

FitchRatings

Fitch Upgrades Bumper 5's Class B Notes Ratings Endorsement Policy

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Fitch Ratings-London-21 March 2014: Fitch Ratings has upgraded Bumper 5 (UK) Finance Plc.'s class B notes and affirmed the class A notes, as follows:

EUR445.8m Class A1 Notes: affirmed at 'AAAsf', Outlook Stable
GBP 212.1m Class A2 Notes: affirmed at 'AAAsf', Outlook Stable
GBP 46.1m Class B Notes: upgraded to 'AAAsf' from 'AA+sf', Outlook Stable

The notes are backed by a portfolio of operational auto lease receivables and their residual values originated by LeasePlan UK Limited, a wholly-owned subsidiary of LeasePlan Corporation (LPC; A-/Stable/F2).

KEY RATING DRIVERS

The rating actions reflect the considerable build-up of credit enhancement due to deleveraging since the transaction has entered its amortisation phase in February 2013. The transaction also benefits from LPUK's purchase commitment of any residual values at lease contract maturity.

The delinquency rate has been low and as of the latest reporting date (February 2014) equalled 0.92% of the total aggregated discount balance. Cumulative defaults amount to 1.90%, which is below Fitch's initial base case assumption for this level of seasoning. The cumulative recovery rate on defaulted loans currently stands at 77.97%.

As of end-February 2014, the transaction default reserve fund was GBP5.59m. It is unused to date and should continue to amortise. Excess spread is available to cover losses and remains at healthy levels. This is sufficient to cover all losses so far without any requirement to draw upon the reserve fund. In addition to the default reserve, the transaction also benefits from a funded liquidity reserve (GBP4.4m), set-off reserve (GBP2m), maintenance reserve (GBP20.7m) and commingling reserve (GBP16.2m).

LPUK acts as initial servicer and also coordinates the provision of maintenance services to the lessees. In Fitch's view, the transaction's counterparty risk to LPUK is adequately mitigated by (i) the obligation to appoint a back-servicer within 120 days of certain events, such as a downgrade of LPC below 'BBB-'; (ii) the liquidity reserve covering around four months of senior expenses and class A and B interest; (iii) the funding of a commingling reserve for as long as LPC is rated below 'A/F1'; and (iv) the maintenance reserve, which together with the collected service components of the lease payments, would enable the issuer to fund maintenance services to the lessees after LPUK's default.

RATING SENSITIVITIES

Defaults up by 10%/25%
Class A: 'AAAsf'/AAAsf
Class B: 'AAAsf'/AAAsf

Recoveries down by 10%/25%
Class A: 'AAAsf'/AAAsf
Class B: 'AAAsf'/AAAsf

Defaults up and recoveries down by 10%/25%
Class A: 'AAAsf'/AAAsf
Class B: 'AAAsf'/AAAsf

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Additional information is available at www.fitchratings.com.

Sources of Information: Investor reports.

Applicable criteria 'EMEA Consumer ABS Rating Criteria', dated 9 July 2013; 'EMEA Consumer ABS Rating Criteria - Auto Residual Value Addendum', dated 9 July 2013; 'Criteria for Servicing Continuity Risk in Structured Finance', dated 29 July 2013; 'Counterparty Criteria for Structured Finance and Covered Bonds', dated 13 May 2013, 'Criteria for Rating Granular Corporate Balance-Sheet Securitisation (SME CLOs)', dated 28 March 2013 and 'Global Structured Finance Rating Criteria', dated 24 May 2013 are available at www.fitchratings.com.

Applicable Criteria and Related Research:

EMEA Consumer ABS Rating Criteria
EMEA Consumer ABS Rating Criteria - Auto Residual Value Addendum – Effective 14 July 2011 to 12 July 2012
Criteria for Servicing Continuity Risk in Structured Finance
Counterparty Criteria for Structured Finance and Covered Bonds
Criteria for Rating Granular Corporate Balance-Sheet Securitisations (SME CLOs)
Global Structured Finance Rating Criteria

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