MOODY'S INVESTORS SERVICE

CREDIT OPINION

28 June 2016

New Issue

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Closing Date

20 June 2016

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Alba 8 SPV

ABS / SME Leases / Italy

Capital Structure

Exhibit 1

Definitive Ratings

Series	Rating	Amount (million)	% of Assets*	Legal Final Maturity	Coupon	Subordi-nation**	Reserve Fund***	Total Credit Enhance-ment****
A1	Aa2(sf)	€ 335.30	33.00	October-39	3mE + 0.65%	67.00%	0.99%	68.0%
A2	Aa2(sf)	€ 304.80	30.00	October-39	3mE + 0.75%	36.99%	0.99%	38.0%
B	A1 (sf)	€ 127.00	12.50	October-39	3mE + 1.15%	24.49%	0.99%	25.5%
C	Ba3 (sf)	€ 45.70	4.50	October-39	3mE + 1.50%	20.00%	0.99%	21.0%
J	NR	€203.14*	20.00	October-39	3mE + 2.0%	0.00%	0.00%	0.00%
Total		€ 1,015.94	100.00					

The ratings address the expected loss posed to investors by the legal final maturity. In our 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. Our 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 €213,300,000.
** 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 1.25% of rated notes (i.e. class A1, A2, B and C). The reserve fund will provide credit support only at deal maturity.
****No benefit attributed to excess spread.
Source: Moody's Investors Service.

Summary Rating Rationale

Alba 8 SPV is a cash securitisation of lease receivables extended to small and medium-sized enterprises (SMEs) and individual entrepreneurs located in Italy. Our quantitative, structural and legal analysis of this transaction supports the ratings that we have assigned. The sensitivity of the assigned ratings to changes in the local country ceiling (LCC) and certain counterparty ratings is on page 22 of the report in the Parameter Sensitivities section.

Credit Strengths

» *Portfolio structure*: The portfolio is static and will start to amortize from deal's closing. This feature limits portfolio performance volatility caused by additional lease purchases. (See Asset Description – Asset Acquisition Guidelines)

» *Liquidity arrangement*: The deal structure includes an amortising debt service reserve, funded for an amount equal to 1.25% of rated notes as of closing date. The reserve fund works as a liquidity line 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 representing not more than 28.1% of the pool with 16.2% in the building and real estate industry according to Moody's classification. In terms of exposure to individual lessees, the portfolio is highly granular, with the top lessee and top 5 lessees group exposure being 0.78% and 3.41% 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)

Credit Challenges

- *Financial strength of originator*: We do not rate Alba Leasing or Securitisation Services. 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 Securitisation Services S.p.A. (NR) signed at closing, and (ii) a reserve fund as liquidity cushion. (See Asset Description – Pool Characteristics)
- *Exposure to real estate*: The building and real estate sector account for 16.2% of the portfolio. We account for this exposure in our quantitative analysis. (See Asset Analysis – Additional 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)
- *Limited historical information*: Because Alba started operations in 2010, we have only limited relevant historical performance data. (See Asset Analysis – Additional Asset Analysis)

Key Characteristics

Exhibit 2

Asset Summary and Related Key Party Characteristics

Asset Characteristics	
Receivables:	Lease financing extended to small and medium-sized enterprises (SMEs) and individual entrepreneurs located in Italy.
Total Amount:	1,015,940,300
Number of Borrowers:	10,014
Number of Borrower Groups:	9,729
Number of Assets:	15,046
Effective Number:	1268 (by Lessee)
WA Remaining Term:	6.34 years
WA Seasoning:	1.80 years
WAL of Portfolio in Years:	3.6 years as of cut-off date (with 0% CPR)
Interest Basis:	1.72% fixed rate, 98.28% floating rate loans
WA Current Collateral Ratio:	N/A (lease contracts)
Delinquency Status:	N/A
Historical Portfolio Performance Data	
Default Rate:	10.5% (based on extrapolated historical vintage analysis)
Delinquencies:	3.06% of portfolio amount relates to contracts that are delinquent for more than 30 days
Coefficient of Variation:	72.3% (based on extrapolated historical vintage analysis)
Recovery Rate:	Between 26-35% depending on historical vintages considered
Transaction Parties	
Seller/Originator:	Alba Leasing SpA (NR)
Servicer	Alba Leasing SpA (NR)
Back-Up Servicer	Securitisation Services SpA (NR)
Back-Up Servicer Facilitator:	N/A

Source: Moody's Investors Service

Exhibit 3

Securitization Structural Features and Related Key Party Characteristics

Structural Characteristics	
Excess Spread at Closing:	1.98%
Credit Enhancement/Reserves:	Subordination of the notes and excess spread
	Debt Service Reserve of 1.25% (as percentage of rated notes) is fully funded at closing, provides liquidity to class A1 and A2 as well as B and C 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 1.8 quarterly payments dates assuming a Euribor of 2%
Interest Payments:	Quarterly in arrears on each payment date
Principal Payments:	Pass-through on each payment date
Payment Dates:	27 October 2016, thereafter the 27th day of each of January, April, July and October of each year or following business day
Hedging Arrangements:	None
Transaction Parties	
Issuer:	Alba 8 SPV S.r.l.
Computational agent:	Securitisation Services S.p.A. (NR)
Back-up Calculation/Computational Agent:	N/A
Swap Counterparty:	N/A
Issuer Account Bank:	Citibank NA (A1 / P-1)
Collection Account Bank:	Intesa SanPaolo S.p.A. (A3/ P-2)
Paying Agent:	Citibank N.A., London Branch (A1 / P-1), Citibank N.A., Milan Branch
Corporate Service Provider:	Securitisation Services S.p.A. (NR)
Representative of the Noteholders:	Securitisation Services S.p.A. (NR)
Arrangers:	Banca IMI SpA & Societe Generale SA
Cash Manager:	Alba Leasing SpA (NR)
Back-Up Cash Manager:	NA

Source: Moody's Investors Service

Asset Overview

Alba 8 SPV is a cash securitisation of lease receivables extended to small and medium-sized enterprises (SMEs) and individual entrepreneurs located in Italy. We analyzed the assets based on asset characteristics, historical performance data and originator and servicer quality.

Asset Description

Asset Description at Closing

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, equipment, real estate properties and air/naval and rail assets. The balance of the portfolio (as of 5 May 2016) is €1015.94 million. The vast majority of the portfolio are leases that pay monthly (95.55%) and have floating rates (98.28%). Approximately 14% and 18% of the underlying portfolio is made of performing leases which were previously included in two other sme leases backed securitization transactions (Alba 4 and Alba 5) from the same originator.

POOL CHARACTERISTICS

The below table and exhibits shows 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

Number of Contracts	15,046
Type of Contracts	Leasing receivables
Contract Amortisation Type	French amortisation
% Bullet Loans	none
% Large Corporates	14.4%
% Real Estate Developers	4.54%
WA Interest Rate (fixed)	4%
WA spread (floating)	3.22%
WA Internal Rating	N.A.

Source: Alba Leasing

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

Exhibit 5

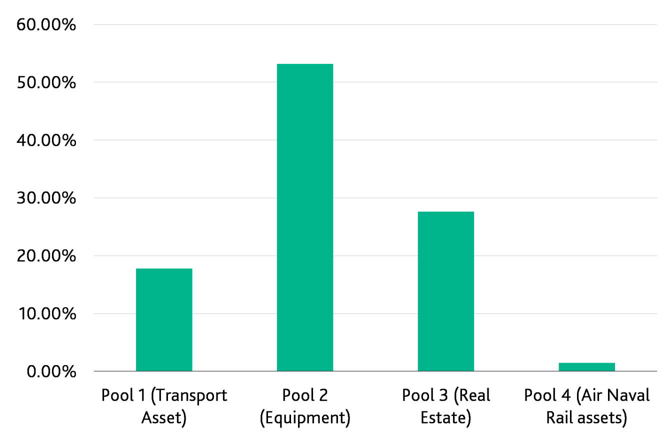
Top Pool Concentration Levels

Top Debtor Concentration	0.78%
Top 5 Debtors	3.41%
Top 10 Debtors	5.55%
Top 20 Debtors	8.45%
Top Industry Concentration	Construction & Building 16.1%
Top Geographic Concentration	Lombardy 31.40%

Source: Alba Leasing

Exhibit 6

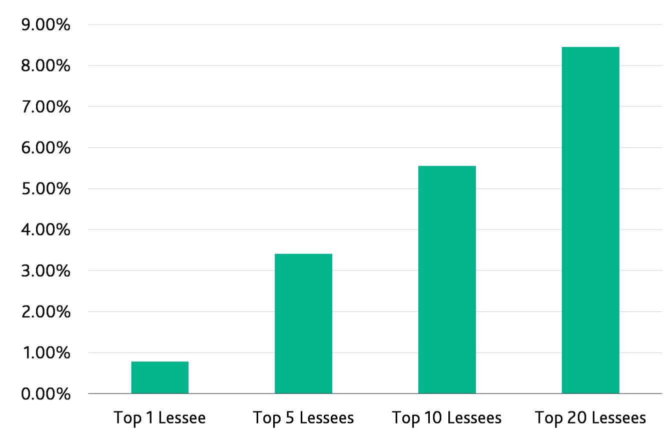
Sub-pool Concentrations



Source: Alba Leasing

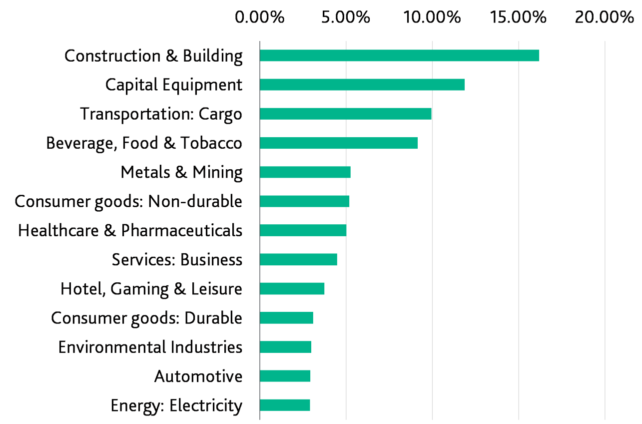
Exhibit 7

Lessee Concentrations (based on operating company)



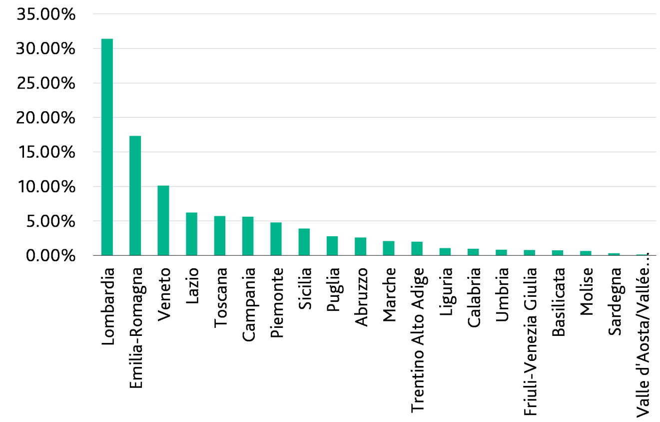
Source: Alba Leasing

Exhibit 8
Sector Concentrations



Source: Alba Leasing

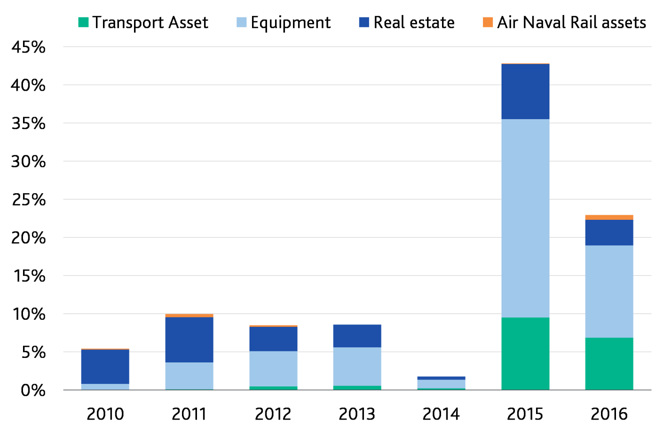
Exhibit 9
Region Concentrations



Source: Alba Leasing

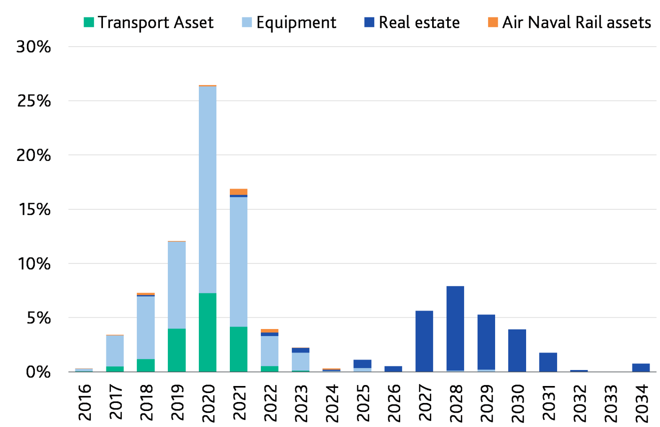
The charts below show the portfolio concentrations by year of origination and residual term length in each industry.

Exhibit 10
Year of Origination by Sub-pool



Source: Alba Leasing

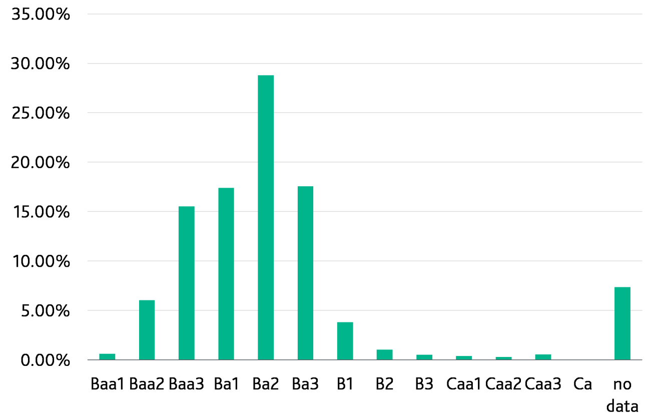
Exhibit 11
Maturity by Sub-Pool



Source: Alba Leasing

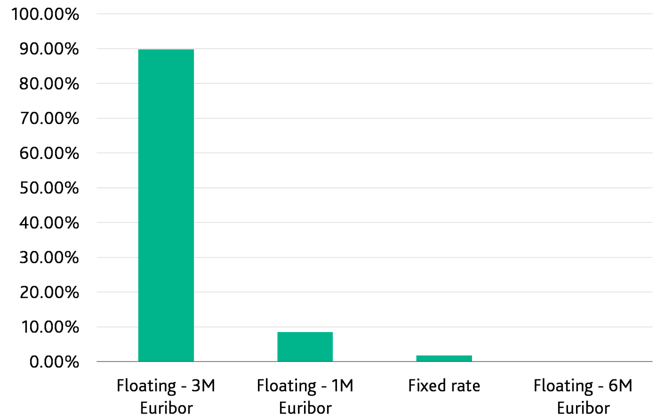
The charts below show portfolio concentration by rating and interest rate basis.

Exhibit 12
Lessee Credit Quality by Moody's Equivalent Rating



Source: Alba Leasing

Exhibit 13
Interest Rate Basis



Source: Alba Leasing

ORIGINATOR

Alba Leasing SpA (NR) is the transaction's originator and servicer. The tables below provide details about Alba and the performance originations.

Exhibit 14
Originator Background: Alba Leasing SpA

Rating:	Not rated
Financial Institution Group Outlook for Sector:	Stable
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 (YE 2015)
% of Total Book Securitised:	36.75%
Transaction as % of Total Book:	20.9%
% of Transaction Retained:	75.4%

Source: Moody's Investors Service

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

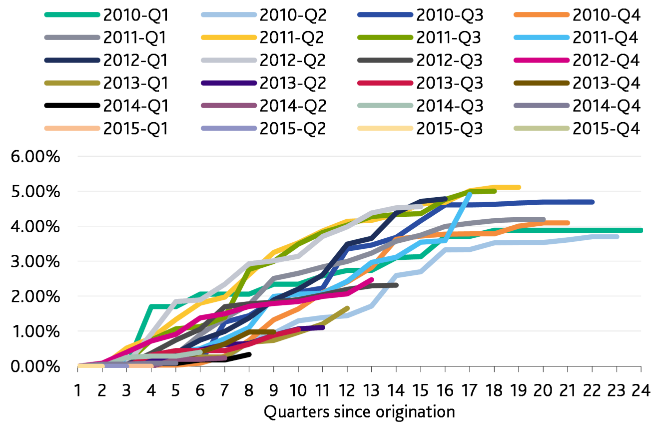
» The data sets consisted of: static vintage data on defaults, static vintage data on recoveries, dynamic delinquency information and dynamic prepayment information.

» We have received the following two sets of data: (i) whole portfolio (vintages 2005-2015) as managed by Alba Leasing currently and (ii) new production (vintages 2010-2015) as originated since inception from Alba Leasing in 2010. Note, only loans 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 5 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 15

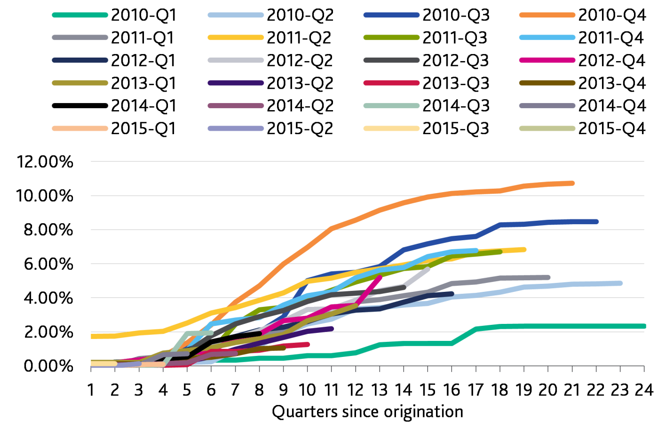
Cumulative Default Rate (New Production) for Transportation Assets Sub-Pool



Source: Alba Leasing

Exhibit 16

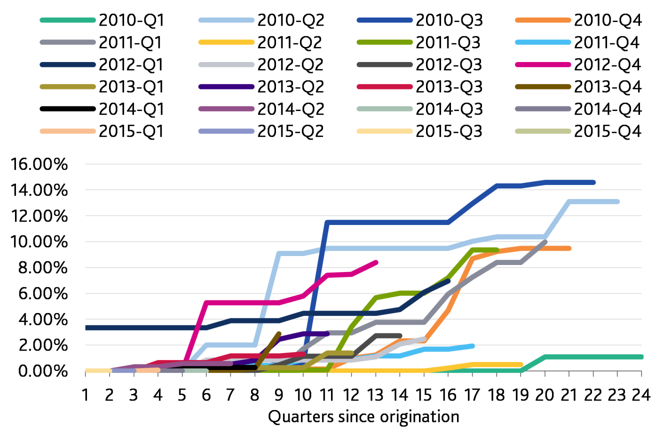
Cumulative Default Rate (New Production) for Equipment Sub-Pool



Source: Alba Leasing

Exhibit 17

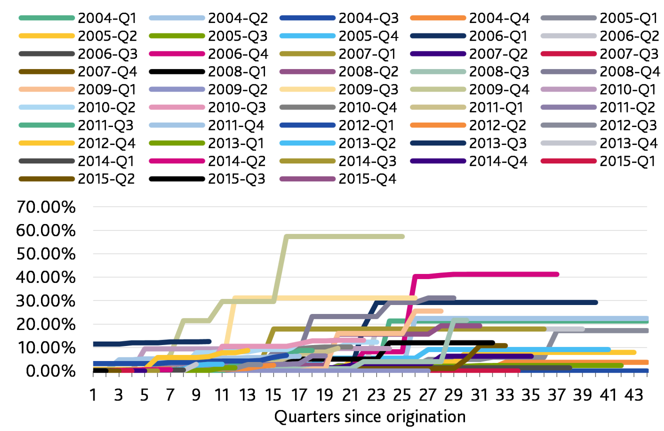
Cumulative Default Rate (New Production) for Real Estate Sub-Pool



Source: Alba Leasing

Exhibit 18

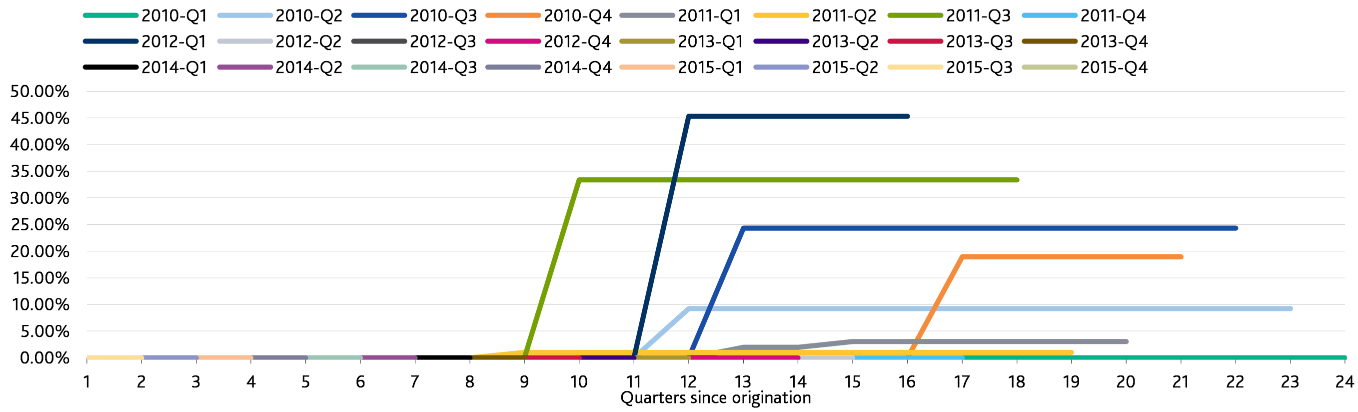
Cumulative Default Rate (Whole Production) for Real Estate Sub-Pool



Source: Alba Leasing

Exhibit 19

Cumulative Default Rate (New Production) for Air/Naval/Train Sub-Pool



Source: Alba Leasing

SERVICER

Alba Leasing SpA is also the transaction's servicer, with a staff of 300 servicing roughly €4.9 billion of receivables.

Replacement of the servicer: See Parameter Sensitivities in the Appendix.

BACK-UP SERVICER

Securitisation Services SpA is the transaction's back-up servicer.

Exhibit 20

Back-Up Servicer Background: Securitisation Services SpA. The table below provides details about Securitisation Services.

Rating:	Not rated
Ownership Structure:	Owned by Banca Finanziaria Internazionale SpA (unrated)
Regulated By:	Bank of Italy
Total Number of Receivables Serviced:	EUR 23.4 billion
Number of Staff:	over 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

Source: Moody's Investors Service

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 GUIDELINES

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

Assets Analysis

Primary Asset Analysis

We based our analysis of the transactions 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 210 days in arrears, or any lease contract classified as "sofferenza" in accordance with the Bank of Italy 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 (approximately 210 days delinquent or sofferenza according to Bank of Italy).

Derivation of default rate assumption: We analysed the available historical performance data the bank provided by sub-portfolio type and the performance of Alba 5 and Alba 7 which we rated respectively in 2013 and 2015. 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 21

Summary of Historical Default Data Analysis

	Weighted Average Total Pool	Auto total	Equipment total	Real Estate	Air/Naval/Train
Avg. Extrapolated Default Rate	10.51%	3.44%	5.28%	24.41%	15.94%
Cov	72.27%	34.11%	44.47%	77.22%	116.32%
Moody's equivalent	Ba3	Ba1	Ba2	B2	B1

Source: Moody's Investors Service

We complemented the above analysis with a top-down approach, as we typically apply when rating SME loan transactions, and as described in more detail in our methodology report, Moody's Global Approach to Rating SME Balance Sheet Securitizations, October 2015. Starting from Italy's (Baa2/P-2) 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 52.3% 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 loans 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 (2.7% of the portfolio) we applied a one-notch penalty

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 (½-notch penalty).

As a result, we expect an average portfolio credit quality equivalent to a B1 proxy for an average life of approximately 3.5 years for the portfolio. This translates into a gross cumulative default rate of around 11.09%.

EXPOSURE TO REAL ESTATE

Approximately 16.2% 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.

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.

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.

MARGIN COMPRESSION DUE TO REPAYMENTS

Assuming 100% margin compression (i.e. 100% of CPR applied to highest interest rate paying loans), we reduced the fixed-rate yield vector as given by the originator through the arrangers by 0.13%, and the floating-rate margin vector by 0.13%, in each period.

Comparables

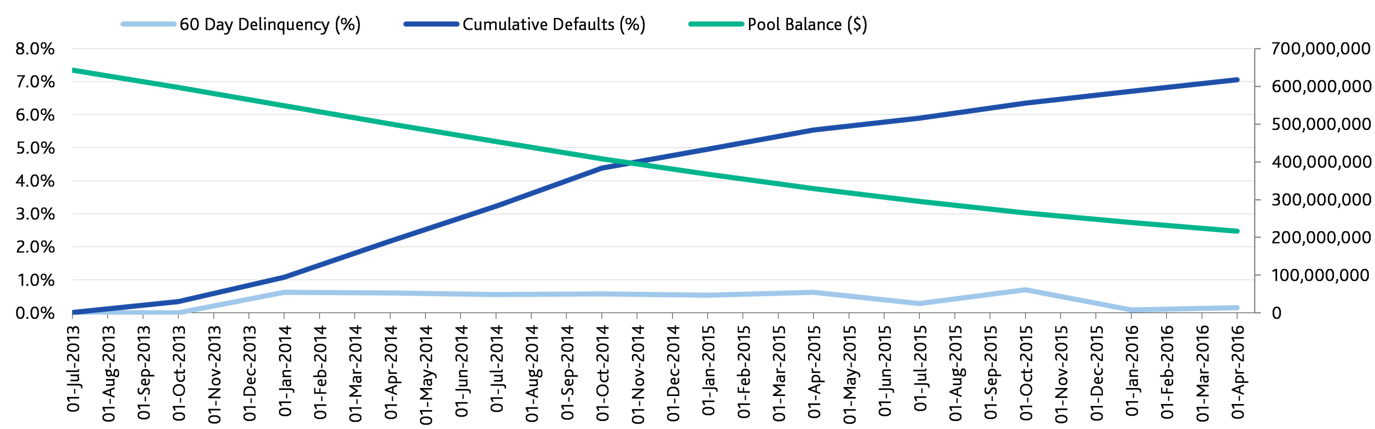
PRIOR TRANSACTIONS OF THE SPONSOR

We have performance information for two previous transactions from Alba Leasing that we rated: Alba 5 and 7.

The underlying portfolio of the Alba 5 transaction was repurchased in May 2016 and the remaining collateral contributed to the new portfolio of Alba 8. Cumulative defaults in Alba 5 totaled 6.71% of the original balance, as of February 2016, which reflects a B1 pool quality since the closing date. The performance of Alba 5 has been in line with our original expectations and also comparable to other Italian leasing transactions. The performance of the Alba 7 is less relevant due to the short time from closing which is less than a year.

Exhibit 22

Delinquencies, Cumulative Defaults and Portfolio Outstanding for Alba 5 S.r.l.



Source: Moody's Investors Service, Alba Leasing

TRANSACTIONS OF OTHER SPONSORS

Alba 8'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 11.1% 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 lower exposure to the Real Estate sector. The lower recovery rate is driven by a large exposure to equipment leases .

Exhibit 23
Benchmark Table

Deal Name	Alba 8 SPV	Alba 7 SPV	Tricolore Funding – Serie 2014	Locat SV – Serie 2014	Alba 5 SPV	Siena Lease 2016-2
Closing Date or Rating Review Date (dd/mm/yyyy)	6/20/2016	4/20/2015	12/10/2014	9/12/2014	5/16/2013	1/28/2016
Currency of Rated Issuance	EUR	EUR	EUR	EUR	EUR	EUR
Rated Notes Volume (excluding NR and Equity)	EUR812.8M	EUR605.2M	EUR120M	EUR715M	EUR450M	EUR1,417.3M
Originator	Alba Leasing SpA	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	N/R	Baa3	N/R	N/R
Short-term Rating1	N/R	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.	BNP Paribas Securities Services
Long-term Rating1		A1		A1	Aa3	A1
Short-term Rating1		P-1		P-1	P-1	P-1
Portfolio Information (as of [...])	5/5/2016	3/1/2015	10/31/2014	6/27/2014	4/1/2013	11/30/2015
Currency of securitised pool balance	EUR	EUR	EUR	EUR	EUR	EUR
Securitised Pool Balance ("Total Pool")1	1026.1M	784.76M	177.7M	919.5M	672.6M	1,619.8M
Monthly paying contracts %	95.55%	94.10%	90.80%	93.20%	93.20%	96.80%
Floating rate contracts %	98.28%	98.05%	86.30%	71.20%	97.30%	93.00%
Fixed rate contracts %	1.72%	1.95%	13.70%	28.80%	2.75%	7.00%
WAL of Total Pool initially (in years)	3.6	3.67	4.38	2.9	3.8	4.9
WA seasoning (in years)	1.8	1.08	4.9	2.9	2	4.24
WA remaining term (in years)	6.34	6.57	8.25	5.6	6.6	8.89
No. of contracts	15,046	12,900	3,868	14,332	13,535	13,181
No. of obligors	10,014	8,092	2,819	10,144	8,997	8,848
Name 1st largest industry	Construction & Building	Construction & Building	Construction & Building	Transportation: Cargo	Construction & Building	Construction & Building
Size % 1st largest industry	16.19%	21.00%	24.00%	16.70%	22.30%	32.20%
Effective Number (obligor group level)	1268	768	290	NA	956	1,152
Single obligor (group) concentration %	0.78%	1.04%	1.30%	1.00%	0.70%	0.70%
Top 10 obligor (group) concentration %	5.55%	6.33%	10.80%	7.10%	5.60%	4.50%
Geographical Stratification (as % Total Pool)3						
Name 1st largest region	Lombardy	Lombardy	Emilia Romagna	Lombardy	Lombardy	Lombardy
Size % 1st largest region	31.39%	29.40%	23.50%	29.90%	19.50%	19.11%
Asset Assumptions6						
Type of default / loss distribution	Inverse Normal	Inverse Normal	Inverse Normal	Inverse Normal	Inverse Normal	Inverse Normal
Mean gross default rate - initial pool	11.10%	13.20%	24.30%	9.1%*	16.00%	23.57%
CoV	40.80%	41.40%	38.50%	80%*	39.70%	27.50%
Mean recovery rate	35%	35%	50%	40%	40%	35%
Stdev. recovery rate (if any)	20%	20%	20%	20.00%	20.00%	20.00%
Recovery lag (in months)	33	33	33	36	36	36
Prepayment Rate(s)	5%	5%	5%	5%	5%	5%
Size of credit RF up front (as % of Total Pool)	1%	2%	1.00%	0%	1.65%	1.34%
Principal available to pay interest?	Yes	Yes	Yes	Yes	Yes	Yes
Set-off risk?	No	No	Yes	No	No	No
Commingling Risk?	Yes	Yes	Yes	Yes	Yes	Yes
Back-up servicer (BUS)	Yes	Yes	Yes	No	Yes	Yes
Swap in place?	No	No	No	Yes	No	No
Capital structure (as % Total Pool)3						
Size of most senior rated class	62.4% (class A1 and A2 rated Aa2 @ closing)	58% (class A1 and A2 rated Aa2 @ closing)	56.2% (rated A2 @ closing)	55% (rated A2 @ closing)	66.9% (rated A2 @ closing)	47.0% (rated Aa2 @ closing)
Equity	20.80%	22.80%	33.70%	45%	34.20%	12.50%
Annualised net excess spread	2.40%	2.40%	1.48%	3.50%	1.40%	2.10%

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 November 2014. See the table below for further details.

ORIGINATOR QUALITY

Exhibit 24

Originator Review

Main Strengths (+) and Challenges(-)
Overall Quality: Weak
Date of Operations Review: 27 November 2014
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

Source: Moody's Investors Service

SERVICER QUALITY

Alba Leasing is also the transaction's servicer.

Exhibit 25

Servicer Review

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

Source: Moody's Investors Service

Securitization Structure Overview

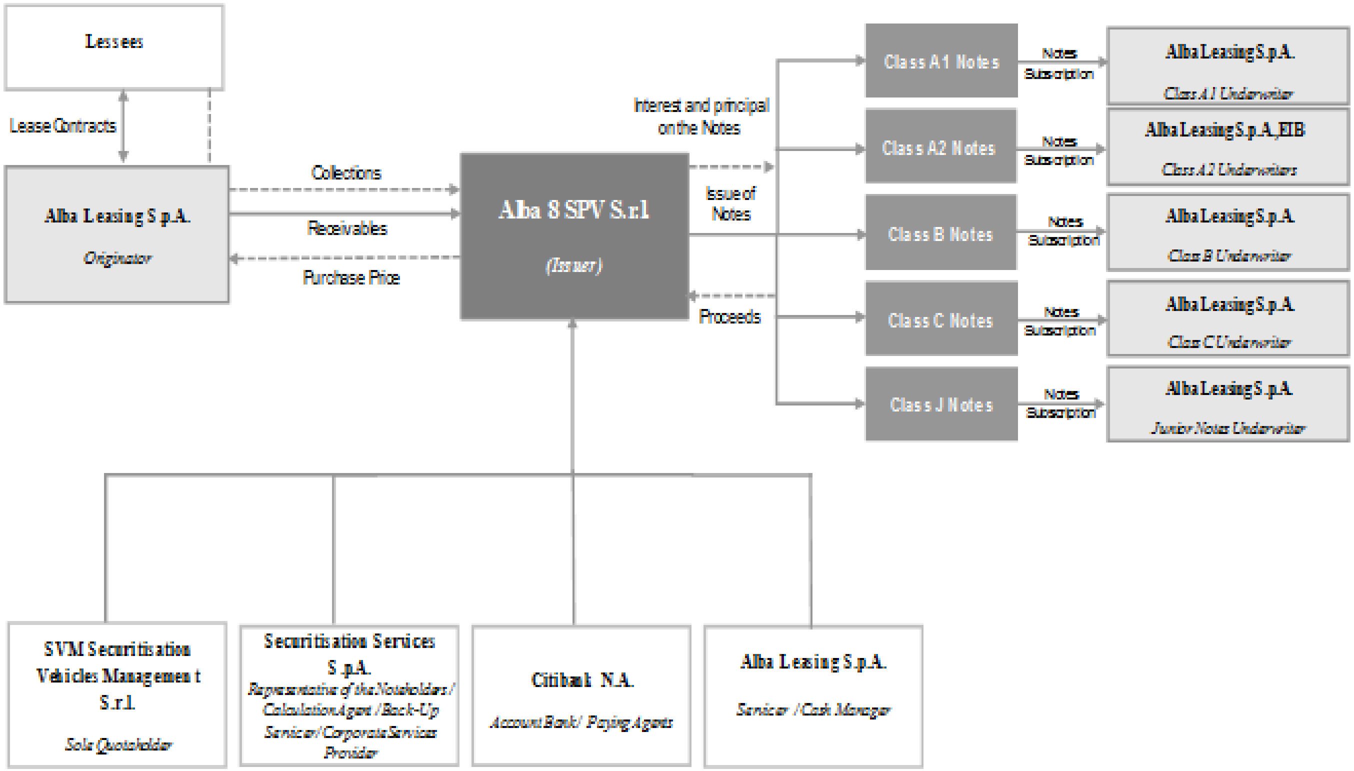
Alba 8 SPV is a sequential pay structure. As part of our rating analysis, we modeled the bond structure and cash flow waterfall to assess the amount of credit enhancement supporting each class of rated securities. We also analyzed the allocation of payment, bankruptcy remoteness and other structural issues.

Securitization Structure Description

The proceeds of the notes will be used to finance the acquisition of the portfolio, the original amount of which equals €1015.9 million. 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: Banca IMI

Detailed Description of the Structure

CREDIT ENHANCEMENT

Debt service reserve: At close, the debt service reserve requirement is 1.25% of the principal outstanding of the rated notes (being the Class A1 and A2 plus B and C notes), i.e. €10.16 million. After closing, the required reserve level must be equal to the higher between (i) 1.25% 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 € 5million) 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 and (only prior to a Class B/C interest subordination event) also of the interest of Class B and 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.

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 (only prior to a Class B/C interest subordination event) coupon payments on the Class B and C notes for approximately 1.8 quarterly payment dates assuming a three-month Euribor of 2%.

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.

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 simplified order of priority shown in the Appendix.

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

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 classclass B notes will be subordinated to the payment of Principal of the class A1 and A2 notes .
Class C Notes Interest Subordination Event	The gross cumulative default ratio > 10%	If the conditions are met, payment of Interest on the Class C notes will be subordinated to the payment of Principal of the class B notes
Cash Trapping	The cumulative default ratio exceeds certain ratio level over deal life (see table on page 27)	If the conditions are met, any excess spread (remaining after having paid principal on class A1, A2, B and C notes and any other amount payable to the issuer creditors according to documentation) will be trapped and form part of the issuer available funds in the next payment date.

Source: Alba Leasing (Prospectus)

Exhibit 28

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 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
Issuer Account Bank/Paying Agent Replacement:	Loss of Baa1

Source: Alba Leasing (Prospectus)

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 (A3/P-2).

Collections are transferred daily into the issuer collection account held at Citibank NA (A1/p-1).

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.

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 not 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 loans are repurchased, as they are either ineligible when assigned or renegotiated.

To mitigate this risk, 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 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 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 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 total portfolio.

» The servicer may grant an extension of the lease repayment plan provided the last installment payment date falls within September 2037, i.e., approximately 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.

COMPUTATION AGENT

Securitisation Services is also the transaction's computation agent.

Exhibit 29

Computation Agent Background: Securitisation Services SpA

Rating:	NR
Main Responsibilities:	Preparation of payment report and, if the servicers don't deliver the service 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 January, April, July and October

Source: Moody's Investors Service

Securitization 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 Structure Analysis

EXPECTED LOSS

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

Exhibit 30

Portfolio Assumptions

Default Distribution	Normal inverse
Default Rate	11.1% (B1 equivalent)
Default Definition	210 days in line with #sofferenza# definition
Standard Deviation/Mean	40.8%
Timing of Default	Flat over portfolio average life
Recovery mean	35.0%
Recovery Cov	20.0%
Recovery Lag	50% after 2 years, 50% after 4 years
Correlation Defaults/Recoveries	5.0%
Conditional Prepayment Rate (CPR)	5.0%
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. +170,000 fixed fees
Euribor/Swap Rate	4.0%/NA
PDL Definition	On default
PCE	20.6%

Source: Moodys Investors Service

DEFAULT DISTRIBUTION

The first step in the analysis of the expected loss on the bonds is to define a default distribution of the loan 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™v2.15-4) 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 40.8% that takes into account sovereign risk as well.The base case mean loss rate and the CoV assumption correspond to a portfolio credit enhancement of 20.6% The pool's asset correlation is 5.55%.

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.

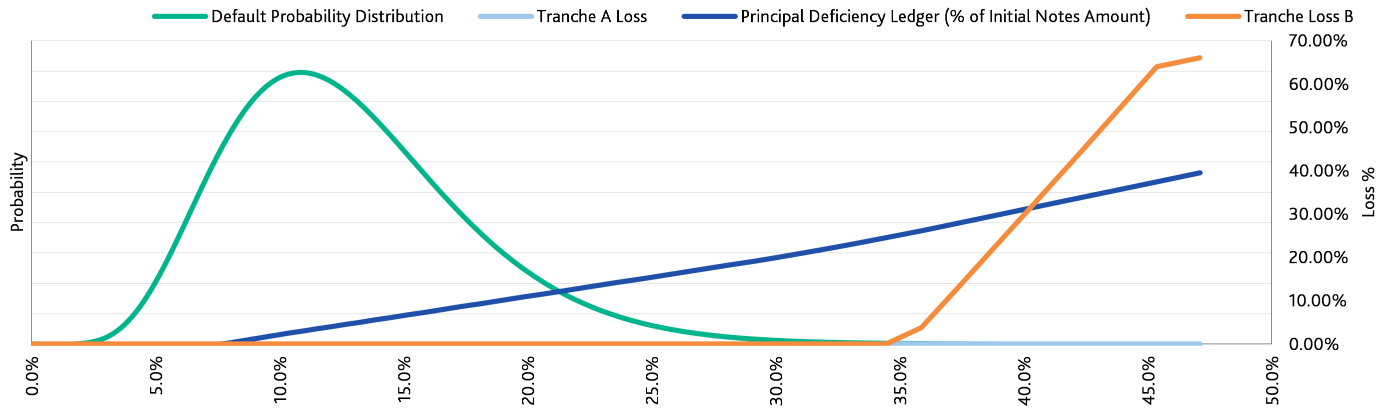
Prepayments: Based on historical prepayment information and based on benchmarking with other lessors, we assumed a CPR at a level of 5% per annum.

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 shows the default distribution (green line) we used to model the transaction's cash flows.

Exhibit 31

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, or act as a source of risk. In addition, we 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, 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 (ABSROM v.3.9.A) 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 orange line in Exhibit 31 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 35.9%, 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 note holders.

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) and registered in the Companies Register on 26 May 2016.

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.

INTEREST RATE MISMATCH

At closing, 98.28% of the pool balance comprises floating-rate loans and 1.72% fixed-rate loans, 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 loans are indexed to three-month Euribor (89.76%), and the rest to one-month Euribor (8.51%). We applied a haircut of 0.5% 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-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, B and C 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. To treat a potential exposure for commingling risk, we modelled the loss of the equivalent of one month collections upon a servicer's default.

Methodology and Monitoring

Methodology

See Moody's Approach to Rating ABS Backed by Equipment Leases and Loans,December 2015.

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 marked deterioration of the 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: Parameter Sensitivities

Parameter Sensitivities for Tranche A and B

Parameter sensitivities provide a quantitative, model-indicated calculation of the number of notches that a structured finance security we rate 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 Structured Finance Ratings", 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 : 11.1% (base case), 12.1% (base case +1%), 13.1% (base case + 2%,) and recovery rate: 35% (base case), 32.5% (base case - 2.5%), 30% (base case - 5%). The 11.1% / 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 32

A1 and A2 Sensitivities

Tranche A1 and A2		Recovery Rate		
		35%	**32.5%**	**30%**
Mean Default	11.1%	**Aa2***	Aa2 (0)	Aa2 (0)
	12.1%	Aa2 (0)	Aa2 (0)	Aa2 (0)
	13.1%	Aa2 (0)	Aa2 (0)	Aa2 (0)

Source: Moody's Investors Service

Exhibit 33

B Sensitivities

Tranche B		Recovery Rate		
Mean Default		**35%**	**32.5%**	**30%**
	11.1%	**A1***	A1 (0)	A1 (0)
	12.1%	A1 (0)	A1 (0)	A2 (-1)
	13.1%	A3 (-2)	A3 (-2)	A3 (-2)

Source: Moody's Investors Service

Exhibit 34

C Sensitivities

Tranche C		Recovery Rate		
Mean Default		**35%**	**32.5%**	**30%**
	11.1%	**Ba3***	Ba3 (0)	Ba3 (0)
	12.1%	Ba3 (0)	Ba3 (0)	Ba3 (0)
	13.1%	B1 (-1)	B1 (-1)	B1 (-1)

Source: Moody's Investors Service

WORST-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 13.1% with a recovery rate assumption of 30% (all other factors unchanged). Under the same stressed assumptions class B and C Notes would have achieved an A3 and a B1 rating.

LCC SENSITIVITY

The exhibits below show the sensitivities for this transaction for different levels of LCC .

Exhibit 35

Tranche Sensitivity to LCC

		Tranche A1 and A2	Tranche B	Tranche C
LCC	A1 (-2)	A1 (-2)	A1 (0)	Ba3 (0)
	Aa2	Aa2	A1	Ba3
	Aaa (+2)	Aa2 (0)	A1 (0)	Ba3 (0)

Note: Change in model-indicated rating (# of notches) is noted in parentheses.
Note: 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.
Source: Moody's Investors Service

The Aa2 (LCC ceiling) scenario represents the base case assumptions used in the initial rating process. At the time of the rating assignment, the model output indicated that all the notes would have achieved today's ratings even if the LCC ceiling was raised to Aaa. The eligible investment definition used for this transaction will limit any future upgrades above the current LCC ceiling.

Factors which could lead to a downgrade: We may downgrade the ratings on one or more classes of notes if: the underlying collateral performs worse than expected; the credit quality of the counterparties deteriorates, especially Alba Leasing in its role as servicer; an increase in Italy's sovereign risk.

Appendix 2: Originator and Servicer Detail

Exhibit 36

Summary of Originator's Underwriting Policies and Procedures

Originator Ability	At Closing
Sales and Marketing Practices	
Origination Channels (as of end 2015):	Shareholding banks: 77.9% Other banks: 12.1% Others: 10%
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
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

Source: Alba Leasing

Exhibit 37

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	

Source: Alba Leasing

Appendix 3: Eligibility Criteria and Waterfall

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 installment 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 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 duration is (1) auto 93 months, (2) equipment 158 months, (3) real estate 215 months, (4) airplanes/trains/ships 101 months.

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 15%
4. Interest on Class C notes, if gross cumulative defaults not larger than 10%
5. Fill-up of the debt service reserve account up to the required level
6. Principal on Class A1
7. Principal on Class A2
8. Interest on Class B notes on a pro-rata basis, if gross cumulative defaults exceed 15%

9. After repayment of Class A1 and A2 notes, principal on Class B notes on a pro-rata basis
10. Interest on Class C notes on a pro-rata basis, if gross cumulative defaults exceed 10%
11. After repayment of Class B notes, principal on Class C notes on a pro-rata basis
12. 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;
13. Interest on Class J
14. Principal on Class J
15. Additional return to the Class J

Exhibit 38

Summary of Cumulative Gross Defaults for Cash Trapping Mechanism

Payment Date	Trigger
October 2016	1.75%
January 2017	1.75%
April 2017	2.25%
July 2017	3.00%
October 2017	3.50%
January 2018	4.50%
April 2018	5.00%
July 2018	5.00%
October 2018	6.00%
Thereafter	6.00%

Source: Alba Leasing

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 C notes
7. Principal on Class C notes
8. Interest on Class J
9. Principal on Class J

REPORT NUMBER 1031841

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