240,000 fixed fees p.a.) + EUR 80,000 fixed fees p.a.
Euribor/Swap rate	4%/NA

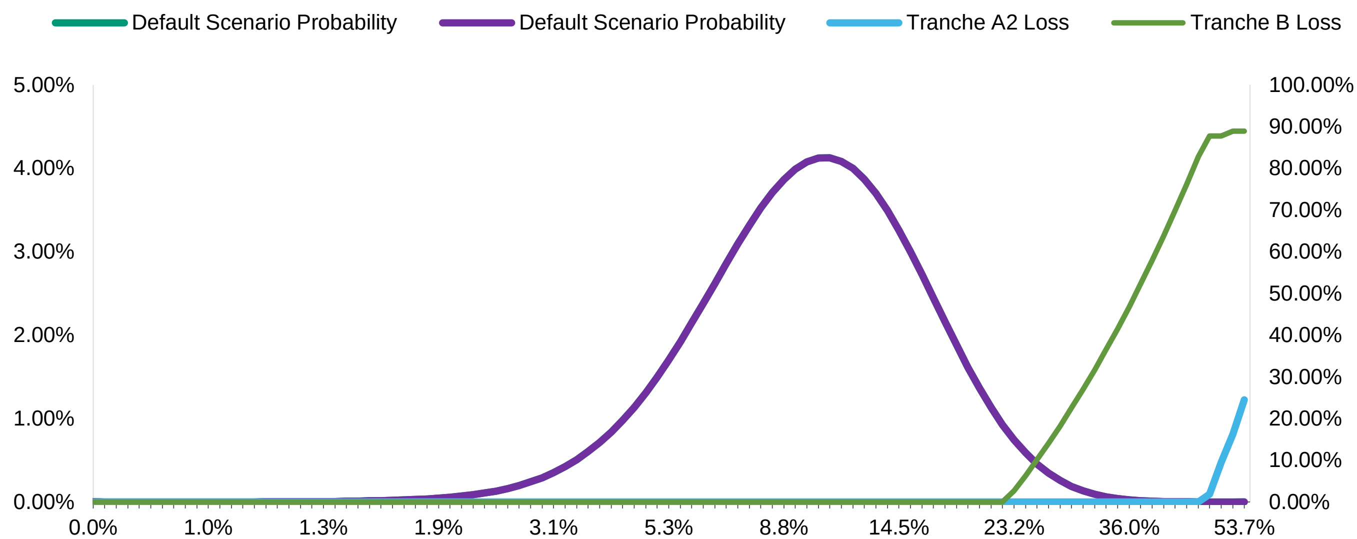
Source: Moody's Investors Service, Alba Leasing (transaction documents)

Tranching of notes

To derive the level of losses on the notes, we applied the above specified normal inverse default distribution and the stochastic recovery distribution to numerous default scenarios on the asset side. The exhibit below shows the default distribution (green line) we used to model the transaction's cash flows.

Exhibit 32

Loss probability distribution



Source: Moody's Investors Service

We have considered how the cash flows generated by the collateral are allocated to the parties within the transaction, and the extent to which various structural features of the transaction might themselves provide additional protection to investors (such as cash trapping triggers), or act as a source of risk.

To determine the rating assigned to the notes, we used an expected loss methodology that reflects the probability of default for each series of notes times the severity of the loss expected for the notes. To allocate losses to the notes in accordance with their priority of payment and relative size, we used a cash-flow model that reproduces many deal-specific characteristics such as the main input parameters of the model described above. Weighting each default scenario's severity result on the notes with its probability of occurrence, we calculated the expected loss level for each series of notes as well as the expected average life. We then compared the quantitative values to the Moody's Idealised Expected Loss table to determine the ratings assigned to each series of notes.

The blue line in Exhibit 31 represents the loss suffered by the Class A2 notes (in our modeling) for each default scenario on the default distribution curve. For default scenarios up to 46.3%, the line is flat at zero, hence the Class A2 notes are not suffering any loss. The steepness of the curve then indicates the speed of the increase of losses suffered by the Class A2 note holders.

Cash commingling risk and account bank risk

All borrowers pay by direct debit mechanism into the dedicated collection account in the name of the servicer at the beginning of a month.

Funds are then swept daily into the issuer's collection account. To address potential exposure to commingling risk, we modelled the loss of the equivalent of one month collections upon a servicer's default.

Commingling risk generally arises when cash belonging to the SPV is deposited in an account held in the name of a third party, specifically the servicer. All debtors pay by direct debit into a dedicated servicer account held at Intesa Sanpaolo (Long Term Deposit Rating: Baa1 Not on Watch /Short Term Deposit Rating: P-2 Not on Watch; Long Term Counterparty Risk Assessment: Baa2(cr) Not on Watch /Short Term Counterparty Risk Assessment: P-2(cr) Not on Watch; Outlook: Stable).

Collections are transferred daily into the issuer collection account held at BNP Paribas Securities Services, Milan Branch, (Long Term Deposit Rating: Aa3 Not on Watch / Short Term Deposit Rating: P-1 Not on Watch; Long Term Counterparty Risk Assessment: NR / Short Term Counterparty Risk Assessment: NR; Outlook: Stable), with a transfer requirement if the rating of the account bank falls below Baa2.

Within 15 business days of a servicer termination event, all borrowers will be notified – either by the servicer or the back-up servicer – to redirect their payments directly into the SPV account. As a result we have modelled a commingling exposure equal to one month of lost collections, following originator insolvency.

Set-off risk

Under Italian law, mutual debt obligations may be set off against each other to the extent they are both due and payable. After a debt is assigned to a third party – such as a securitisation issuer – the debtor may still set off claims owed to it by the originator. However, set off rights against securitised debt are limited to the amount of claims that exist when the notice of assignment is published in the Italian Official Gazette. The following products, which are generally offered by banks, would give rise to set-off: bonds issued by the originator, bank deposits, current accounts and derivatives contracts. Because Alba is not a bank, no securitised borrower has any deposit or account with the originator. Furthermore, Alba has provided a representation to the effect that it has not entered into a derivative transaction with any of the securitised borrowers.

Renegotiations

Although the servicer can renegotiate the terms of the leases, its ability to do so is limited. Specifically:

- The servicer may reduce the interest payable on the leases as well as allow a rescheduling of the lease repayment plan, but only for 5% of the initial total portfolio.
- The servicer may grant an extension of the lease repayment plan provided the last installment payment date falls not later than two years prior to the deal maturity date.
- The servicer may reduce the interest rate payable on the leases, in which case the servicer will need to indemnify the issuer for the resulting loss.
- Any renegotiation, suspension of payments or rescheduling to which the servicer is bound pursuant to any law or agreement between category associations, including those adopted or executed as consequence of the Covid emergency, are not subject to the above 5% limit.

Yield analysis

Margin compression due to repayments: Assuming 100% margin compression (i.e. 100% of CPR applied to highest interest rate paying lease), we reduced the fixed-rate yield vector and the floating-rate margin vector by 0.12% and 0.13% respectively, in each period.

Interest rate mismatch: At closing, 94% of the pool balance comprises floating-rate leases and 6% fixed-rate leases, whereas the notes are floating liabilities referring to three-month Euribor (See Key Characteristics).

As a result the issuer is subject to (1) limited base rate mismatches on the floating portion of the portfolio (i.e. the risk that (i) the reference rate used to compute the interest amount payable on the notes will differ from the reference rate used on the underlying receivables, and (ii) the interest rate payable on the notes is determined on a different date than the rate to be paid on the underlying receivables; and (2) limited fixed/floating mismatch (i.e. the risk that the interest rate on the notes will differ from the interest rate payable on the fixed portion of the portfolio).

Floating portion of the portfolio: We needed to size the potential mismatch between the index rate payable by the SPV to the noteholders and the rate the SPV will receive on the portfolio. The large majority of the floating-rate leases are indexed to three-month Euribor (91.8%), and the rest to one-month Euribor (2.05%). We applied a haircut of 0.5% to the margin of the floating-rate leases to take into account the timing mismatch between the relevant base rate index paid by the leases and the one on the notes.

Having thus defined the stressed (i.e. that takes into account the lack of swap) yield vectors for both the floating- and fixed-rate sub-pools, we computed the whole portfolio yield vector, whose values we derived on a weighted average basis for each period.

Because the transaction is not hedged, we took into account the SPV's potential interest rate exposure in some stressed environments. We did this to assess whether the available credit enhancement is sufficient to support the ratings.

Interest rate risk: Because there is no hedging agreement in place and given (i) the portion of fixed rates paid by lessees on the leasing compared to the three-month Euribor payable on the notes as well as (ii) the basis risk included for contracts not paying the three-month Euribor (or alternatively the three-month Euribor as fixed at a different date than for the notes), investors are exposed to interest rate risk. We analysed this risk and found that the credit enhancement available to the Class A1, A2, and B notes is sufficient to cover this additional risk inherent in the structure.

Additional structural analysis

True sale and bankruptcy remoteness

True sale: According to the legal opinion, the securitisation of assets has been carried out in compliance with the Italian securitisation law. Notification of the sale was published on the Official Gazette (Gazzetta Ufficiale della Repubblica Italiana) on 14 October 2021 and registered in the Companies Register on 14 October 2021.

Bankruptcy remoteness: The transaction achieved bankruptcy remote status by the provisions of Law 130 and through the Italian SPV's bylaws, as well as the provisions of the deal documentation.

Claw-back risk

A transfer pursuant to the Italian Securitisation Law 130 is potentially subject to claw back by a liquidator of the transferor (1) within three months following the transfer, where the sale is not at an undervalue, if (i) the transferor was insolvent at the time of the transfer and (ii) the liquidator can prove that the transferee was, or ought to have been, aware of such insolvency, or (2) within six months following the transfer, where the sale is at an undervalue, if (i) the transferor was insolvent at the time of the transfer and (ii) the transferee cannot prove that it was not, or ought not to have been, aware of such insolvency. In general, payments may be subject to claw-back if they are made to the issuer by any party under the transaction document during the 12-month suspect period prior to the date on which such party has been declared bankrupt or has been admitted to compulsory liquidation. The relevant payment will be set aside and clawed back if the receiver gives evidence that the issuer had knowledge of the payer's insolvency when the payments were made. The question as to whether or not the issuer had knowledge of the state of insolvency at the time of the payment is a question of fact with respect to which a court may in its discretion consider all relevant circumstances.

This risk mainly exists when leases are repurchased, as they are either ineligible when assigned or renegotiated.

To mitigate this risk, repurchases (up to a maximum of 2% of the initial portfolio on a quarterly basis, and 8% of the initial portfolio (9% in case of ex-lege renegotiations) on a cumulative basis) will be paid for in cash, which is an important indication (although not fully conclusive) that the company is not simultaneously in cessation of payment. Should the payment obligation of the originator exceed €500,000, the originator will provide evidence of its solvency by presenting a solvency certificate signed by its legal representatives, as well as certificates issued by the chamber of commerce.

ESG - Governance considerations

We consider this securitisation's governance risk low. As described in our publication Governance considerations are a key determinant of credit quality for all issuers,we examine five governance considerations in our analysis: financial strategy and risk management; management credibility and track record; organisational structure; compliance and reporting; and board structure, policies, and procedures. Governance risks are mitigated by this ABS SME lease transaction's structure and documentation, and the characteristics of the transaction parties, as described below.

1. **Financial strategy and risk management**: The transaction documents limit the issuer's permitted activities to those related to the underlying assets and this transaction, as well as the issuer's ability to issue additional debt.

2. ***Management credibility and track record:*** This is the 12 SME lease securitisation of Alba Leasing S.p.a, and we consider Alba Leasing S.p.a capable of servicing this transaction. For more details on the origination and servicing quality, please see "Asset description - Assets as of closing" and "Asset analysis - Additional asset analysis" sections above. For more details on the originator's underwriting policies and procedures, as well as on the servicer's collection procedures, please see "Appendix 1: Originator and servicer details".

3. **Transaction structure:** This transaction's issuer is structured as a bankruptcy-remote special-purpose entity (please see "Securitisation structure analysis - Additional structural analysis - True sale and bankruptcy remoteness"). Alba Leasing S.p.a, as the originator and servicer of the transaction, retains some of the total notes, keeping its interest aligned with those of other transaction parties. Additionally, the transaction benefits from a backup servicer appointed as of closing (please see "Securitisation structure description - Detailed description of the structure - Backup servicer".)**Board structure**: The special-purpose entity acting as the issuer in this transaction is managed by Banca Finanziaria Internazionale S.p.A. as a third party management company/ corporate administrator providing independent directors to the issuer. Please see "Securitisation structure description - Detailed description of the structure - Management company" section for more details. Additionally, the transaction involves third parties serving as the trustee of the notes and as the paying agent.***Compliance and reporting:*** This transaction's financial reporting in the form of quarterly investor reports and updated loan-by-loan information on the portfolio is in line with market standards. Please see the "Methodology and monitoring" section for more details.

Methodology and monitoring

Methodology

See Equipment Lease and Loan Securitizations Methodology, August 2021.

To access any of these reports, click on the entry above. Note that these references are current as of the date of publication of this report and that more recent reports may be available. All research may not be available to all clients.

Monitoring

We will monitor the transaction on an ongoing basis to ensure that it continues to perform in the manner expected, including checking all supporting ratings and reviewing periodic servicing reports. Any subsequent changes in the rating will be publicly announced and disseminated through Moody's Client Service Desk.

The following factors may have a significant impact on the subject transaction's rating: lengthening of the recovery process and a marked deterioration in pool performance.

Monitoring report: Data quality

» Investor report format finalized and discussed with Moody's analyst.

» The report includes all necessary information for Moody's to monitor the transaction.

» Undertaking to provide Moody's with updated pool cut on a periodical basis

Data availability:

» The timeline for Investor report is provided in the transaction documentation. The priority of payment section is published on the Interest Payment Date

» The completed report is published 1 day after the IPD.

» The frequency of the publication of the investor report is quarterly and the frequency of the IPD is quarterly.

» Investor reports publicly available on the Calculation Agent website.

Appendix 1: Originator and servicer details

Exhibit 33
Originator:

Originator ability	At closing
Sales and marketing practices	
Origination channels	Shareholding banks: 65.10% Other banks: 11.4% Others: 23.5%
Underwriting procedures	
% of loans manually underwritten	N/A
Ratio of loans underwritten per fte* per day	N/A
Average experience in underwriting or tenure with company**	N/A
Approval rate	N/A
Percentage of exceptions to underwriting policies	N/A
Underwriting policies	
Source of credit history checks	Internal database, Cerved, Centrale Rischi , Assilea
Use of internal ratings	Y
Methods used to assess borrowers' repayment capabilities	» Balance Sheet analysis: Y » Cash flow analysis » Ratio Analysis: Y
	» Ratio analysis: Y
	» Balance sheet analysis: Y
Other borrower's exposures (i.e. other debts) taken into account in affordability calculations	The Bank takes into account all borrower's exposures in affordability calculations.
Risk adjusted pricing applied	Y
Maximum loan size	N/A
Collateral requirement policy	N/A
Valuation types used for secured loans & ltv limits	N/A
Valuation types & procedure for construction loans & ltv limits	N/A
Collateral valuation policies and procedures	
Value in the LTV calculation	Not Relevant
Type, qualification and appointment of valuers	External Valuers
Monitoring of quality of valuers	Y
Credit risk management	
Reporting line of chief risk officer	To General Manager
Internal rating system	Y
Approach adopted under Basel II	N/A
Segmentation of the portfolio by rating models	Y
Validation of the model	N/A
*FTE full time employee	281
**Credit department personnel	

Originator stability	At closing
Quality controls and audits	
Responsibility of quality assurance	The Internal Audit Department.
Number of files per underwriter per month being monitored	NA
Management strength and staff quality	
Average turnover of underwriters	NA
Training of new hires and existing staff	Training of new hires and existing staff
Technology	
Frequency of disaster recovery plan test	Yearly, on the basis of agreements with IT suppliers

Source: Alba Leasing

Exhibit 34
Summary of the servicer's collection procedures

Servicer ability	At closing
Loan administration	
Entities involved in loan administration	Two central entity
Early stage arrears practices	
Entities involved in early stage arrears	Staff at branches
Definition of arrears	
Arrears strategy for 1-29 days delinquent	Reminder, phone calls
Arrears strategy for 30 to 59 days delinquent	Reminder, file transferred to Credit Recovery Comapany
Arrears strategy for 60 to 89 days delinquent	File transferred to Internal Client Manager in order to define more efficient recovery strategy
Loss mitigation and asset management practices	
Transfer of a loan to the late stage arrears team	After 90 days past missed payment date
Entities involved in late stage arrears	Central Entity plus Legal advisor and recovery company
Ratio of loans per collector (FTE)	N/A
Time from first default to litigation and from litigation to sale	N/A
Average recovery rate	N/A

Aervicer stability	At Closing
Management and staff	
Average experience in servicing or tenure with company	Several Years
Training of new hires specific to the servicing function (i.e. excluding the company induction training)	Classroom training & work with experienced collector
Quality control and audit	
Responsibility of quality assurance	N/A

Source: Alba Leasing

Appendix 2: Eligibility criteria and waterfalls

Eligibility criteria

The key eligibility criteria include the following:

- Euro-denominated contracts
- The securitised borrowers are not subject to any bankruptcy procedure
- All contracts have been entered by Alba Leasing in 2010 or later
- Contracts pay by RID (ie direct debit)
- Payment frequency is monthly/bi-monthly/quarterly/semi annual
- Contract is not delinquent for more than 30 days;
- Either fixed-rate or floating-rate contracts (in the latter case indexed to one-, three- or six-month Euribor)
- Contracts are regulated by Italian law
- All assets are finished and delivered to the lessee
- Lease assets are registered/located in Italy
- The leased objects are regularly insured and are (1) real estate properties, (2) trains, ships, boats, airplanes, (3) auto and other commercial vehicles and (4) equipment
- No lessee is either an Alba Leasing employee, shareholder or any government or semi-government institution.
- All lease contracts are “net” leases (eg if the asset is destroyed or damaged the lessee is still obliged to make the payments)
- All lease agreements include the option to buy the residual value
- Maximum residual contractual maturity is (1) auto: August 2029, (2) equipment: July 2031, (3) real estate: July 2036, (4) airplanes/ trains/ships: July 2031.
- Exclusion of lease agreements in relation to which the relevant debtor benefited, as of the Valuation Date, from the suspension of the payment pursuant to the relevant law provisions enacted during the Covid crisis.

Waterfall

Allocation of payments/pre accelerated waterfall: On each quarterly payment date, the issuer’s available funds (i.e. interest and principal amounts received from the portfolio, the reserve fund, and interest earned on the issuer’s account) will be applied in the following simplified order of priority:

1. Senior fees and expenses
2. Interest on Class A1 and Class A2 notes on a pro-rata basis
3. Interest on Class B notes, if gross cumulative defaults not larger than 35%
4. Fill-up of the debt service reserve account up to the required level
5. Principal on Class A1
6. Principal on Class A2
7. Interest on Class B notes, if gross cumulative defaults exceed 35%
8. After repayment of Class A1 and A2 notes, principal on Class B

9. Cash trapping mechanism: If cumulative gross defaults exceed certain ratio level over deal life (see table below), available cash will be trapped to be available as issuer available funds on next payment date;
10. Interest on Class J
11. Principal on Class J
12. Additional return to the Class J

Exhibit 35
Summary of cumulative gross defaults for cash trapping mechanism

Payment date	Trigger
September 2020	3.25%
December 2020	3.25%
March 2021	3.75%
June 2021	4.50%
September 2021	5.00%
December 2021	6.00%
March 2022	6.50%
June 2022	6.50%
September 2022	7.50%
Thereafter	7.50%

Source: Alba Leasing (transaction documents)

Allocation of payments/post accelerated waterfall:

1. Senior fees and expenses
2. Interest on Class A1 and Class A2 notes on a pro-rata basis
3. Principal on Class A1 and Class A2 notes on a pro rata and pari-passu basis
4. Interest on Class B notes
5. Principal on Class B notes
6. Interest on Class J
7. Principal on Class J

Endnotes

1 For more details, please see Heat map: Sectors with $3.4 trillion in debt face heightened environmental credit risk"

2 For more details on the aspects exposing issuers to social risks, please see Social issues can be material to private issuers' credit quality but are not typically the primary driver, published on 20 February 2019.:

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CLIENT SERVICES

Americas	1-212-553-1653
Asia Pacific	852-3551-3077
Japan	81-3-5408-4100
EMEA	44-20-7772-5454

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