MOODY'S
INVESTORS SERVICE

NEW ISSUE REPORT

Alba 7 SPV

ABS / SME Lease Receivables / Italy

Closing Date

23 April 2015

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Definitive Ratings

Series	Rating	Amount (million)	% of Assets*	Legal Final Maturity	Coupon	Subord-ination**	Reserve Fund***	Total Credit Enhance-ment****
A1	Aa2(sf)	€255.20	32.52	Sep 2038	3mE + 0.63%	67.48%	1.54%	69.02%
A2	Aa2 (sf)	€200.00	25.49	Sep 2038	3mE + 0.75%	41.99%	1.54%	43.54%
B1	Baa1 (sf)	€ 100.00	12.74	Sep 2038	3mE + 1.20%	22.88%	1.54%	24.42%
B2	Baa1 (sf)	€ 50.00	6.37	Sep 2038	3mE + 1.20%	22.88%	1.54%	24.42%
J	NR	€179.56*	22.88	Sep 2038	3mE + 2.0%	0.0%	0.0%	0%
Total		€ 784.76	100.00					

The ratings address the expected loss posed to investors by the legal final maturity. In Moody's opinion the structure allows for timely payment of interest and ultimate payment of principal at par on or before the rated final legal maturity date. Moody's ratings address only the credit risks associated with the transaction. Other non-credit risks have not been addressed, but may have a significant effect on yield to investors.

* Class J funds a portion of the portfolio as of the closing date, but also the debt reserve amount plus some expenses. The total amount of class J equals € 191,700,000.

** At close, 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 2% of rated notes (i.e. class A1, A2, B1 and B2). The reserve fund will provide credit support only at deal maturity.

**** No benefit attributed to excess spread.

The subject transaction is a cash securitisation of lease receivables extended to small and medium-sized enterprises (SMEs) and individual entrepreneurs located in Italy.

The sensitivity of the assigned ratings to changes in the Local Country Ceiling ("LCC") and certain counterparty ratings is illustrated on page 3 of the report in the section entitled Parameter Sensitivities.

Asset Summary of the Portfolio (Cut-off date as of 1/3/2015)

Seller/Originator:	Alba Leasing SpA(NR)
Servicer:	Alba Leasing SpA(NR)
Receivables:	Lease financing extended to small and medium-sized enterprises (SMEs) and individual entrepreneurs located in Italy.
Methodologies Used:	Moody's Approach to Rating ABS Backed by Equipment Leases and Loans (2015-January)
Model Used:	ABSROM v 3.8 and Moody's CDOROM v 2.14-2
Total Amount:	€784,756,488.78
Length of Revolving Period:	None
Number of Borrowers:	8,092
Number of Borrower Groups:	7,815
Number of Assets:	12,900
Effective Number:	805 (by Lessee)
WA Remaining Term:	6.55 years
WA Seasoning:	1.08 years

Asset Summary (Continued)

WAL of Portfolio in Years:	3.67 years as of cut-off date (with 0% CPR)
Interest Basis:	1.95% fixed rate, 98.05% floating rate loans
WA Current Collateral Ratio:	N/A (lease contracts)
Delinquency Status:	
Historical Portfolio Performance Data	
Default Rate Observed:	10.5%(based on extrapolated historical vintage analysis)
Delinquencies Observed:	3.06% of portfolio amount relates to contracts that are delinquent for less than 30 days
Coefficient of Variation Observed:	56.3% (based on extrapolated historical vintage analysis)
Recovery Rate Observed:	Between 26-35% depending on historical vintages considered

Liabilities, Credit Enhancement and Liquidity

Excess Spread at Closing:	2.4%
Credit Enhancement/Reserves:	Subordination of the notes and excess spread Debt Service Reserve of 2% (as percentage of rated notes) is fully funded at closing , provides liquidity to class A1 and A2 as well as B1 and B2 notes during the life of the deal and credit coverage at maturity
Form of Liquidity:	Excess spread, debt service reserve, principal to pay interest
Number of Interest Payments Covered by Liquidity:	Approximately 2.5 quarterly payment dates assuming a Euribor of 1.5%
Interest Payments:	Quarterly in arrears on each payment date
Principal Payments:	Pass-through on each payment date
Payment Dates:	29 June 2015, thereafter the 27th day of each of March, June, September and December of each year or following business day
Hedging Arrangements:	None

Counterparties

Issuer:	Alba 7 SPV S.r.l.
Seller/Originator:	Alba Leasing SpA (NR)
Servicer:	Alba Leasing SpA (NR)
Back-up Servicer:	Securitisation Services S.p.A. (NR)
Back-up Servicer Facilitator:	N/A
Cash Manager:	Alba Leasing S.p.A. (NR)
Back-up Cash Manager:	Securitisation Services S.p.A. (NR)
Computational agent:	Securitisation Services S.p.A. (NR)
Back-up Calculation/ Computational Agent:	N/A
Swap Counterparty:	N/A
Issuer Account Bank:	BNPP Securities Services (**A1** / P-1)
Collection Account Bank:	BNPP Securities Services, Milan Branch (**A1** / P-1)
Paying Agent:	BNPP Securities Services, Milan Branch (**A1** / P-1)
Corporate Service Provider:	Securitisation Services S.p.A. (NR)
Representative of the Noteholders:	Securitisation Services S.p.A. (NR)
Arranger/Lead Manager:	Banca IMI SpA & Societe Generale SA

Moody's View

Rating Italy :	Baa2 / P-2
Outlook for the Sector:	Stable
Unique Feature:	None, structure seen in the market before.
Degree of Linkage to Originator:	The originator acts as servicer of the portfolio.
Originator's Securitisation History:	
# of Precedent Transactions in Sector:	One Moody's rated transaction (Alba 5 SPV S.r.l.)
% of Book Securitised:	36.30%
Behaviour of Precedent Transactions:	Delinquencies and defaults reported on prior transaction are in line with the average delinquency reported in the Italian index.
Key Differences Between Subject and Precedent Transactions:	In this transaction the liabilities include also mezzanine notes.
Portfolio Relative Performance:	
Default Rate Assumed/Ranking:	13.2% / slightly below previously rated deals given Moody's improved expectations for macroeconomic situation in Italy
Coefficient of Variation Assumed on Default Rate/Ranking:	41.4% / in line with peer group
Recovery Rate Assumed/Ranking:	35% / below peer group

Parameter Sensitivities for Tranche A

Table Interpretation:	Table 1: At the time the rating was assigned, the model output indicated that the class A1 and A2 would have achieved a Aa2 rating even if the mean default rate was as high as 15.2% with a recovery rate assumption of 30% (all other factors unchanged). Under the same stressed assumptions class B1 and B2 Notes would have achieved a Baa2 rating. Table 2: At the time of the rating assignment, the model output indicated that the notes would have achieved Aa1 if the LCC ceiling was at Aaa, the account bank rating was A3 and all other factors were unchanged.
Factors Which Could Lead to a Downgrade:	A worse-than-expected performance of the underlying collateral ; deterioration in the credit quality of the counterparties, especially Alba Leasing acting as servicer; a general sovereign credit deterioration in Italy prompting ultimately a downgrade of the LCC ceiling for Italy.

EXHIBIT 1*

Tranche A1 and A2

		Recovery Rate		
		35%	**32.5%**	**30%**
DR	**13.2%**	**Aa2***	Aa2 (0)	Aa2 (0)
	14.2%	Aa2 (0)	Aa2 (0)	Aa2 (0)
	15.2%	Aa2 (0)	Aa2 (0)	Aa2 (0)

EXHIBIT 2*

Tranche A1 and A2

		Account Bank (in combination with relevant replacement rating trigger)		
		Aa2	**A1**	**A3**
LCC	**A1**	A1 (-2)	A1 (-2)	A1(-2)
	Aa2	Aa2 (0)	**Aa2 ***	Aa2 (0)
	Aaa	Aaa (+2)	Aaa (+2)	Aa1 (+1)

- Results under base case assumptions indicated by asterisk ' * '.
- Change in model-indicated rating (# of notches) is noted in parentheses.
- Results are model-indicated ratings, which are one of the many inputs considered by rating committees, which take quantitative and qualitative factors into account in determining actual ratings. The analysis assumes that the deal has not aged. The model does not intend to measure how the rating of the security might migrate over time, but rather, how the initial rating of the security might have differed if key rating input parameters were varied.

Strengths and Concerns

Strengths:

- **Portfolio structure:** The structure does not include a revolving period during which additional leases may be sold to the special-purpose vehicle (SPV). This feature limits portfolio performance volatility caused by additional lease purchases.
- **Liquidity arrangement:** The deal structure includes a cash reserve fund, funded for an amount equal to 2% of class A1/A2 and B1/B2 notes balance. The reserve fund works as liquidity line and it is available to repay principal on the rated notes at maturity.
- **Portfolio Composition:** Securitized portfolio is diversified and granular. In terms of industry concentration, the largest two sectors represent 33.2% of the pool with Building and Real estate being the largest with 21% exposure according to Moody's industry classification. In terms of exposure to lessee, the granularity is relatively high with the top lessee and top 5 lessees group exposure being 1.04% and 3.84% respectively .
- **No set-off risk:** no potential losses resulting from set-off risk as obligors do not have deposits or did not enter into a derivative contract with Alba leasing SpA.
- **The residual value component of the lease contracts is not securitized:** 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 is benefitting from the interests paid on the residual value. This leads to an increasing excess spread over time.

Concerns and Mitigants:

Moody's committee particularly focused on the following factors, listed in order of those most likely to affect the ratings:

- **Financial strength of originator:** Alba Leasing (NR) is a medium monoline leasing company mainly operating in North of Italy. The transaction benefits from (i) a strong back-up servicing arrangement with Securitisation Services S.p.A. (NR) signed at closing, and (ii) a reserve fund being available as liquidity cushion.
- **Exposure to real estate:** 21.1% of the portfolio is exposed to the building and real estate sector (according to our industry classification), in terms of underlying borrowers' industry sector. This feature has been taken into account in our quantitative analysis, as explained under "Credit Analysis".
- **No hedging arrangements:** The transaction structure does not include a hedging mechanism to cure any potential interest rate mismatch between the portfolio and the notes. We have taken into account this feature in our modelling of the transaction as explained under the Assets (Interest Rate Mismatch) section.
- **Limited historical information:** Relevant historical performance data provided is limited in terms of the time horizon covered, as Alba only started operations in 2010. Especially, for the real estate lease contracts the data set covering the origination by Alba leasing since 2010 is limited compared to the average contracted term for these contracts. Nevertheless, performance data of conferred contracts from banking channel of Italease (covering vintages 2004-2014) was provided as comparison, acknowledging that only contracts originated by Alba Leasing itself from 2010 onwards are part of the securitized portfolio.

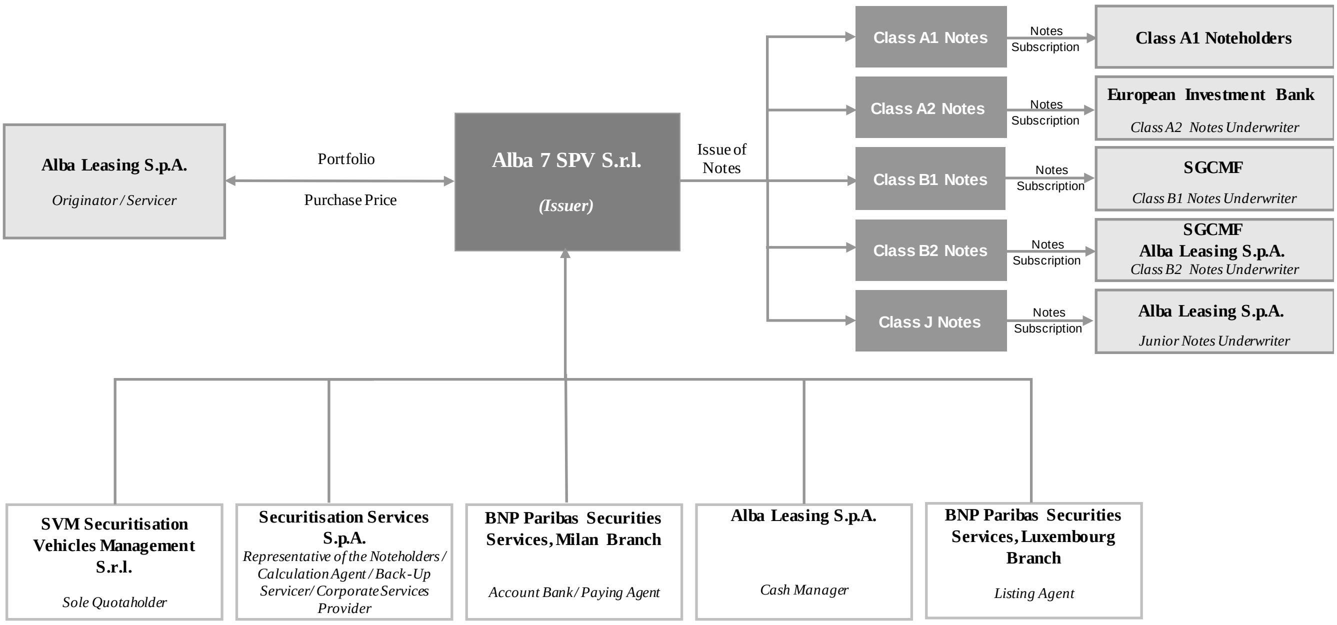
  Similarly, the historical recovery information provided, especially on the real estate sub-pool, covers only a limited time horizon, making a meaningful statistical analysis of such data difficult.

Structure, Legal Aspects and Associated Risks

EXHIBIT 3

Structure Chart

Alba 7 SPV S.r.l. - Transaction Structure



Source: Banca IMI

Liabilities:

Description of transaction structure: The proceeds of the notes will be used to finance the acquisition of the portfolio, the original amount of which equaled to EUR784.8M. The interest and principal priorities of payments are combined in a single waterfall. The amortization period will start on the first interest payment date.

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 B1 and class B2 notes on a pro-rata basis, if gross cumulative defaults not larger than 15%;
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 B1 and class B2 notes on a pro-rata basis, if gross cumulative defaults exceed 15%;
8. After repayment of class A1 and A2 notes, principal on class B1 and B2 notes on a pro-rata basis;
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;

Payment Date	Trigger
June 2015	1.75%
September 2015	1.75%
December 2015	2.25%
March 2016	3.00%
June 2016	3.50%
September 2016	4.50%
December 2016	5.00%
March 2017 onward	5.00%

10. Junior fees and expenses;
11. interest on class J;
12. After repayment of class B1 and B2 notes, principal on class J;
13. additional return to the class J.

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 B1 and class B2 notes;
5. Principal on class B1 and class B2 notes;
6. Junior fees and expenses;
7. Interest on class J;
8. Principal on Class J;

Performance Triggers:

Trigger	Conditions	Remedies/Cure
Class B Notes Interest Subordination Event	The gross cumulative default ratio > 15%	If the conditions are met, payment of Interest on the class B1 and class B2 notes will be subordinated to the payment of Principal of the class A1 and A2 notes .
Cash trapping	The cumulative default ratio exceeds certain ratio level over deal life (see table on page before)	If the conditions are met, any excess spread (remaining after having paid principal on class A1/A2 and B1/B2 notes and any other amount payable to the issuer creditors according to documentation) will be trapped to be available funds on the next payment date.

Debt Service Reserve:

» At close: 2% of the principal outstanding of the rated notes (being the class A1 and A2 plus B1 and B2 notes), i.e. €12.1 Million.

» Therafter: required reserve level equals (i) 2% of the initial outstanding amount of the rated notes as long as the class A1 and A2 are outstanding; (ii) 1.5% of the initial outstanding amount of the rated notes (i.e. €9.07 Million) as long as the class B1 and B2 are outstanding and (iii) zero thereafter..

The reserve fund will be replenished after the interest payment of the class A and B notes. The cash reserve only provides liquidity support for class A and B during the lifetime of the transaction, upon portfolio amortisation or (if earlier) on maturity date it is also available for the payment of principal on the rated notes.

Liquidity:

» Single waterfall, meaning 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 B notes for approximately 2.5 quarterly payment dates assuming a 3 month Euribor of 1.5%.

Assets:

Asset transfer:

» 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") and registered in the Companies Register on 4th April 2015.

» "Bankruptcy remoteness" has been achieved by the provisions of law 130 and through the Italian SPV's by-laws, as well as the provisions of the deal documentation.

Interest rate mismatch: At closing, 98.05% of the pool balance comprises floating rate loans and 1.95% fixed rate loans, whereas the notes are floating liabilities referring to 3-months Euribor.

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).

As the transaction is un-hedged, we took into account the potential SPV's interest rate exposure in some stressed environments. We did this to assess if the available credit enhancement is sufficient to support the ratings.

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 loans are indexed to three-month Euribor (97.3%), and a minority to one-month Euribor (2.7%). A haircut of 0.20% was applied to the margin of the floating rate loans to take into account the timing mismatch between the relevant base rate index paid by the loans and the one on the notes.

Fixed portion of the portfolio

For this portion of the portfolio, we defined a stressed Euribor forward curve and then deducted the values in this vector from the original yield vector on the fixed sub-pool as provided. We did this to define the stressed yield vector (ultimate haircut of 0.13% per period) associated with a pool such as this that takes into account the lack of any swap structure.

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-pool, we were able to compute the whole portfolio yield vector, whose values were derived on a weighted average basis for each period.

Cash commingling: 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 (Baa2 / P-2).

Mitigant:

» Collections are transferred daily into the issuer collection account held at BNP Paribas Milan Branch (A1/p-1).

» Within 15 business days after 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. We have modelled a commingling exposure equal to 1 month of lost collections, following originator insolvency.

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 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 risks mainly exists when loans are repurchased, as they are either ineligible when assigned or renegotiated.

Mitigant:

» Repurchases (up to a maximum of 1.5% of the portfolio on a quarterly basis, and 8% of the portfolio on a cumulative basis) will be paid 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 the €500,000 threshold, 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 and the Bankruptcy Section of the relevant tribunal.

Set-off: 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 would be 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. As 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.

Ancillary legal issues:

Renegotiations: While the servicer will retain the right to renegotiate the terms of the leases, there are precise limits set in terms of the percentage of the portfolio that may be affected by such renegotiations. 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 total portfolio.

» An extension of the lease repayment plan may be granted provided the last installment payment date falls within September 2036, i.e., approximately 2 years prior to the deal maturity date.

» A reduction of the interest rate payable on the leases may be granted, in which case the servicer will need to indemnify the issuer for the resulting loss.

Originator Profile, Servicer Profile and Operating Risks

Date of Operations Review:	27 November 2014

Originator Background: Alba Leasing SpA

Rating:	» Not rated
Financial Institution Group Outlook for Sector:	» Negative
Ownership Structure:	» Banca Popolare Emilia Romagna (33.50%), Banco Popolare (30.15%), Banca Popolare di Sondrio (19.26%), Banca Popolare di Milano (9.04%) and Credito Valtellinese (8.05%)
Asset Size:	» Euro 4.9 billion
% of Total Book Securitised:	» 36.30%
Transaction as % of Total Book:	» 16.88%
% of Transaction Retained:	» 24.4%

Originator Assessment	Main Strengths (+) and Challenges(-)
	Overall Assessment: Weak
	Strengths: » 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:** » Reliance on shareholder bank funding and weak liquidity position » Loss making operations in light of asset quality pressures and higher provisioning needs

Servicer Background: Alba Leasing SpA

Rating:	» Not rated
Regulated by:	» Bank of Italy
Total Number of Receivables Serviced:	» Euro 4.5 billion
Number of Staff:	» Approximately 300

Servicer Assessment:	Main Strengths and Challenges
	» Given the small size of the bank, the arrears management process is not particularly proactive.

Back-up Servicer Background: Securitisation Services SpA

Rating:	Not rated
Ownership Structure:	owned by Finint SpA (unrated)
Regulated by:	Bank of Italy
Total Number of Receivables Serviced:	EUR 16.2 Billion.
Number of Staff:	About 20 in servicing department
Strength of Back-up Servicer Arrangement:	» Hot back-up servicer » 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:	Most borrowers pay by direct debit into a dedicated servicer account.
% of Obligors with Account at Originator:	N/A
Distribution of Payment Dates:	All borrowers pay on the first day of the month

Computation Agent Background: Securitisation Services SpA

Rating:	NR
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: 27th March, June, September and December

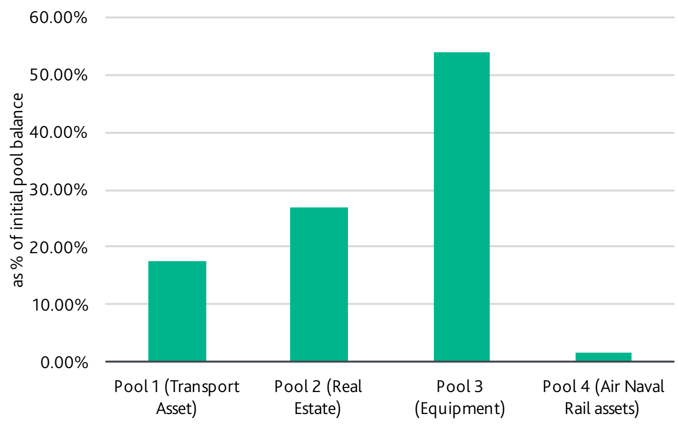
Originator/Servicer/Cash Manager Related Triggers

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 SPV's 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

Collateral Description

EXHIBIT 4

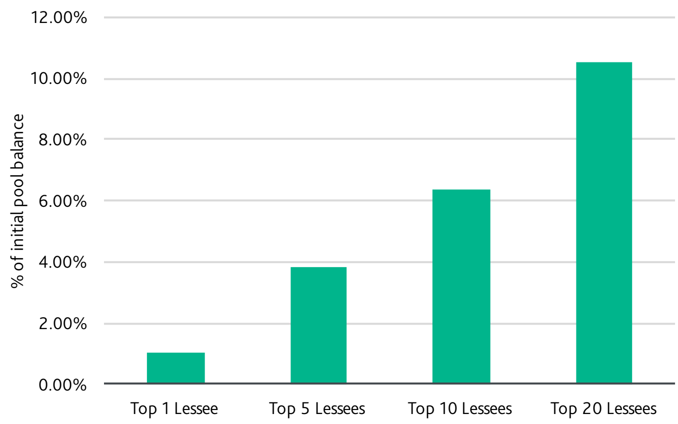
Pool breakdown



Source: Loan Level File

EXHIBIT 5

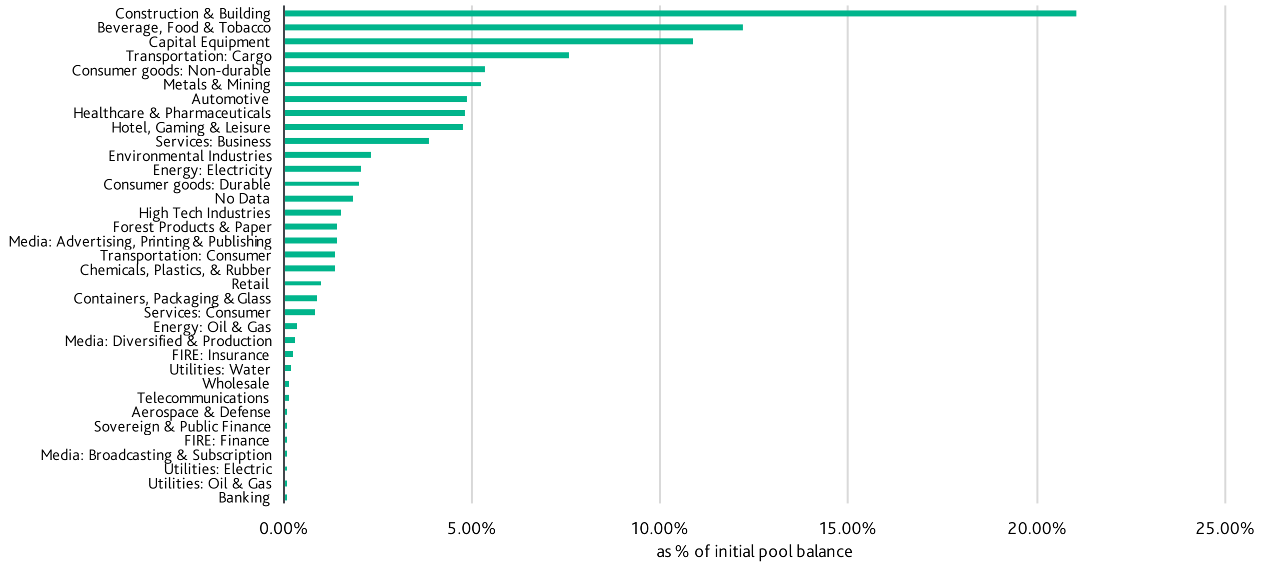
Lessee Concentrations



Source: Loan Level File

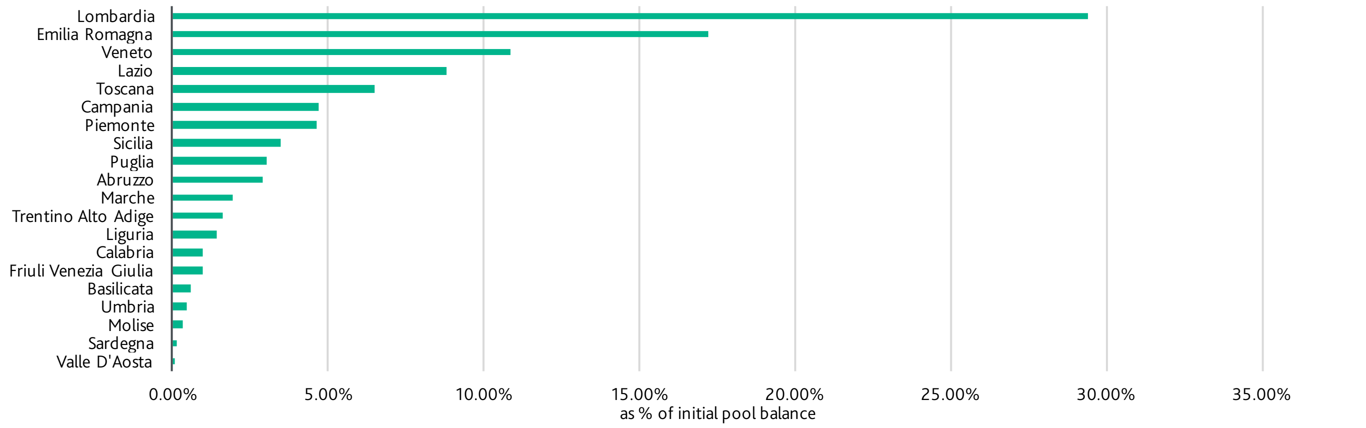
EXHIBIT 6

Sector Concentrations (based on operative company)



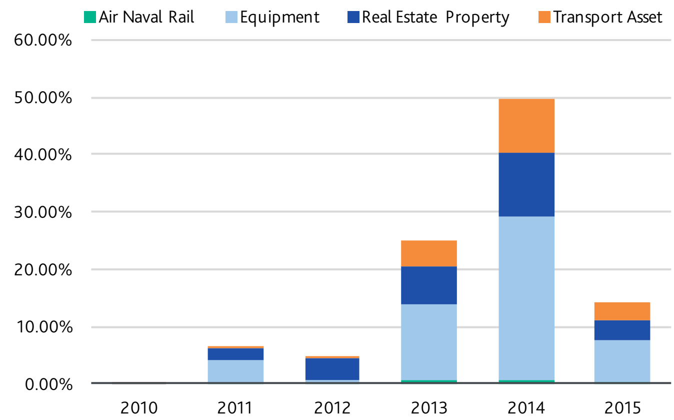
Source: Loan Level File

EXHIBIT 7
Region Concentrations



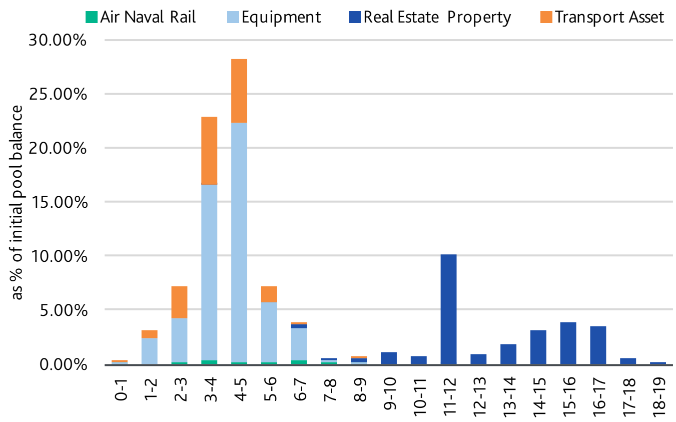
Source: Loan Level File

EXHIBIT 8
Year of origination



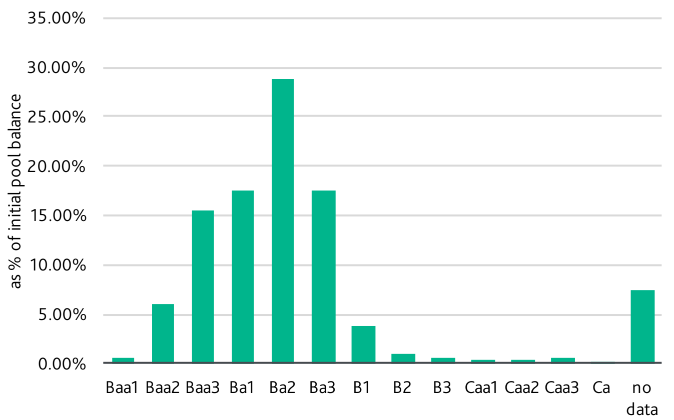
Source: Loan Level File

EXHIBIT 9
Residual Term (in years) by sub-pool



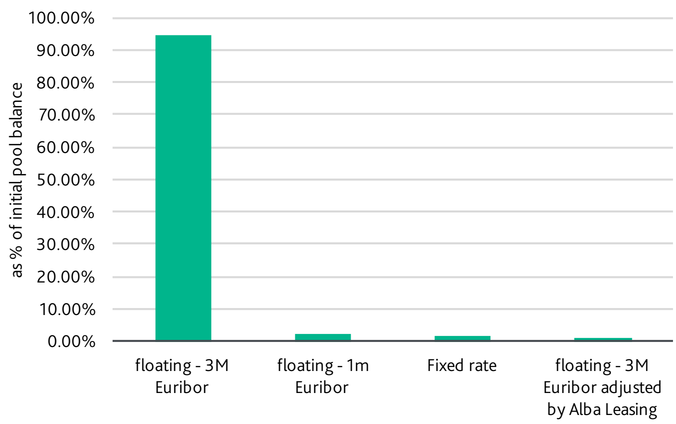
Source: Loan Level File

EXHIBIT 10
Lessee credit quality by Moody's equivalent



Source: Loan Level File

EXHIBIT 11
Interest Rate Basis



Source: Loan Level File

Product description: The securitised portfolio consists of lease contracts entered into by Alba Leasing with mainly small and medium-sized businesses and individual entrepreneurs in Italy. The underlying assets of the lease contracts are transportation assets, equipment, real estate properties or air / naval and rail assets.

The balance of the portfolio (as of 1 March 2015) is approximately €784.76 million. The vast majority are monthly paying (94.06%) and floating rate based (98.05%) leases.

Eligibility criteria: The key eligibility criteria are as follows:

» 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) or RIBA (bank order)

» payment frequency is monthly/bi-monthly/quarterly/ trimester/semi annual

» at least one instalment has fallen due and paid

» contract is not delinquent for more than 30 days;

» either fixed rate or floating rate contracts (in the latter case indexed to Euribor1m,3m or 6m)

» 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 maturity of contracts is :1) auto 6.25 years, 2) equipment 10 years, 3) real estate 18 years, 4) airplanes/trains/ships 10 years.

Additional information on lessees (group):

Top Debtor Concentration	1.04%
Top 5 Debtors	3.84%
Top 10 Debtors	6.33%
Top 20 Debtors	10.542%
Top Industry Concentration	Construction & Building 21.04%
Top Geographic Concentration	Lombardy 29.40%

Additional information on portfolio:

Number of Contracts	12,900
Type of Contracts	Leasing receivables
Contract Amortisation Type	Annuity
% Bullet Loans	none
% Large Corporates	16.6%
% Real Estate Developers	8.35%
WA Interest Rate	4.07%
WA spread	3.97%
WA Internal Rating	Ba2- equivalent

Credit Analysis

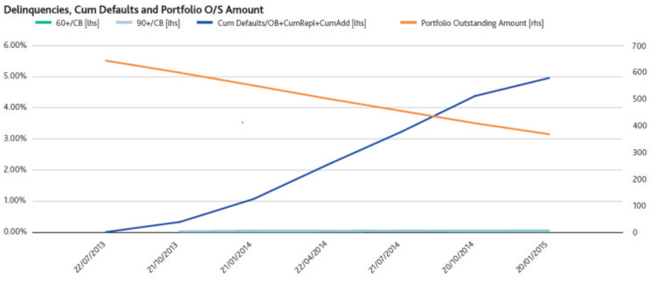
Precedent transactions' performance

There is performance information available from one precedent transaction by Alba Leasing rated by Moody's, i.e., Alba 5 SPV S.r.l.:

» The performance of the originator's precedent transaction in this sector is in line with Moody's original expectations and also comparable to other Italian leasing transactions. The level of cumulative defaults in the previous transaction by Alba Leasing (Alba 5, rated in 2013) has reached 4.95% cumulative defaults of original balance in January 2015, which reflects a Ba3- pool quality since the closing date. The Alba 5 transaction has amortised to 55% of the initial portfolio balance as of January 2015. The senior class of Alba 5 transaction has been upgraded to Aa2 in January 2015 on the back of the improved local-currency country risk ceiling for Italy (i.e. Moody's lower country risk expectations for Italy).

EXHIBIT 12

Delinquencies, cumulative defaults and portfolio outstanding for Alba 5 S.r.l. transaction



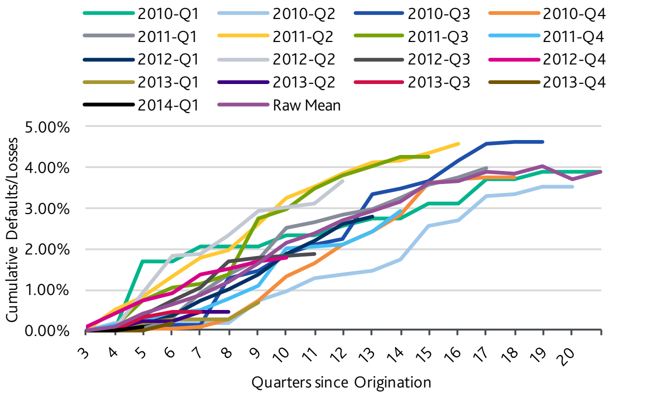
Source: Alba Leasing

Data quantity and content:

- » Moody's has received the following two sets of data: (i) Whole Portfolio (vintages 2004-2014) as managed by Alba Leasing currently and (ii) New Production (vintages 2010-2014) as originated since inception from Alba Leasing in 2010. Note, only loans originated by Alba Leasing (i.e. New Production) is eligible for this Alba 7 transaction. In addition, we received a split for the auto and equipment sub-pool between lease contracts originated under (i) the presto-leasing scheme and the (ii) not under the presto leasing scheme.
- » For each of these data sets we were provided with: static vintage data on defaults, static vintage data on recoveries, dynamic delinquency information and dynamic prepayments information.
- » The default definition applied for the historical data (incagli or sofferenze in accordance with Bank of Italy criteria) is broadly aligned to the deal default definition (app. 210 days delinquent or sofferenza acc. to bank of Italy).
- » The data received on the New Production does not cover a full economic cycle; however, it covers a period of five years, which is in line with the original contract maturity for mainly all 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. Hence, for the real estate leases the data from the whole portfolio (with a longer history since 2004 although covering not fully the original contract maturity of 14.5 years) are equally analysed.
- » In Moody's view, the quantity and quality of default data received is generally good compared to transactions, which have achieved high investment grade ratings in this sector. However, it needs to be noted that the default data for the air / naval/ train sub-pool consists of only limited data points given the limited contract numbers as a starting point. On the recovery side the quality of the information is limited, especially for the real estate segment, given the rather short time horizon being available.

EXHIBIT 13

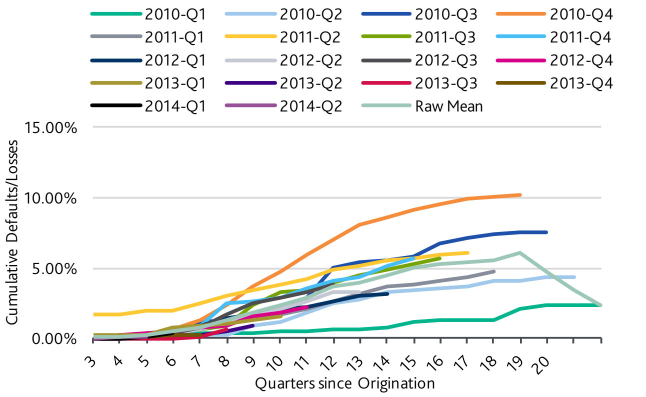
Cumulative default rate (New production) for transportation assets sub-pool



Source: Alba Leasing

EXHIBIT 14

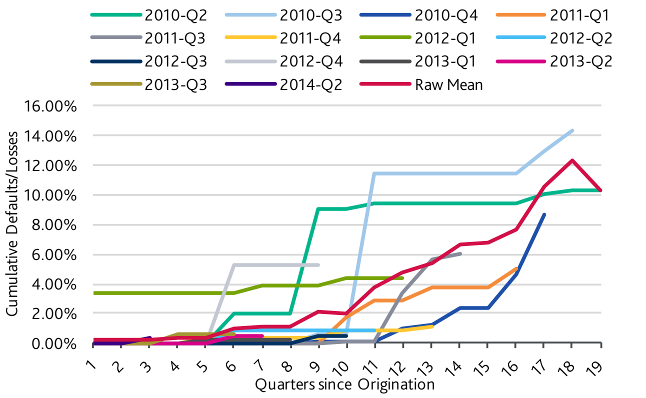
Cumulative default rate (New Production) for equipment sub-pool



Source: Alba Leasing

EXHIBIT 15

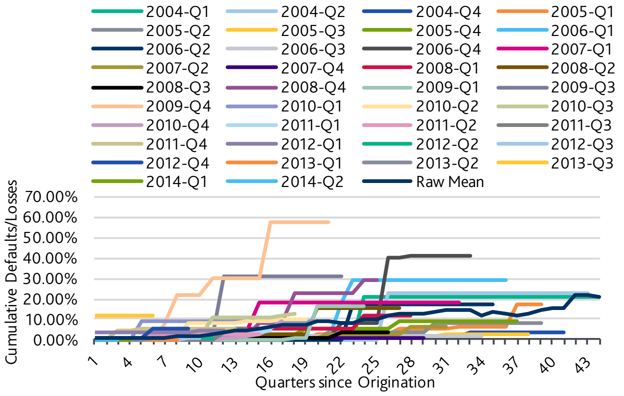
Cumulative default rate (New Production) for real estate sub-pool



Source: Alba Leasing

EXHIBIT 16

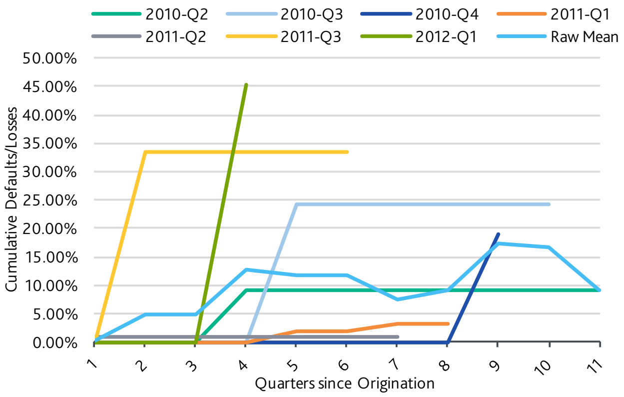
Cumulative default rate (Whole Production) for real estate sub-pool



Source: Alba Leasing

EXHIBIT 17

Cumulative default rate (New Production) for air / naval / train sub-pool



Source: Alba Leasing

We also analysed the historical recovery information. Please see below a summarizing table for the recovery information received and analysed:

EXHIBIT 18

Summary of Historical Recovery Data Analysis:

	Auto	Equipment	Real Estate	Planes/ Trains	Weighted Average Recovery Rate Total Pool
Pool proportion	17.3%	53.5%	27.2%	1.9%	
Cumulative RR for all vintages (2006-2014)	47.9%	21.5%	11.7%	32.2%	**35.1%**
Cumulative RR for New production only (2010-2014)	42.0%	16.6%	4.1%	5.3%	**26.1%**

Default definition: The definition of a defaulted asset in this transaction is one which is more than 210 days in arrears or any lease contract which have been classified as "sofferenza" in accordance with Bank of Italy definition.

Assumptions: Note that other values within a range of the notional amount listed below may result in achieving the same ratings.

Assumptions

Default Distribution	Normal inverse
Default Rate	13.2% (B1 equivalent)
Default Definition	180 days in line with "sofferenza" definition
Standard Deviation/Mean	41.4%
Timing of Default	Flat over portfolio average life, with several sensitivities tested given the high sensitivity of the structure to the actual default timing assumed
Recovery mean	35%
Recovery Cov	20%
Recovery Lag	50% after 2 years, 50% after 4 years
Correlation Defaults/Recoveries	5%
Conditional Prepayment Rate (CPR)	5%
Amortisation Profile	Vector as provided by originator
Portfolio yield	based on vector provided by originator, stressed to take into account lack of hedge mechanism
Fees (as modeled)	0.5% on portfolio p.a. +100,000 fixed fees
Euribor/Swap Rate	4.3%/NA
PDL Definition	On default

Modelling approach:

Default distribution: The first step in the analysis is to define a default distribution of the loan portfolio to be securitised. Due to the high granularity of the pool, Moody's 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.

Derivation of default rate assumption: Firstly we analysed the available historical performance data as provided by the bank by sub-portfolio type and the performance of Alba 5 SPV s.r.l.. 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 performed by Moody's:

EXHIBIT 19

Summary of Historical Default Data Analysis:

	Weighted Average Total Pool	Auto total	Equipment total	Real Estate	Air/Naval/ Train
Average Default Rate	10.46%	3.78%	5.09%	23.36%	15.94%
Cov	56.34%	34.11%	44.47%	77.22%	116.32%
Moody's equivalent	**Ba3+**	Ba1+	Ba1	Ba3	B1

Source: Alba Leasing

We complemented the above analysis with a top-down approach, as typically applied by Moody's when rating SME loan transactions and as described in more detail in Moody's methodology report Moody's Global Approach to Rating SME Balance Sheet Securitizations, January 2014. Starting from Italy's base rating proxy for SME of Ba2, we evaluate the portfolio based on:

(1) the size of the companies (assuming one notch penalty for micro-SMEs representing approximately 64% of the portfolio and one notch benefit for large corporates)[1], and

(2) the borrowers sector of activity. For example, we applied a ¾ of notch penalty to loans whose underlying borrower was active in the construction sector and two notches penalty were applied for those borrowers classified as real estate developers. If no information is provided for the sector of activity for a lessee (1.8% of the portfolio) there is a one notch penalty applied.

We also adjusted our assumption to take into account the current negative economic environment and its potential impact on the portfolio's future performance (i.e ½ notch penalty) and similarly, we evaluate and benchmark the originator's underwriting capabilities against other Italian originators (1/2 notch penalty). Finally, considering that Alba leasing was not able to provide centrale rischi information for the lessees included in the portfolio, we applied a ¼ of additional notch penalty to all lease contracts.

» As a result, we expect an average portfolio credit quality equivalent to a B1 proxy for an average life of approximately 3.7 years for the portfolio. This translates into a gross cumulative default rate of around 13.2%.

Standard deviation: In order to define the standard deviation for the normal inverse default distribution, we ran a Monte Carlo simulation (using the Moody's CDOROM™v2.14-1) based on the securitized 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 Moody's 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 41.4% that takes into account sovereign risk as well. The pool's asset correlation is 6.3%.

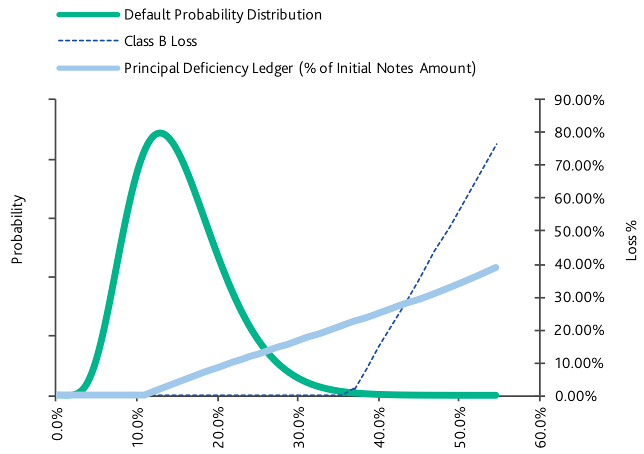
Timing of default: We assumed a flat default timing curve as base case, spread over the portfolio's average life starting after the default definition. However, given the high sensitivity of the transcation to the default timing (as a result of the class B interest subordination event defined as cumulative defaults being higher than 15% of the initial portfolio) we tested several default timing curves. A more front-loaded default timing compared to the base case (in combination with default scenarios higher than our mean default assumption) leads to an earlier breach of the class B interest subordination event trigger and hence, postponing interest payments on class B to a more junior position in the priority of payments. In such scenario investors in class B notes would receive their interest payments delayed.

Derivation of recovery rate assumption: We analyzed the historical recoveries data as provided by the originator. 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%. The base case recovery timing was assumed to be as follows: 50% after 2 years and 50% after 4 years. However, we also tested a longer recovery timing based on a longer recovery process, especially expected for the real estate sub-pool.

Prepayments: Based on historical prepayment information and based on benchmarking with other lessors, Moody's assumed a CPR at a level of 5% p.a.

Tranching of the 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 represents the default distribution (green line) we have used in the cash flow modeling of the transaction.

EXHIBIT 20
Default Probability Distribution



Source: Moody's

Moody's has 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, or act as a source of risk. In addition, Moody's has analysed the strength of triggers to reduce the exposure of the portfolio to the originator/servicer bankruptcy.

To determine the rating assigned to the Notes, Moody's has 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. In order to allocate losses to the Notes in accordance with their priority of payment and relative size, Moody's has used a cash-flow model (ABSROM v.3.8) that reproduces many deal-specific characteristics such as the main input parameters of the model have been described above. Weighting each default scenario's severity result on the Notes with its probability of occurrence, Moody's has calculated the expected loss level for each series of Notes as well as the expected average life. Moody's has then compared the quantitative values to the Moody's Idealised Expected Loss table to determine the ratings assigned to each series of Notes.

The dotted line line in Exhibit 20 represents the loss suffered by the class B notes (in our modeling) for each default scenario on the default distribution curve. For default scenarios up to 35.5%, the line is flat at zero, hence the class B notes are not suffering any loss. The steepness of the curve then indicates the speed of the increase of losses suffered by the class B noteholders.

The rating of the notes has therefore been based on an analysis of:

- The characteristics of the securitized pool;
- Macroeconomic environment;
- Sector-wide and originator specific performance data;
- Protection provided by credit enhancement against defaults and arrears in the pool; and;
- The legal and structural integrity of the issue.

Treatment of Concerns:

- Exposure to real estate: Approximately 21.1% 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, as opposed to other lessees.
- Recovery upon servicer insolvency: The deal documentation provides for the undertaking of 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), and as such we take into account such risk in our modelling of the deal, and apply a severe stress to the recovery value upon servicer default. We assumed the recovery rate to decrease to 10.5% approximately should the servicer default.
- Interest Rate Risk: Since there is no hedging agreement in place and given (i) the portion of fixed rate rates paid by lessees on the leasing compared to the 3M EURIBOR payable on the notes as well as (ii) the basis risk included for contracts not paying the 3M Euribor (or alternatively the 3M Euribor as fixed at a different date than for the notes), investors are exposed to interest rate risk. Moody's analysed this risk and found that the credit enhancement available to the class A1, A2 and B1, B2 notes is sufficient to cover this additional risk inherent in the structure.
- Commingling Risk: Almost 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. In order to treat a potential exposure to commingling risk, Moody's has modelled the loss of the equivalent of 1 month collections upon a servicer's default.
- Margin compression due to prepayments: Assuming 100% margin compression (i.e. 100% of CPR applied to highest interest rate paying loans), the fixed rate yield vector as given by the originator through the arrangers was reduced by 0.13% and the floating rate margin vector by 0.20% in each period.

Benchmarking Analysis

Performance relative to sector: In Moody's view, the historical performance of defaults of Alba 5 S.r.l. is in line with other transactions in this sector and in line with MoodY's original expectations.

Benchmark table

Deal Name	Alba 7 SPV	Tricolore Funding – Serie 2014	Locat SV – Serie 2014	Alba 5 SPV	Siena Lease 11-1
Closing Date or Rating Review Date (dd/mm/yyyy)	20/04/2015	10/12/2014	12/09/2014	16/05/2013	21/12/2011
Currency of Rated Issuance	EUR	EUR	EUR	EUR	EUR
Rated Notes Volume (excluding NR and Equity)	EUR605.2M	EUR120M	EUR715M	EUR450M	EUR1,087.4M
Originator	Alba Leasing SpA	Banca Privata Leasing	UCL	Alba Leasing S.p.A.	Monte dei Paschi di Siena Leasing & Factoring Banca per i Servizi alle Imprese SpA
Long-term Rating1	N/R	N/R	Baa3	N/R	N/R
Short-term Rating1	N/R	N/R	P-3	N/R	N/R
Name of separate Cash Administrator1	BNP Paribas Securities Services	Deutsche Bank S.p.A.	BNP Paribas Securities Services	The Bank of New York Mellon (Luxembourg) S.A.	Securitisation Services SpA
Long-term Rating1	A1		A1	Aa3	
Short-term Rating1	P-1		P-1	P-1	
Portfolio Information (as of [...])	01/03/2015	31/10/2014	27/06/2014	1/04/2013	21/12/2011
Currency of securitised pool balance	EUR	EUR	EUR	EUR	EUR
Securitised Pool Balance ("Total Pool")1	784.76M	177.7M	919.5M	672.6M	2,636.9M
Monthly paying contracts %	94.1%	90.8%	93.2%	93.2%	92.1%
Floating rate contracts %	98.05%	86.3%	71.2%	97.3%	84.2%
Fixed rate contracts %	1.95%	13.7%	28.8%	2.75%	15.8%
WAL of Total Pool initially (in years)	3.67	4.38	2.9	3.8	4.2
WA seasoning (in years)	1.08	4.9	2.9	2.0	2.5
WA remaining term (in years)	6.57	8.25	5.6	6.6	8.8
No. of contracts	12,900	3,868	14,332	13,535	20,585
No. of obligors	8,092	2,819	10,144	8,997	13,203
Name 1st largest industry	Construction & Building	Construction & Building	Transportation: Cargo	Construction & Building	Construction & Building
Size % 1st largest industry	21.0%	24.0%	16.7%	22.3%	30.2%
Effective Number (obligor group level)	768	290	NA	956	1,152
Single obligor (group) concentration %	1.04%	1.3%	1.0%	0.7%	0.7%
Top 10 obligor (group) concentration %	6.33%	10.8%	7.1%	5.6%	5.9%
Geographical Stratification (as % Total Pool)3					
Name 1st largest region	Lombardy	Emilia Romagna	Lombardy	Lombardy	Lombardy
Size % 1st largest region	29.4%	23.5%	29.9%	19.5%	32.8%
Asset Assumptions6					
Type of default / loss distribution	Inverse Normal	Inverse Normal	Inverse Normal	Inverse Normal	Inverse Normal
Mean gross default rate - initial pool	13.2%	24.3%	9.1%*	16.0%	18.5%
CoV	41.4%	38.5%	80%*	39.7%	43.2%
Mean recovery rate	35%	50%	40%	40%	50%
Stdev. recovery rate (if any)	20%	20%	20.0%	20.0%	20.0%
Recovery lag (in months)	33	33	36	36	30
Prepayment Rate(s)	5%	5%	5%	5%	5%
Size of credit RF up front (as % of Total Pool)	2%	1.0%	0%	1.65%	1.5%
Principal available to pay interest?	Yes	Yes	Yes	Yes	Yes
Set-off risk?	No	Yes	No	No	
Commingling Risk?	Yes	Yes	Yes	Yes	Yes
Back-up servicer (BUS)	Yes	Yes	No	Yes	No
Swap in place?	No	No	Yes	No	No
Capital structure (as % Total Pool)3					
Size of most senior rated class	58% (class A1 and A2 rated Aa2 @ closing)	56.2% (rated A2 @ closing)	55% (rated A2 @ closing)	66.9% (rated A2 @ closing)	50.0% (rated A2 @ closing)
Equity	22.8%	33.7%	45%	34.2%	50.0%
Annualised net excess spread	2.4%	1.48%	3.5%	1.4%	1.1%

Notes
1 As of closing date, 2 As a % of Total Pool at closing, unless indicated otherwise.
* First Portfolio

Parameter Sensitivities

Parameter sensitivities provide a quantitative, model-indicated calculation of the number of notches that a Moody's-rated structured finance security may vary if certain input parameters used in the initial rating process differed. The analysis assumes that the deal has not aged. It is not intended to measure how the rating of the security might migrate over time, but rather, how the initial rating of the security might differ as certain key parameters vary.

As we also take qualitative factors into consideration in the ratings process, the actual ratings that we assign in each case could differ from the ratings that the parameter sensitivity analysis implies. This adjusted analysis will show how the notes' initial ratings will differ if the Local Country Ceiling ("LCC") and counterparty ratings change and other rating factors remain the same.

For more information on Parameter sensitivity methodology on EMEA SME ABS transactions, please refer to "Updated Sensitivity Analysis Clarifies How Sovereign Risk Affects", May 2014.

Model Output sensitivity: Parameter sensitivities for this transaction have been calculated in the following manner: Moody's tested 9 scenarios derived from the combination of mean default : 13.2% (base case), 14.2% (base case +1%), 15.2% (base case + 2%,) and recovery rate: 35% (base case), 32.5% (base case - 2.5%), 30% (base case - 5%). The 13.2% / 35% scenario would represent the base case assumptions used in the initial rating process.

The charts below show the parameter sensitivities for this transaction with respect to all Moody's rated tranches.

EXHIBIT 21*

Tranche A1 and A2

		Recovery Rate		
		35%	**32.5%**	**30%**
Mean Default	**13.2%**	**Aa2***	Aa2 (0)	Aa2 (0)
	14.2%	Aa2 (0)	Aa2 (0)	Aa2 (0)
	15.2%	Aa2 (0)	Aa2 (0)	Aa2 (0)

EXHIBIT 22*

Tranche B1 and B2

		Recovery Rate		
		35%	**32.5%**	**30%**
Mean Default	**13.2%**	**Baa1***	Baa1 (0)	Baa1 (0)
	14.2%	Baa1 (0)	Baa1 (0)	Baa1 (0)
	15.2%	Baa2 (-1)	Baa2 (-1)	Baa2 (-1)

* Results under base case assumptions indicated by asterisk ' * '. Change in model-indicated rating (# of notches) is noted in parentheses.

Worse case scenarios: At the time the rating was assigned, the model output indicated the class A1 and A2 would have achieved Aa2 even if the mean default rate was as high as 15.2% with a recovery rate assumption of 30% (all other factors unchanged). Under the same stressed assumptions class B1 and B2 Notes would have achieved a Baa2 rating.

LCC Sensitivity: Exhibit 23 and 24 below show the sensitivities for this transaction if the LCC and account bank rating would have been different.

EXHIBIT 23

Tranche A1 and A2

		Account Bank Rating (in combination with relavent replacement trigger)		
		Aa2 (+2)	**A1**	**A3 (-2)**
LCC	**A1 (-2)**	A1 (-2)	A1 (-2)	A1 (-2)
	Aa2	Aa2 (0)	**Aa2**	Aa2 (0)
	Aaa (+2)	Aaa (+2)	Aaa (+2)	Aa1 (+1)

EXHIBIT 24

Tranche B1 and B2

		Account Bank Rating (in combination with relavent replacement trigger)		
		Aa2 (+2)	**A1**	**A3 (-2)**
LCC	**A1 (-2)**	Baa2 (-1)	Baa2 (-1)	Baa2 (-1)
	Aa2	Baa1 (0)	**Baa1**	Baa1 (0)
	Aaa (+2)	Aa2 (+5)	Aa2 (+5)	Aa2 (+5)

The Aa2/ A1 (LCC ceiling and parent company account bank rating) scenario represents the base case assumptions used in the initial rating process.

At the time of the rating assignment, the model output indicated that the class B notes would be Baa2 if the LCC ceiling was A1 and the parent company account bank rating A3, other factors unchanged.

Monitoring

Moody's 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.

Originator linkage: The originator will act as servicer, but a back up servicer is in place since closing.

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

Counterparty Rating Triggers	Condition	Remedies
Issuer Account Bank/Paying Agent	Loss of Baa1	Replace

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 [ ] 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 [ ] website.

Representations and Warranties

The Rule 17g-7 Report of Representations and Warranties is hereby incorporated by reference and can be found at https://www.moodys.com/researchdocumentcontentpage.aspx?docid=PBS_SF404676

Moody's Related Research

For a more detailed explanation of Moody's approach to this type of transaction as well as similar transactions please refer to the following reports:

Methodology Used:

» Moody's Approach to Rating ABS Backed by Equipment Leases and Loans, January 2015 (SF393155)

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.

Appendix 1: Summary of Originator's Underwriting Policies and Procedures

Originator Ability	At Closing
Sales and Marketing Practices	
Origination Channels:	Shareholding banks: 88.79% Other banks: 6.97% Others: 4.24%
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:	» Cash flow analysis » 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:	Ltv 80%
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
** 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:	Formalised underwriting induction programme, & ongoing training
Technology	
Frequency of Disaster Recovery Plan Test:	Yearly, on the basis of agreements with IT suppliers

Appendix 2: Summary of 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

Servicer 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
IT and Reporting	

1 We tested two scenarios on the splitt by borrower size given that no tunrover information was provided, but the size of lessees was estimated based on other parameters such as the internal borrower risk classificatoin and Basel III segment.

» contacts continued from page 1

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