Tagging Info

Fitch Affirms Bumper 2 S.A. Ratings Endorsement Policy

12 Mar 2012 2:10 PM (EDT)

Fitch Ratings-London-12 March 2012: Fitch Ratings has affirmed Bumper 2 S.A.'s EUR875.6m notes, as follows:

EUR602.4m class A notes affirmed at 'AAAsf'; Outlook Stable
EUR47.3m class B notes affirmed at 'AAsf'; Outlook Stable
EUR225.9m class C notes: Not rated

The notes are backed by a portfolio of operational auto lease receivables and their residual values originated by LeasePlan Deutschland GmbH (LPD) a wholly-owned subsidiary of LeasePlan Corporation (LPC; 'A-'/Stable/'F2'). The affirmations reflect the transaction's robust performance, as demonstrated by the low delinquency and default rates to date, the available credit enhancement, and the transaction's legal structure.

In contrast to many other German auto lease transactions, where the residual value is typically not refinanced, this transaction also securitises the residual value component of the lease contracts. LPD has entered into a repurchase commitment under which it purchases the vehicles at the contractual residual value, ie with no loss to the transaction. However, if LPD was no longer in a position to repurchase the vehicles, investors would be exposed to losses if the realisation proceeds of the vehicles were below the purchase price paid by the issuer. Since assigning the ratings in March 2011, used car prices in Germany have been relatively stable, LPD has repurchased all vehicles under its commitment, and no losses have been allocated to the transaction.

Furthermore, where many other German auto lease transactions securitise highly granular portfolios of financial leases to private persons, self-employed and small commercial entities, this transaction mainly securitises operational leases to German corporate, SME and public sector entities. This means there are additional operational and concentration risks.

In its analysis, Fitch took scenarios into account where no reliance is given to LPD covering potential residual value losses while at the same time a large portion of the top obligors default. Fitch considers the rated notes to be sufficiently protected even for such adverse scenarios.

The transaction features a revolving period until March 2013, allowing the issuer to purchase additional eligible receivables into the pool. As of end January 2012, the portfolio consisted of 46,237 lease agreements with an aggregate discounted principal balance of EUR875.6m. EUR485.9m of the aggregated discounted balance of the portfolio relates to the residual value component.

Bumper 2 S.A. is a special purpose vehicle established for the purpose of issuing asset backed securities and was incorporated in Luxembourg as a public limited company.

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Additional information is available at www.fitchratings.com. The ratings above were solicited by, or on behalf of, the issuer, and therefore, Fitch has been compensated for the provision of the ratings.

Sources of information: monthly investor reports.

Applicable criteria, 'Criteria for Rating European Granular Corporate Balance-Sheet Securitisations (SME CLOs)', 6 June 2011; 'EMEA Consumer ABS Rating Criteria', 14 July 2011; 'EMEA Consumer ABS Rating Criteria -Auto Residual Value Addendum', 14 July 2011, are available at www.fitchratings.com.

Applicable Criteria and Related Research:
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EMEA Consumer ABS Rating Criteria
EMEA Consumer ABS Rating Criteria - Auto Residual Value Addendum