Auto Leases/Netherlands
New Issue

Bumper I B.V.

Ratings

Class	Amount (EURm)	Legal Final Maturity	Rating	CE* (%)
A	944.5	December 2018	AAA	7.5
B	27.0	December 2018	AA	4.8
C	28.5	December 2018	NR[1]	1.95
D	19.5	December 2018	NR	n/a
Total	1,019.5			

[1]Not Rated

NB. The class D notes are non-collateralised by the lease portfolio. The proceeds of the class D notes are used to fund the reserve fund on the closing date.

* CE is calculated based on the collateralised note balance.

Analysts

Joanne Wong, CFA
+44 20 7417 4312
joanne.wong@fitchratings.com

Jose Lourenco
+44 20 7417 6269
jose.lourenco@fitchratings.com

Allen Twyning
+44 20 7417 3551
allen.twyning@fitchratings.com

Performance Analytics

Ockert Doyer
+44 20 7417 6266
ockert.doyer@fitchratings.com

■ Summary

This transaction is a securitisation of operating auto lease contracts and their residual values (RVs) originated by LeasePlan Nederland N.V. (LPNL, the seller). The leases were extended to corporate and professional obligors located in the Netherlands. Fitch Ratings has assigned final ratings to the notes issued by Bumper I B.V. (the issuer), as indicated at left.

The ratings are based on the quality of the receivables, available credit enhancement, the RV guarantee, the liquidity facility, the underwriting and servicing capabilities of LPNL and the integrity of the transaction's legal and financial structure.

The issuer is a limited company incorporated in the Netherlands. The notes were issued on the closing date, and the issuer then on-lent the proceeds to LeasePlan Securitisatie B.V. (the purchaser) to finance the purchase of vehicles and their associated lease receivables from the seller.

The issued notes have a total value of EUR1,019.5m and are secured on a lease portfolio of approximately EUR1,000m. Credit enhancement for the class A notes equals 7.5% and is provided by 2.7% subordination of class B notes, 2.85% subordination of class C notes and a cash reserve fully funded at 2% of the initial Class A and Class B notes. The proceeds of the D notes are held in cash in a reserve fund.

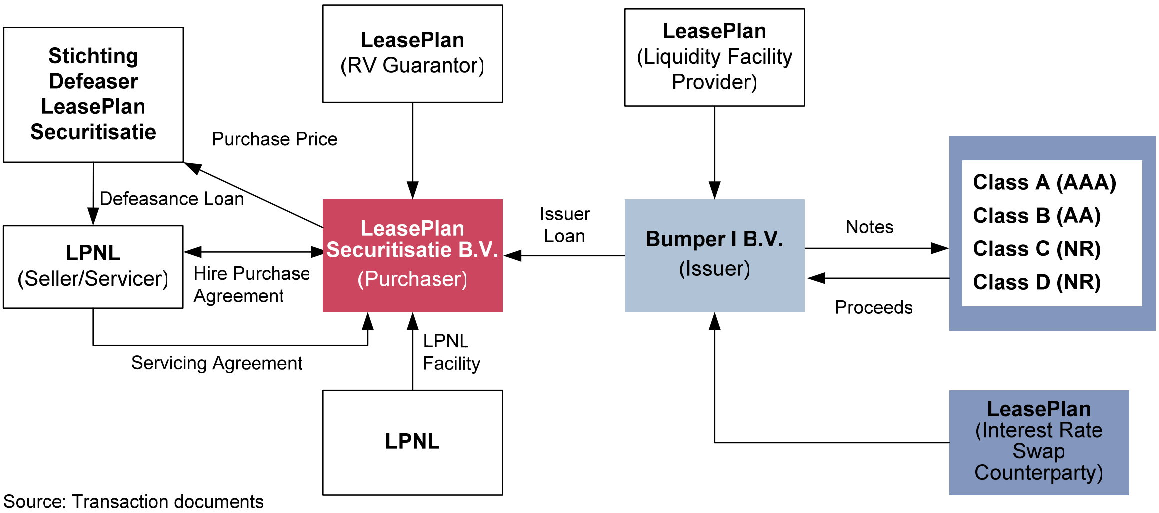
As of closing, the portfolio consisted of 79,157 lease contracts to a total of 4,629 obligors, representing an outstanding balance of approximately EUR1,369m. The RV component of the portfolio had a value of around EUR723.6m and the weighted-average (WA) original maturity per lease was 47.73 months.

The ratings address the likelihood of investors receiving full and timely interest and principal payments in accordance with the terms of the underlying documents.

■ Credit Committee Highlights

- LPNL is a wholly owned subsidiary of LeasePlan Corporation N.V. (LeasePlan, 'A/F1' rating, Outlook Positive), which is an entity regulated and supervised by the Dutch Central Bank. LeasePlan currently has under management over 1.2m vehicles and has a presence in over 27 countries. LPNL is the market leader in the Dutch operating lease market.
- This issuance is the first series of a EUR2,000m programme set up to issue notes from time to time. Each series will be secured by separate series collateral and will also have a separate bank account.
- The portfolio has demonstrated low historical losses. Fitch's rating methodology for this transaction was based on its Default Vector Model and its proprietary cash flow model.

Structure Diagram



Source: Transaction documents

- Repayment of the final lease instalment depends on the actual proceeds realised by LPNL on the sale of the vehicle. The transaction is therefore exposed to the risk that the actual proceeds from the sale of the vehicle may be lower than the expected RV. To mitigate this RV risk, the transaction benefits from a warranty from LPNL to repurchase the returned vehicles at their book value and, in addition, a guarantee from LeasePlan to cover any potential RV losses up to 10% of the issuer loan.

- Most operating leases have a maintenance service component whereby the sellers administer the leases and are obliged to ensure payment for third-party services, such as maintenance and insurance. No back-up servicer has been appointed on the closing date but will be appointed should LeasePlan be downgraded below 'BBB-' to mitigate the risk that lease contracts may be terminated by a lessee owing to the non-performance of LPNL.

- LPNL was required to set aside a maintenance reserve with a target amount of EUR6,280,000 immediately in case of LPNL's downgrade to below 'F1'. This amount is approximately equal to a (stressed) monthly maintenance cost for the whole portfolio and is intended to mitigate the risk of interruption in the maintenance cycle while the servicer is replaced.

- Lessees may have the rights to set-off the lease payment against the amount due from the seller (e.g. for minor servicing items such as windscreen wipers). LPNL undertakes that it will repay the purchaser any set off amount. The amounts involved are immaterial so no reserve is in place for this element of set-off risk. The seller may also hold cash deposit from the lessees as security for lease payments. These cash deposits are not transferred to the issuer. This risk is mitigated by limiting the exposure of leases with cash deposits to 1% of the note balance. In case of downgrade of LPNL to below 'F1', the seller will need to cash collateralise this amount.

- To ensure that the true sale of the future receivables being securitised is valid and enforceable under Dutch law, the vehicles and lease payments are transferred to the purchaser via a master hire purchase agreement. Payment to the seller is ultimately made via a defeasance mechanism.

- The transaction is expected to revolve for five years from the closing date.

Structure

Master Hire-Purchase Agreement

At closing, the purchaser acquired a portfolio of vehicles and its associated lease contracts owned by LPNL under a master hire purchase agreement (MHPA). After closing, the purchaser may also acquire future vehicles from the seller.

The purchase price payable by the purchaser under each hire purchase contract will be payable in instalments and will be equal to:

- The aggregate book value of the acquired vehicles, which includes the principal amortisation components of the lease

Key Information

Portfolio Characteristics

Type of Receivables: Operating auto leases and vehicle sale proceeds

Total amount: EUR1,369m

Number of leases: 79,157

WA original maturity: 47.73 months

Key Parties

Originator/Seller/Servicer: LeasePlan Nederland N.V.

Issuer: Bumper I B.V.

Purchaser: LeasePlan Securitisatie B.V.

Interest rate swap counterparty: LeasePlan Corporation N.V. (‘A/F1’)

Guarantee provider: LeasePlan Corporation N.V. (‘A/F1’)

Liquidity facility provider: LeasePlan Corporation N.V. (‘A/F1’)

instalments and the expected RV of the vehicles at the end of the respective lease contracts; and

- The aggregate interest component of the lease instalments.

The final instalment payable at the maturity of the associated lease will be equal to the vehicle’s expected RV.

Debt Defeasance

The purchaser’s payment obligations with respect to the MHPA, i.e. the hire purchase instalments, has been fully assumed by Stichting Defeaser LeasePlan Securitisatie, under a payment undertaking agreement between the seller, the purchaser and the defeaser. The purchaser paid the defeaser the present value of the hire purchase instalments. The defeaser then extended the seller a loan in an amount equal to the defeasance payment amount.

The Issuer

The issuer is a bankruptcy-remote special-purpose company incorporated under the laws of the Netherlands for the sole purpose of issuing the notes and entering into certain agreements relating to the securitisation of vehicles and the associated leases.

At closing, Bumper I B.V. issued the class A, B, C and D notes and lend the proceeds to the purchaser under an issuer loan agreement (the issuer loan). The purchaser is also a bankruptcy-remote special-purpose company incorporated under the laws of the Netherlands.

The transaction is expected to revolve for a period of five years. New receivables will only be funded by the issuer loan if all acquisition and eligibility criteria are met, and the representations and warranties have not been breached.

LPNL Facility and Issuer Loan

A separate loan granted by LPNL funds the purchase of ineligible receivables that do not meet the issuer eligibility criteria or concentration limits.

Amounts drawn under the LPNL facility will be paid into a vehicle acquisition ledger that will be used to purchase future vehicles and associated leases that do not meet issuer loan eligibility criteria during the revolving period.

The way in which the issuer loan and the LPNL facility will fund the pool balance is similar to an undivided interest structure, where the LPNL facility acts as the seller interest. The issuer and LPNL will each receive a pro rata share of collections. However, the sharing mechanism is structured to include a subordination of the LPNL facility to the issuer loan.

The Net Vehicles Balance

Each month, the purchaser administrator will calculate:

1. gross vehicles balance: the aggregate book value of the leases;
2. the non-eligible vehicles balance: the non-eligible leases, including leases that do not meet the acquisition criteria and/or representations and warranties, as well as delinquent and defaulted leases;
3. the eligible vehicles balance: the pool balance minus the non-eligible vehicles balance (point 1 minus point 2);
4. the excess vehicles balance: the excess leases – for example, concentration excesses; and
5. the net vehicles balance: the eligible vehicles balance minus the excess vehicles balance (point 3 minus point 4).

The issuer loan will only fund the net vehicles balance.

Early Amortisation Events

Under the issuer loan, early amortisation events include instances where:

i. there is a net shortfall amount under the issuer loan and LPNL decides not to make a further LPNL advance to finance such amount;
ii. the three-month rolling average delinquency ratio exceeds 1% (a delinquent receivable being defined as such when it is between 30 and 59 days past due);

iii. the default ratio exceeds 1.5% (a defaulted receivable being defined as such when it is at least 60 days past due or write-offs);
iv. an LPNL default or a purchaser default occurs;
v. the interest rate swap agreement is terminated;
vi. the liquidity facility agreement is terminated;
vii. the initial servicing agreement is terminated; and
viii. the RV guarantee is terminated.

Priority of Payments

The transaction involves both a pre- and post-enforcement priority of payments, the second of which comes into effect after a note event of default has occurred. The pre-enforcement priority of payments contains two separate waterfalls for the distribution of interest and principal available amounts.

The pre-enforcement interest income available amount is distributed in the following order on a quarterly basis:

i. amount due to the issuer trustee;
ii. amount due to issuer operating creditors other than the issuer trustee;
iii. amount due to the corporate administrator;
iv. payment due to the liquidity facility provider (other than subordinated amount);
v. payment due to the interest rate swap counterparty other than subordinated amount;
vi. interest on the class A notes;
vii. class A principal deficiency ledger (PDL);
viii. interest on the class B notes;
ix. class B PDL;
x. interest on the class C notes;
xi. class C PDL;
xii. replenishing the excess spread ledger to the excess spread ledger target level;
xiii. subordinated interest rate swap payments;
xiv. liquidity facility subordinated amount;
xv. class D PDL;
xvi. interest on class D notes; and
xvii. remainder to LPNL.

Pre-enforcement principal priority of payment is as follows:

i. pay senior costs under item (i) to (iii) in interest income priority of payments that has not been paid;
ii. repay class A notes principal;
iii. repay class B notes principal;
iv. repay class C note principal;
v. repay class D notes principal; and
vi. remainder to LPNL.

Post-enforcement, interest and principal under the class A notes will rank senior to all other notes.

Excess Spread Ledger

An excess spread ledger is funded from the issuance proceeds of the D notes. The excess spread ledger required amount will be equal to the higher of:

- 2% of the aggregate principal amount outstanding on the class A and B notes at closing; and

- the lesser of: (a) EUR2,000,000; and (b) the aggregate principal outstanding on the class A and B notes.

Interest Rate Swap

To mitigate the interest rate mismatch between the floating-rate notes and the underlying securitised lease portfolio, the issuer entered into an International Swaps and Derivatives Association (ISDA) interest swap agreement with LeasePlan at closing. Under this agreement, the issuer will be obliged to pay LeasePlan each quarter all interest amounts received from the lease receivables and account income less: an annual margin of 30bp based on the outstanding amount of the class A and B notes less any aggregate balance on the PDL; and certain senior expenses.

LeasePlan, as swap counterparty, will pay to the issuer the interest payable on the outstanding notes (less any debit balances outstanding on the PDLs).

In the event of a downgrade of LeasePlan below ‘F1’ or ‘A’, it will either: be replaced with a suitably rated swap counterparty; obtain a guarantee from a suitably rated counterparty; or provide mark-to-market collateral to preserve the then-outstanding ratings of the notes.

If the swap counterparty has suffered a downgrade below investment grade then only the first and second of the above three options will be available.

Liquidity Facility

A liquidity facility is available to cover senior expenses and interest payments on the class A and B notes. It has been sized at 2.9% of the principal outstanding class A and B notes, representing a stressed amount of notes interest costs and senior expenses over six months. The liquidity facility is provided by LeasePlan and it can amortise subject to a floor of 0.5% of the issued rated notes at closing.

If the short-term rating of the liquidity facility provider falls below ‘F1’, it must, within 30 days, be replaced by a suitably rated counterparty, or have its obligations guaranteed by a suitably rated party. If neither of these occurs, the then undrawn portion of the liquidity facility will be fully drawn.

Residual Value Warranty

Under the MHPA, the seller warrants to repurchase the vehicle at its book value from the purchaser upon the termination or final expiry of the lease contract. As a result, the seller covers 100% lessee default risk.

RV Guarantee

The purchaser entered into a RV guarantee agreement with LeasePlan. In the case where LPNL fails to meet its warranty or exercise repurchase options under the MHPA, the purchaser can claim on the RV guarantor for the shortfall. The guarantee amount is limited to 10% of the issuer loan and will be amortised as the notes are paid down.

On the closing date, the guarantee provider cash collateralised its obligation under the RV guarantee in a separate ledger within the purchaser account held by ING Bank N.V.

Maintenance Reserve

There is no maintenance reserve set aside on the closing date. However, should LPNL be downgraded below ‘F1’, the seller must immediately replenish the maintenance reserve account to EUR6.28m, which will be available to fund maintenance costs and other expenses incurred by the purchaser. This amount has been sized to cover approximately one month’s portfolio maintenance costs.

Set-Off Risk

Notwithstanding the MHPA, the lessees may be entitled to set off the relevant lease receivable against claims they might have (e.g. fuel consumption). Under Dutch law, the lessees may still be entitled to set-off even after being notified of the transfer. However, this set-off risk is very rare.

In addition to the above, the seller may also request a cash deposit from some lessees as a security for future lease payments. It is possible that LPNL could become insolvent and may not be able to pay out to the relevant lessee. In cases where a cash deposit is lost and a lessee is requested to repay the full lease receivables, there is a risk that a lessee successfully invokes defences to secure an amount equal to the lost cash deposit from the lease receivables it owes to the purchaser.

To mitigate this, a cap of 1% of the total book value with respect to cash deposits is incorporated. This amount will have to be cash collateralised upon LPNL’s downgrade below ‘F1’.

Commingling Risk

The lessees will not be notified of the transfer of the vehicle and lease agreements to the purchaser until the insolvency of the seller. Lessees will continue to make payment directly to the originator. Collections will be transferred to the purchaser monthly. Therefore, there is one month commingling risk but no reserve is required according to Fitch’s commingling criteria.

■ Collateral

The portfolio consists of operating auto leases originated by LPNL and extended to corporate and professional obligors located in the Netherlands. The seller has concluded master agreements with its lessees containing the conditions under which they are prepared to lease a vehicle. The seller and the lessee enter into a separate lease contract in respect of each vehicle.

Legal ownership of the vehicle remains with the lessor, and the lessee will not obtain a security interest in the vehicle.

The book value of a lease at inception is equal to the purchase price of the vehicle paid by the sellers as owner/lessor. The lease will amortise on a linear basis based on the expected RV at the end of the lease and agreed annual mileage. Most leases are recalculated at least once during the contract’s life. This helps the seller to mitigate RV risk (e.g. if a lessee drives beyond the agreed annual mileage, an increase will be made to the monthly base instalment to compensate for the reduced final RV).

Lease instalments, which are payable in advance of each monthly lease period, include:

i. an interest component;
ii. a principal component; and
iii. a servicing component, which represents approximately 60% of the fixed instalment. The lease servicing component is not part of the securitisation.

Furthermore, the seller invoices the lessee separately for any additional amounts, such as fuel.

The characteristics of the closing portfolio are shown below.

Portfolio Characteristics

Current lease balance (EUR)	1,369,210,642
Number of leases	79,157
Number of lessees	4,629
Average number of leases per lessee	17.1
Average lease balance per lessee (EUR)	295,790
WA interest rate per lease (%)	4.14
Average remaining maturity per lease (months)	22
WA original maturity per lease	47.73
Average seasoning per lease (months)	24.84
Total expected RV at maturity of the leases (EUR)	723,585,028
Expected RV at maturity of the leases as a percentage of the outstanding lease balance (%)	52.8

Source: LPNL

Hire Purchase Criteria

Key criteria under hire purchase agreements include:

- the lessees are corporate entities or private individuals conducting an enterprise with registered offices in the Netherlands;
- the leases are governed by Dutch law and denominated in euros;
- the lease receivables and the vehicles have been financed by the seller;
- LPNL is the lessor under the associated lease; and
- the lease is originated in accordance with applicable legal requirement and meets LPNL's standard underwriting criteria.

Key Eligibility Criteria Under Issuer Loan

The following eligibility criteria apply:

- first lease receivable has been invoiced;
- each lease was originated by the seller;
- the seller has paid the relevant dealer the full purchase price for the vehicle;
- the lessee does not form part of LeasePlan's group of companies;
- the lease maturity date falls after the cut-off date; and
- the vehicle is a passenger vehicle, delivery van, truck or forklift truck.

In addition to the above, the leases to be funded by the issuer loan have to meet the following concentration tests.

Key Concentration Limits

The following concentration limits apply to the eligible pool balance and therefore determine the net pool balance expressed as a percentage of the aggregated outstanding book value unless otherwise specified:

- the top five lessees cannot represent more than 2.5% each;
- the top 6-30 lessees cannot represent more than 1.25% each;
- all other lessees cannot represent more than 0.75% each;
- open-end leases cannot represent more than 50%;
- vehicles with an investment value of three times the average investment value of the vehicles in the pool cannot represent more than 5%;
- used vehicles, trucks and forklift trucks are capped at 10%, 5% and 5%, respectively;
- all leases must have a WA remaining maturity of between 15 and 40 months; and
- the maximum WA expected RV as a percentage of the original book value cannot exceed 50% (specific concentration triggers apply according to the WA original maturity of the leases).

Origination, Underwriting and Servicing

Fitch performed an on-site review of the origination, underwriting and servicing capabilities of LPNL in November 2006. In the agency's view, both the policies and procedures of the company, and its implementation and control are in line with expectations.

LeasePlan was founded in the Netherlands in 1963, being the current European market leader in fleet and vehicle management, while LPNL is market leader in the Netherlands. LeasePlan manages around 1.2m vehicles and maintains a consolidated lease portfolio worth EUR12.5bn. Typically, LeasePlan's core fleet management product focuses on corporate customers, lease cars through closed-end leases, open-end operating lease arrangements and fleet management contracts. It also offers a full range of fleet support services.

Origination and Underwriting

The credit proposals are initiated either by the Credit Acceptance Department (CAD), which is responsible for initiating proposals regarding renewals (clients exceeding 10 cars have to be renewed annually), or the Sales Department. LeasePlan generates more than 90% of its new business through its own sales force, the remainder being generated through broker channels.

A proposal, once finalised, is sent to the CAD within LPNL, which will conduct a risk evaluation and subsequently issue a recommendation. As part of the internal approval process, the following factors, among others, are taken into account:

1. the exposure (number of cars, amount);
2. the maximum risk involved;
3. the key ratios of the company; and
4. the credit score and paydex score (both from D&B, provider of global business information), the LeasePlan score and the payment behaviour (existing clients only).

If the requested exposure exceeds 250 cars or a book value of EUR600,000 for trucks, the proposal has also to be signed by LeasePlan.

Servicing and Recoveries

Approximately 89% of the lessees pay via direct debit, 10% use e-invoicing (where invoices are uploaded in larger clients' back offices, which facilitates automatic payment), while the remaining 1% are associated with transfers initiated by the client. The majority of the lease instalments are due monthly in advance.

LPNL uses a debtor monitoring system called OnGuard. The group has set a number of profiles in this system in relation to its level of risk, which describe in detail those steps required to collect the debt.

Low Risk (clients in financial services):

Day 5	Payment reminder
Day 20	Payment reminder by phone
Day 30	Demand for payment by mail
Day 40	Follow-up by phone of the demand for payment
Day 50	Final notice by mail
Day 55	Follow-up by phone of the final notice
Day 60	Commercial involvement / second follow-up by phone
Day 65	Injunction to pay
Day 70	Transfer to Doubtful Debtors

Medium Risk (clients that are not within the low and high risk bands):

Day 5	Payment reminder
Day 20	Demand for payment by mail
Day 25	Follow-up by phone
Day 35	Final notice by mail
Day 40	Follow-up by phone
Day 45	Commercial involvement / second follow-up by phone
Day 50	Injunction to pay
Day 55	Transfer to Doubtful Debtors

High Risk (LPNL's direct clients with fewer than 10 cars and maintained via the internet):

Day 5	Payment reminder
Day 10	Payment reminder by phone
Day 15	Demand for payment by mail
Day 20	Follow-up by phone
Day 25	Second follow-up by phone
Day 30	Commercial involvement
Day 35	Injunction to pay
Day 40	Transfer to Doubtful Debtors

The Doubtful Debtors Department will take direct action to collect the outstanding claim, including interest due and collection costs. If the lessee still fails to settle the outstanding balance, LPNL may decide to repossess the leased vehicle, as applicable.

Setting the Residual Value

The RV is calculated as a percentage of the vehicle purchase price and is specific to each vehicle type. It is an important parameter for the calculation of the monthly lease. The Residual Value Risk Committee (RVRC) is responsible for monitoring strategic market developments and for formulating the policy about the level of RV risk.

Setting residual values is the responsibility of the Object Costing Committee (OCC), which meets at least monthly to determine the RV of newly introduced car models. At least twice a year, the OCC also reviews the RV settings of all current car models, based on actual second-hand market sales prices, general market trends and the popularity of a certain model in the market.

LPNL is entitled to recalculate and adjust the price setting during the contract period when:

- the contract period ends;
- the mileage or other terms deviate from the contractual mileage or agreed terms (the mileage shows a deviation of more than 10% compared with the contractual mileage);
- there is a need to mitigate potential risks directly caused by government rulings and fiscal changes; and
- an early termination of the lease occurs. When a contract is terminated more than one month prior to the end date, it will be classified as an early termination. In such cases, the RV risks belong to the account of the customer. An invoice will be sent for the difference between the market value and the book value at the termination date and a penalty will be charged for the early termination.

The majority of contracts see their RV being recalculated twice during the contract life, which helps LPNL to mitigate the RV risk (the lease term and instalments can be changed when the RV is recalculated). Across its entire portfolio, and in cumulative terms, LPNL has never recorded an annual RV loss.

■ Credit Analysis

Fitch used its Default VECTOR Model to determine the rating default rate of the portfolio. The portfolio default level is used as an input into Fitch's ABS cash flow model to determine the required credit enhancement level for each rating level.

Default Analysis

The majority of the lessees are small- to medium-sized companies in the Netherlands. Fitch received empirical evidence demonstrating that historically, the weighted-average credit quality of the large lessees was in the range of 'BBB'. In building the model, the agency also took into consideration the minimum rating requirement of the top five obligors at 'BB', the concentration limits as per documentation and the well diversified pool by industry concentration, which Fitch expects to be maintained during the revolving period due to the nature of the operational leasing market. The rating default rate for each rating scenario is shown in the table below.

Default Rate (%)

AAA	22.76
AA	19.60

Source: Fitch

After analysing historical information on recoveries in the past three years, it was clear that some of the defaulted leases will become performing again. Therefore, the agency gave 10% credit to this and reached a final default rate of approximately 20% and 18% in a ‘AAA’ and ‘AA’ scenario.

Recovery Rate

Fitch analysed bankruptcies over the past three years for LPNL clients with a minimum of 10 cars. This data showed high recoveries at around 95.5%. The agency used 90% as a base case.

The base case recovery rate has been stressed under ‘AAA’ and ‘AA’ senior, based on the haircut set out in the table below.

Recovery Stress (%)

AAA haircut	40
AA haircut	30

Source: Fitch

RV Analysis

The transaction is exposed to an RV risk of the vehicles. An RV loss arises when there is a difference between the book value and the sales proceeds. On a portfolio basis, the seller has never experienced an RV loss in any year.

The RV risk in this transaction is mitigated in the following ways:

- RV risk warranty is provided by the seller, whereby the RV proceeds the seller expects to receive on the sale of a vehicle after a lease termination date are guaranteed. This means that as long as the seller is solvent the transaction should not be exposed to RV risk.
- A 10% guarantee on the total eligible pool is provided by LeasePlan to cover RV losses. RV losses are calculated on a portfolio basis, netting RV profits against RV losses. This guarantee is cash collateralised by LeasePlan.

In sizing the guarantee, Fitch applied its RV criteria. The agency considered the maximum RV exposure of 50% of the total portfolio as being its base case for sales proceeds. Dynamic information on sale proceeds as a percentage of the total book value in the past three years showed that LPNL managed to profit, on average, 5% more than book value. After giving credit for this, the result was stressed by 5% to capture market volatility, and Fitch’s ‘AAA’ haircut of 20% to capture macroeconomic risk. Finally, the stressed sales proceeds were then compared to the expected realisation proceeds. The difference is equivalent to an aggregate 10% RV loss, which will be cash collateralised from closing by LeasePlan.

Credit Enhancement

As a starting point, Fitch applied the default rates and default timings given by the Default Vector Model in its proprietary cash flow model. The portfolio amortisation profile was also analysed by considering the WA interest rate and the different buckets in terms of remaining maturities.

The agency gave credit to the fact that the initial 10% of losses are covered by the RV guarantee. Fitch then distributed the RV guarantee with the same timing as defaults.

■ Performance Analytics

Fitch will monitor the transaction on a regular basis and as warranted by events. Its structured finance performance analytics team ensures that the assigned ratings remain, in the agency’s view, an appropriate reflection of the issued notes’ credit risk.

Details of the transaction’s performance are available to subscribers at www.fitchresearch.com. Further information on this service is available at www.fitchratings.com.

Please call the Fitch analysts listed on the first page of this report for any queries regarding the initial analysis or the ongoing performance.