DBRS
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ABS

Foncaixa Leasings 2 F.T.A.

Transaction Close Date
08 March, 2013

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Ratings

Debt	Par Amount (1)	Percentage of Assets Pool	Credit Enhancement (2)	Investor Coupon (p.a.)	CUSIP/ISIN	DBRS Rating	DBRS Rating Action
Series A	€977,500,000	85.00%	31.00%	EUR3M+0.30%	ES0315661001	A (sf)	Final
Series B	€172,500,000	15.00%	16.00%	EUR3M+0.50%	ES0315661019	BB (high) (sf)	Final

Notes:

1. As of 18 February 2013.
2. Series A credit enhancement consists of subordination of Series B Notes (15.00%) and an amortising Cash Reserve (16.00%).

Transaction Summary

DBRS Ratings Limited (DBRS) assigned finalratings to the structured finance notes issued by Foncaixa Leasings 2 F.T.A ("FC Leasing 2" or the "Issuer" or the "SPV"). FC Leasings 2 is a new securitisation of Spanish finance leases originated by CaixaBank, a major Spanish banking group. The legal structure is based on Spanish securitisation law. Only the on-going instalments are being securitised, not the residual value payments.

The purchase of the collateral portfolio is funded through the issuance of amortising Series A and Series B notes. The amortisation of the different notes is sequential. The portfolio is static on the transaction closing date. The transaction structure is un-hedged with a Cash Reserve fully funded at closing through a subordinated loan.

Strengths

- No exposure to the underlying assets' depreciation, since the lease contract residual values are not securitised;
- The transaction waterfall features a fully sequential pay mechanism between the notes that results, over time, in increasing credit enhancement for the Series A notes;
- Most debtors pay on a monthly basis (90.84% ca.);
- Moderate seasoning: the portfolio has a current WA Seasoning of 4.06 years.

Challenges and Mitigating Factors

- The portfolio shows a higher concentration in the autonomous Regions of Catalonia and Madrid, 34.71% and 29.88% respectively. **Mitigant(s)**: DBRS believes that its quantitative analysis reflects the geographical diversification of the portfolio;
- Un-hedged transaction: the transaction does not benefit from a swap; **Mitigant(s)**: DBRS made appropriate adjustments in the cash flow analysis;
- Concentration on real estate leases: approximately 58.25% of the current balance of the portfolio is constituted by real estate leases. **Mitigant(s)**: DBRS quantitative analysis reflects the current composition of the portfolio;
- Concentrated exposure: the portfolio depicts some concentration on individual borrowers (3.95%, 10.18%, 14.72%, 20.31% for Top 1, Top 5, Top 10 and Top 20 respectively); **Mitigant(s)**: DBRS's quantitative analysis reflects the current composition of the portfolio.

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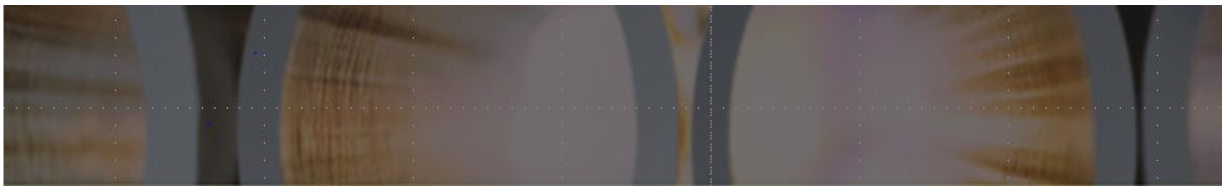


Rating Rationale

The DBRS rating of the notes addresses the timely payment of interest and full payment of principal by the legal final maturity date in accordance with the terms and conditions of the Notes. DBRS based the rating primarily on:

- The transaction's capital structure and the form and sufficiency of available credit enhancement.
- Relevant credit enhancement is in the form of excess spread (if any), subordination and an amortising cash reserve which provide credit support. Credit enhancement levels are sufficient to support DBRS projected expected cumulative net loss (CNL) assumption under various stress scenarios at an 'A' (low) (sf) standard for the Series A notes and CC (sf) for the Series B notes.
- The ability of the transaction to withstand stressed cash flow assumptions and repay investors according to the terms of the transaction documents.
- Originator/Servicer's capabilities with respect to originations and servicing.
- The credit quality of the collateral and the ability of the servicer to perform collection activities on the collateral.
- The legal structure and presence of legal opinions addressing the assignment of the assets to the issuer and consistency with the DBRS Legal Criteria for European Structured Finance Transactions.
- Incorporation of a sovereign related stress component in our stress scenario due to the rating of the Kingdom of Spain at 'A' (low).

Sovereign Assessment

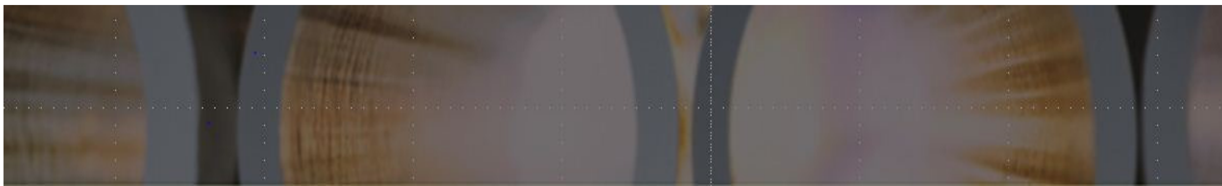
On 8 August 201,2 DBRS has downgraded the ratings on the Kingdom of Spain's long-term foreign and local currency debt to A (low) from A (high), and assigned a Negative trend on both ratings. The action concludes DBRS's review of these ratings that commenced on 22 May 2012.

There has been a severe deterioration in Spain's credit profile warranting the two-notch downgrade. The Negative trend reflects considerable downside risks to the economic growth outlook. Five factors are behind the downgrade:

- the outlook for Spain's economic growth has worsened as private sector deleveraging continues and fiscal austerity measures intensify;
- Spain's public debt dynamics have deteriorated from the capitalisation needs of the banking system;
- reducing fiscal imbalances is increasingly difficult due to the weak economic environment;
- stressed economy wide financing conditions are increasing downside risks to the growth outlook and prospects for public debt stabilisation; and
- persistent doubts over the effectiveness of the policy response at the Euro area level appear to be contributing to investor uncertainty.

According to consensus forecasts, a contraction of 1.7% is expected for 2012. Projections for 2013 have been revised downward, with the IMF expecting a 1.2% contraction, below the government estimate of a 0.5% contraction. Of equal concern is that the unemployment rate is expected to remain above 20% through 2017, exceeding the previous longest spell of unemployment of more than 20% from 1993 to 1997. Compounding these estimates is the substantial uncertainty around the growth outlook, with downside risks emanating from the growth prospects for Spain's main Euro area trading partners, a continuation of stressed economy-wide funding conditions, and the possibility of further adverse effects from the fiscal consolidation effort.

Spain's public debt dynamics have also deteriorated. Uncertainty over Spain's property values and the banking sector is adversely affecting investor confidence. To address this, the EFSF will provide a backstop



for the sovereign up to a maximum of EUR 100 billion, or 9.3% of GDP, to recapitalise banks. This will result in a corresponding rise in Spain's gross debt, the extent of which will depend on the final results of the overall exercise. If additional contingent liabilities do not materialise, the full use of the EUR 100 billion could help bring the debt-to GDP ratio to near 97% of GDP by 2015.

At present, DBRS's baseline scenario assumes that the EUR 100 billion approved for Spanish banks will be sufficient to meet their capital needs. Individual bank capitalisation requirements will be published in the second half of September, providing clarity on the extent of the need for EFSF resources. This entails a bottom-up assessment conducted by four accounting firms (Deloitte, PwC, Ernst & Young and KPMG), and finalised by Oliver Wyman to produce a detailed review of bank by bank asset economic value and the ensuing capital requirements under a stressed scenario. Although this effort will strengthen bank balance sheets by separating legacy assets and recapitalising banks, its effect on restoring overall confidence is likely to be muted if concerns over sovereign debt dynamics and downside risks to growth persist.

On a gross basis, public debt could rise to near 97% of GDP by 2015, up from 68.9% of GDP in 2011. The deterioration in gross debt will depend on the use of the bank capital support facility, the pace of fiscal consolidation, and the depth and length of this second recession. However, the effect on Spain's public debt, on a net basis, could be more modest if it is expected that there will be substantial recoveries. Furthermore, Spain's gross debt could improve in the future if bank support from the sovereign is fully or partially replaced by direct capital injections by the EFSF/ESM, loosening the link between the sovereign and the banks.

Spain is also facing an increasingly difficult environment for reducing fiscal imbalances. The pace of correction of fiscal imbalances has slowed due to the weak economic environment. With the on-going deleveraging of private sector balance sheets and the drop in fiscal revenues in 2011 to the low levels of 2009 in terms of percentage of GDP, achieving the 6.3% of GDP deficit target by year-end and 4.5% of GDP by the end of 2013 appears difficult. However, the recently announced fiscal measures increase the likelihood that this year's 6.3% of GDP deficit target will be met. This fiscal package includes increasing the VAT from 18% to 21%, raising the reduced VAT from 8% to 10%, cancelling the 2012 additional December payment to civil servants, eliminating the mortgage tax deduction, and lowering the unemployment benefit replacement ratio after six months from 60% to 50%.

Stressed economy wide financing conditions also increase downside risks to the growth outlook and prospects for public debt stabilisation. DBRS believes that it is likely that stresses in economy-wide financing conditions will persist, increasing the likelihood of a negative feedback loop between stressed funding conditions, economic weakness, and deterioration in bank asset quality. However, lack of market access by Spanish banks has been mitigated by ECB lending, particularly through its three year LTRO programme. Net lending to Spanish banks by the Eurosystem jumped from EUR 76 billion in October 2011 to EUR 337 billion in June 2012. Furthermore, the bank recapitalisation effort could help stabilise Spanish banks.

The recent agreement to use EFSF/ESM sovereign funding up to EUR 100 billion to recognise banks asset quality deterioration, segregate impaired assets from bank balance sheets, and recapitalise banks with public funds may lead to a faster adjustment in the real estate market and lessen the funding stress for banks. Implementation of direct bank capital injections of Spanish banks by the EFSF/ESM could weaken the link between the banks and the sovereign. In addition, progress has been made in introducing greater flexibility in the labour market. This reform may make wages more responsive to economic conditions, although the strong duality of the labour market is likely to persist.

Spain is also suffering from persistent doubts over the effectiveness of the policy response at the Euro are level, which appear to be contributing to investor uncertainty. Furthermore, recent political developments have called into question the Greek government's capacity to comply with its EU-IMF adjustment programme. DBRS believes that risks stemming from Greece will likely remain over the medium term given

the scale of the macroeconomic adjustment required. Uncertainty over the future of Greece, combined with concerns over sovereign debt sustainability and financial sector fragility in the Euro area, have increased downside risks to growth in Spain and the Euro area, and contributed to market pressure on funding conditions for Spain. In addition, mitigation of the on-going contraction in domestic demand in Spain is partly dependent on the performance of Spanish exports, particularly to its main trading partners in the Euro area.

DBRS acknowledges the progress achieved to date and the strong commitment of the government to fiscal consolidation. With the recently announced fiscal measures and budget plan for 2013-2014, the likelihood of meeting the revised fiscal targets for 2012 and 2013 has increased. It also appears that the tools to monitor and provide incentives for better compliance by the regions have improved, after the substantial regional fiscal slippages of 2011. Furthermore, the current account deficit moved from 9.6% of GDP in 2008 to 3.5% of GDP in 2011, and DBRS expects this to continue, buttressed by strong growth of net exports. The current ratings incorporate the assumption that in addition to the EUR 100 billion agreed for the Spanish banks, funding from the EFSF/ESM or the IMF would be available if needed.

Nevertheless, further downward rating action could be triggered by a significant worsening of Spain's ability to stabilise its public debt. Substantial fiscal slippages with respect to programme targets, a significant increase in public debt from materialisation of contingent liabilities, or a deterioration of the growth outlook over the medium term in Spain or in the Euro area could place further downward pressure on the ratings.

Transaction Parties and Relevant Dates

Transaction Parties

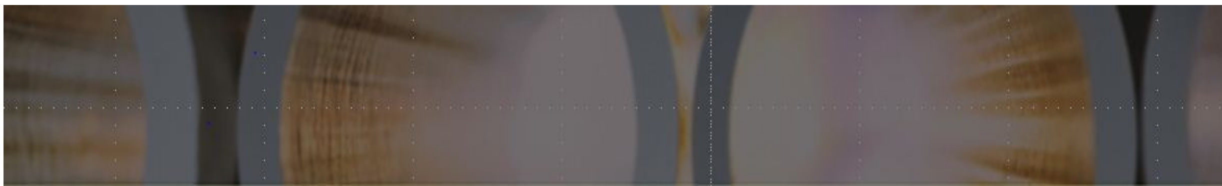
Type	Name	Rating
Issuer	Foncaixa Leasings 2 F.T.A.	N/A
Originator/Seller	CaixaBank S.A.	DBRS Private Rating
Servicer	CaixaBank S.A.	DBRS Private Rating
Back-up Servicer	N/A	N/A
Account Bank	CaixaBank S.A.	DBRS Private Rating
Paying Agent	CaixaBank S.A.	DBRS Private Rating
Swap Counterparty	N/A	N/A
Management Company	GestiCaixa, S.G.F.T., S.A.	N/A
Arranger	GestiCaixa, S.G.F.T., S.A.	N/A

Relevant Dates

Type	Date
Issue Date	19 March 2013
First Payment Date	20 June 2013
Payment Frequency	Quarterly
Call Date	when the outstanding principal of the portfolio is equal to or lower than 10% of the maximum outstanding principal
Legal Final Maturity Date	20 December 2035

Origination and Servicing

DBRS conducted an operational risk review of CaixaBank S.A.'s leasing operations in January 2013 following the SME operational review conducted in October 2012 in Barcelona, Spain. DBRS considers the originations and servicing practices of CaixaBank to be consistent with those observed among other Spanish banks and finance companies.



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Origination and sourcing

All leases are sourced through CaixaBank's branch network with relationship managers responsible for liaising with borrowers, collection data and the required documentation and inputting the relevant information into the appropriate credit scoring system and rating model.

CaixaBank offers the standard products common in the Spanish market including unsecured and secured leases with the latter sometimes backed by real estate. Unsecured products are generally short terms typically less than 18 months. Secured leases such as those involving real estate have a maximum term of 30 years although an additional five years can be added following review by credit risk and management approval. Variable and fixed rates are available as well as monthly, quarterly and semi-annual payment options although monthly is the most common and represents over half of all leases within each bank's portfolio.

Borrowers are grouped into one of five categories based on annual sales with micro enterprises having annual sales under €1m. Annual revenue for SME's is less €100m with 'small' defined as companies with turnover up to €9m. 'Very big enterprises' denote companies with sales exceeding €200m.

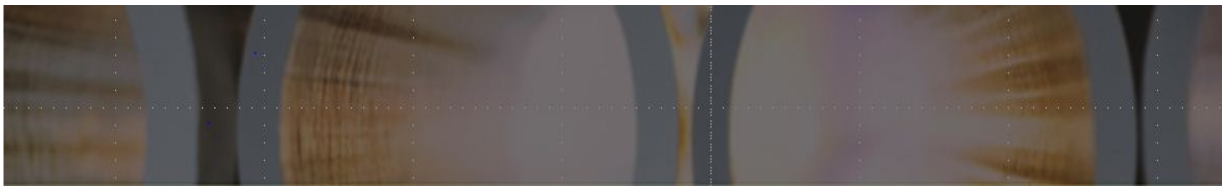
Underwriting

While the origination process and lease approval is generally performed at the branch level, all applications are submitted electronically to CaixaBank's headquarters in Barcelona and reviewed by the credit department. The review includes an analysis of financial statements, historical analysis of the debtor's exposure to CaixaBank and the wider Spanish banking system and valuations for secured leases. The credit department then prepares a report clarifying its opinion on the borrower's creditworthiness which is used in the final approval process. As consistent with the overall Spanish market, full income verification is conducted on all customers including collection of last two years' audited financial statements, tax returns, acts of incorporation and lists of outstanding leases.

CaixaBank uses internal rating models for its SME and corporate clients. The models are IRB approved and follow a standard probability of default (PD) and loss given default (LGD) calculation and includes rating categories (1-9) mapped to a standard credit rating scale (AAA, BBB, etc). The ratings are mainly used for assessing the borrower's creditworthiness, and overall risk profile and is used as an on-going monitoring tool although given the recently implementation of the system it is currently used in a support capacity pending future validation and back-testing. For SMEs, the rating is reviewed monthly or whenever a new application is received for a lease while corporate ratings are reviewed annually or following a corporate reorganisation or restructure.

All models and parameters are validated by CaixaBank's internal validation department as well as by the bank's internal audit department. The majority of models have been approved by the central bank and are subject to on-going supervision. Models to be reviewed are selected annually by the validation department and are triggered by changes in economic cycle, policy changes and/or the model's age regardless of the predictive capacity of the model. Credit risk parameters are recalibrated annually and must be validated internally and by Bank of Spain.

Approval authority is based on the level assigned to the various approving bodies from branch level through to senior management, executive committees and the board. The approval limits also take into account the borrower type (SME, corporates, individuals), client and lease risk profile (including expected loss) as well as the total exposure to an economic group. Branch approval is generally limited to €200,000 and may be lower based on an adjusted risk balance calculation taking into account any guaran-



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tees and/or security attached to the lease. Leases and facilities which can be reviewed by the respective business units require dual sign-off. For larger and/or riskier positions, dual approval still applies with credit risk provides the secondary approval. Exposures over €1m typically require review and approval centrally in Madrid.

Valuations

CaixaBank has an internal appraisal department responsible for carrying out valuations of select properties based on internal guidelines, managing external valuers and reviewing all valuations conducted by external appraisers. All appraisals are performed according to CaixaBank guidelines and standard valuation templates are used.

Assets are re-valued once every three years per Bank of Spain guidelines although values are checked more frequently using statistical models.

Summary strengths

- No external sourcing channels for new originations.
- Largest domestic presence with high market share in terms of deposits and loans.
- Loan to deposit ratio under 100% and lower real estate exposure compared to peers the latter a result of the reorganisation of La Caixa group.

Summary weaknesses

- Extensive integration activity including final stages regarding two cajas and recent acquisition of Banca Civica.
  Mitigant(s): Full integration of Caja Navarra and Caja Sol to be completed by December 2012. Civica integration already underway.

Servicing

The operational lease management department, centralised in Barcelona, is responsible for all lease management and servicing activities. Primary borrower contact is managed at the branch level including early arrears management activities.

As part of the operational assessment, DBRS reviewed the bank's systems relating to origination and servicing and believes them to be sufficient to meet CaixaBank's operational needs.

Like most Spanish banks, payments are primarily made through direct debit although borrowers can submit payments via the post office using per-printed statements produced by CaixaBank or pay directly at the branch. The majority of leases are on monthly payment schedules although the portfolio does include some quarterly, semi-annual and annual schedules which are in-line with the overall Spanish market.

The bank follows standard collections and arrears management strategies including compliance with regulatory guidelines surrounding delinquency, watch list and default definitions. Borrower contact is managed through the local branch. Automated, standard letters are generated through the servicing system and sent to the borrower around day 15 and day 30. The bank's internal rating system is used to monitor the lease including updates to the rating and helps to set the appropriate workout strategy. Once legal proceedings are initiated generally after a lease is officially classified as a default and all previous attempts at an out-of-court resolution have been exhausted.

Timelines and recovery rates are consistent with CaixaBank's peers.

Summary strengths

- Standard Spanish servicing practices.
- Lower default rate compared to peers excluding Banca Civica although overall impact on portfolio following Civica's integration is still below peers.

Opinion on Back-Up Servicer: No backup servicer is in place at the closing of the transaction. DBRS believes that CaixaBank's financial condition mitigates the risk of a disruption in servicing following a servicer event of default including insolvency.

Collateral Analysis

Data Quality

CaixaBank and Gesticaixa provided DBRS with quarterly static performance data. Vintage quarterly loss and recovery was provided going from 1Q 2006 to 3Q 2012 for real estate and non-real estate leases with further subdivision (self-employed, corporate). DBRS received a pool cut and a set of stratification tables in relation to the pool. DBRS considers that the information available to it for the purposes of providing this rating was of satisfactory quality.

Collateral Analysis

The lease instalments are being securitised rather than the residual value payments; as a result, the economics of the assets from the issuer's perspective are similar to those of loans. All data refer to the final pool at [18th February 2013].

The portfolio is divided into real estate leases and non-real estate leases, which fall broadly into four categories: road-going vehicles, office equipment, industrial equipment and medical equipment. The pool composition is in line with the previous transaction (Foncaixa Leasings 1).

Balances and concentrations

Foncaixa Leasings 2	Real estate	Vehicles	Office Equipment	Industrial Equipment	Medical Equipment	Total pool
Current Balance (€)	708,445,612	235,800,775	8,932,906	245,057,307	17,932,731	1,216,169,331
% of pool	58.25%	19.39%	0.73%	20.15%	1.47%	100.00%
Leases	1,555	14,623	655	6,529	614	23,976
Average lease balance (€)	455,592	16,125	13,638	37,534	29,206	50,724
WA Current Seasoning (years)	5.15	2.15	2.49	2.93	2.63	4.07
WA Current Remaining Term (years)	10.01	3.03	2.67	4.45	3.21	7.38
WA Coupon	2.46%	3.86%	3.64%	3.10%	3.04%	2.88%
WA Spread	1.23%	2.10%	1.55%	1.68%	1.42%	1.48%

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Foncaixa Leasings 1 (at closing)	Real estate	Vehicles	Office Equipment	Industrial Equipment	Medical Equipment	Total pool
Current Balance (€)	825,409,215	353,487,349	19,441,009	375,199,598	27,429,521	1,600,966,692
% of pool	51.56%	22.08%	1.21%	23.44%	1.71%	100%
Leases	1,787	25,984	1,371	11,490	941	41,573
Average lease balance (€)	461,897	13,604	14,180	32,654	29,149	38,510
Lessees (consolidated by group)	1,515	18,442	1,150	7,698	579	29,384
Average lessee exposure (€)	544,825	19,168	16,905	48,740	47,374	54,484

As well as the differing ticket size, the concentrations in the pool are overwhelmingly real estate exposures. Concentrations are detailed below with a column providing the type of leasing.

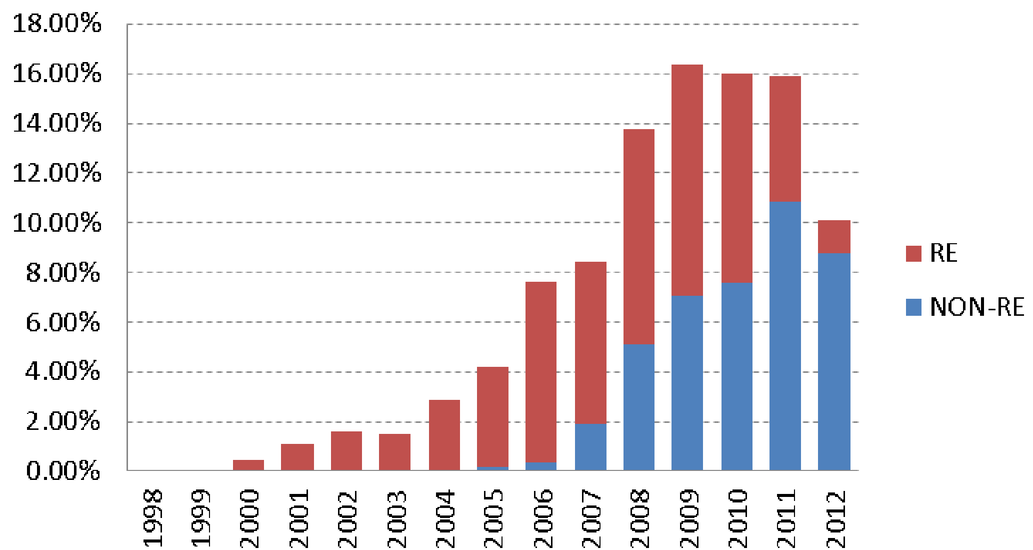
Position	Current Balance %	Type of Leasing
1	3.95%	Real Estate
2	2.75%	Real Estate
3	1.37%	Real Estate
4	1.08%	Real Estate
5	1.04%	Industrial Equipment
6	0.93%	Real Estate
7	0.93%	Real Estate
8	0.92%	Real Estate
9	0.90%	Real Estate
10	0.85%	Real Estate
11	0.72%	Vehicles
12	0.65%	Real Estate
13	0.63%	Real Estate
14	0.59%	Vehicles
15	0.57%	Real Estate
16	0.54%	Industrial Equipment
17	0.51%	Real Estate
18	0.47%	Real Estate

19	0.46%	Real Estate
20	0.45%	Real Estate

Top Exposure	Total exposure
Top 1 lessee	3.95%
Top 5 lessees	10.18%
Top 10 lessees	14.72%
Top 20 lessees	20.31%

Seasoning and amortisation

The real estate leases generally have a longer term compared to the rest of the pool. As a result, the RE leases have more seasoning (average seasoning of 5.15 years vs. 2.55 years for non-RE) and longer remaining term (10.00 years vs. 3.71 years). The weighted average life of the pool is approximately 4.12 years.



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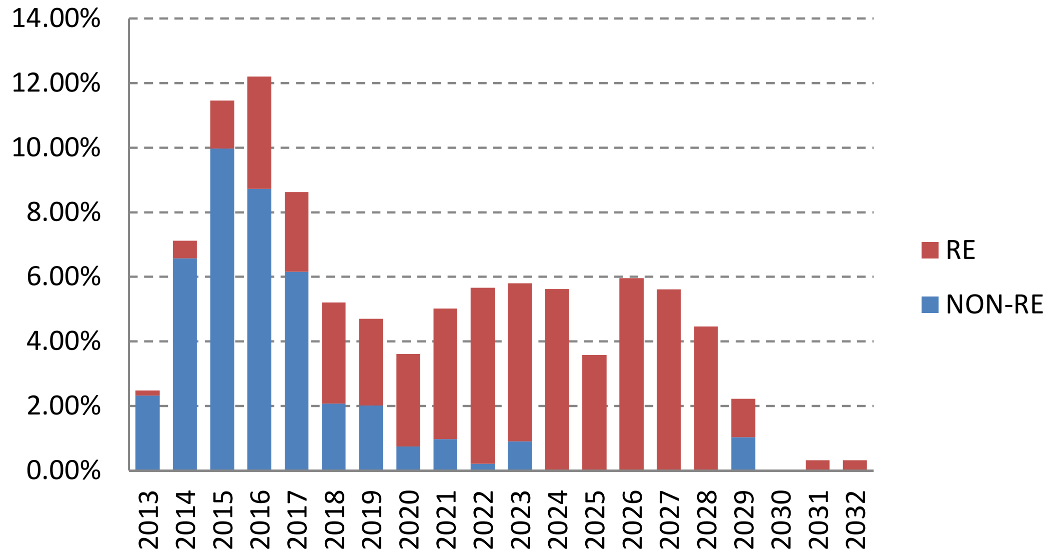
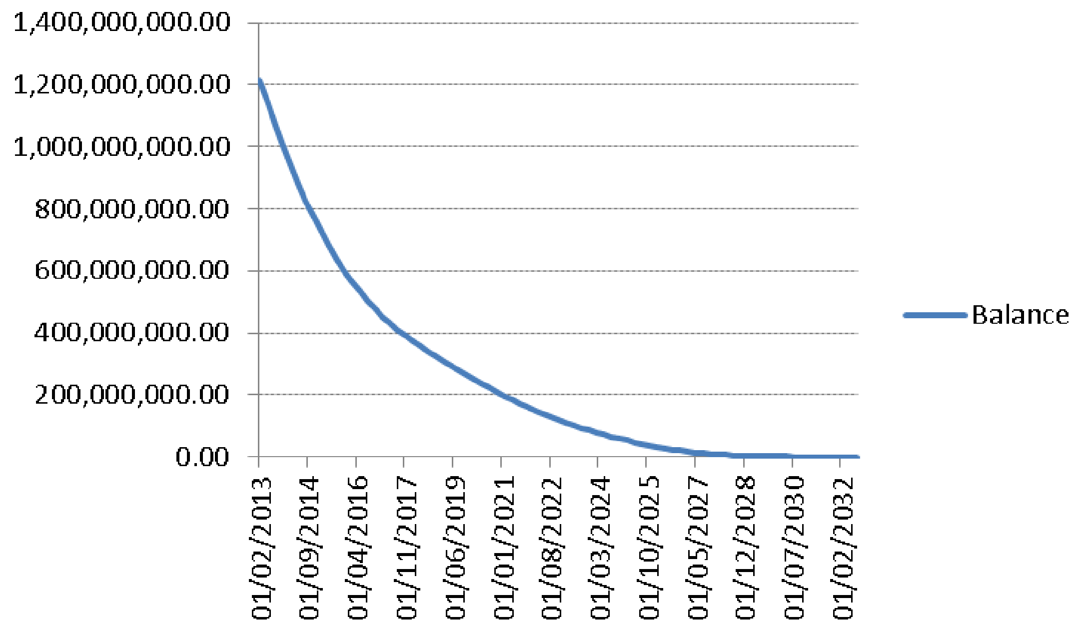
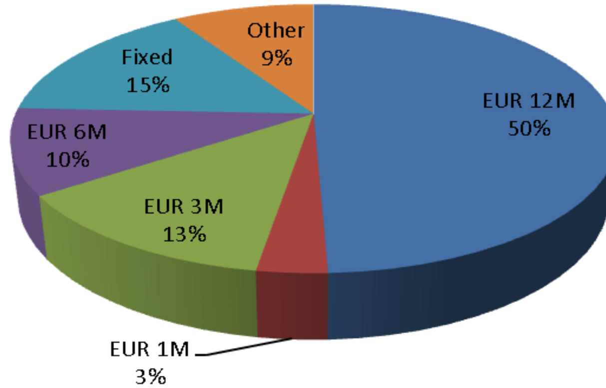




Indexation

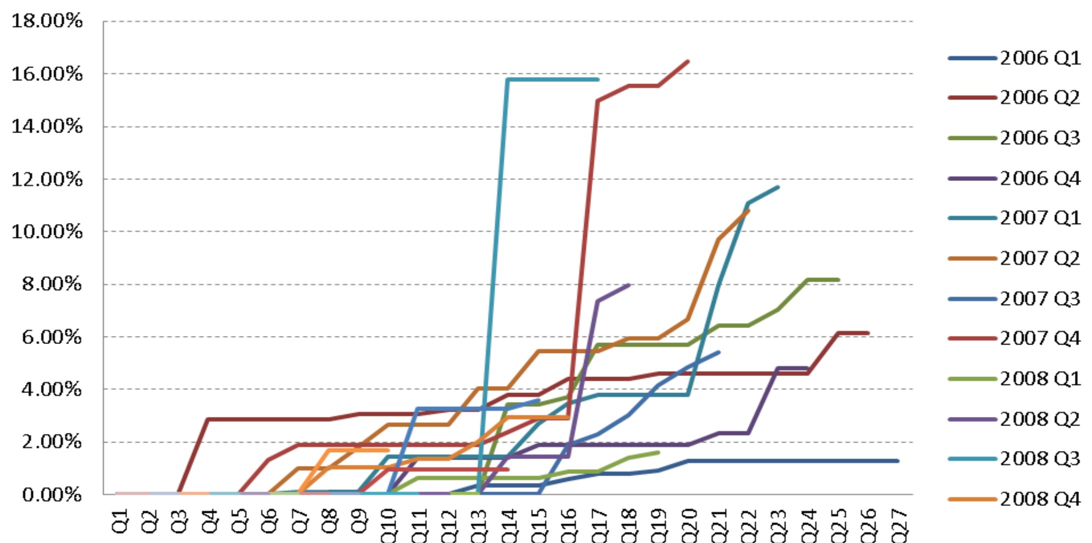
75.68% of the leases by balance are Euribor-based, 15.28% are fixed rate and the rest are floaters linked to Spanish interest rate indices (ICO, Mibor, IRPH).



Historical Performance

Defaults Analysis

Vintage quarterly gross loss data was provided going from 1Q 2006 to 3Q 2012 for real estate and non-real estate leases with further sub-divisions (private, public, semi-public). Using the standard DBRS loss analysis, performance was extrapolated for all vintages that are not fully seasoned starting from 1Q 2006. As expected, the recent economic downturn resulted in performance deterioration across the portfolio. DBRS loss analytics took this deterioration into account by using vintages produced in 2006 and beyond for its loss analysis, since they are more representative of the securitised portfolio and of the losses likely to occur in the current economic climate. The results of this analysis are summarized in the charts below. A receivable is classified as defaulted if: (i) there has been a delay in the payment of at least 12 months; or (ii) has been classified as defaulted by the servicer; or (iii) the relevant debtor has been declared insolvent; or (iv) the management company has no reasonable expectations to obtain a repayment or reimbursement in respect of such receivable.



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Real Estate Self Employed

Non-Real Estate Corporate

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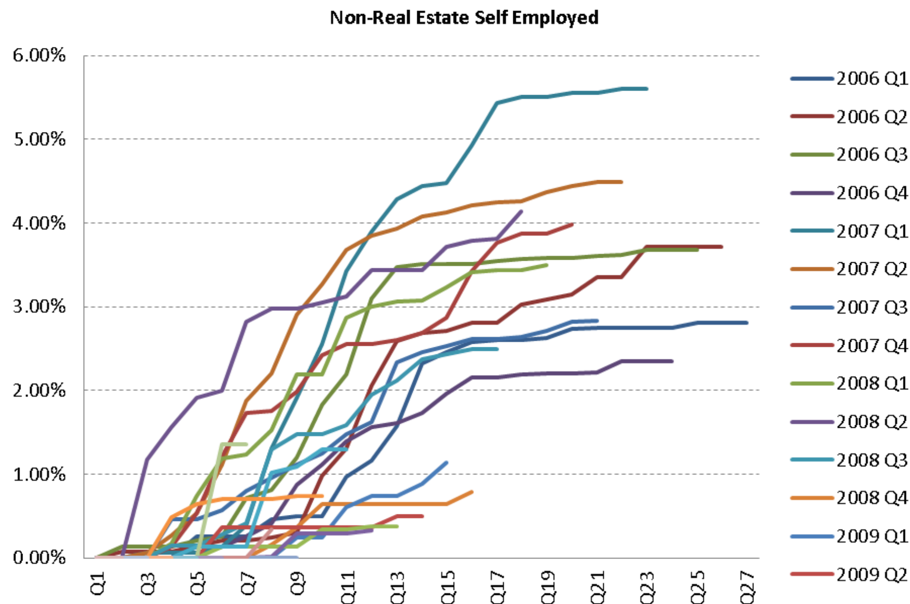
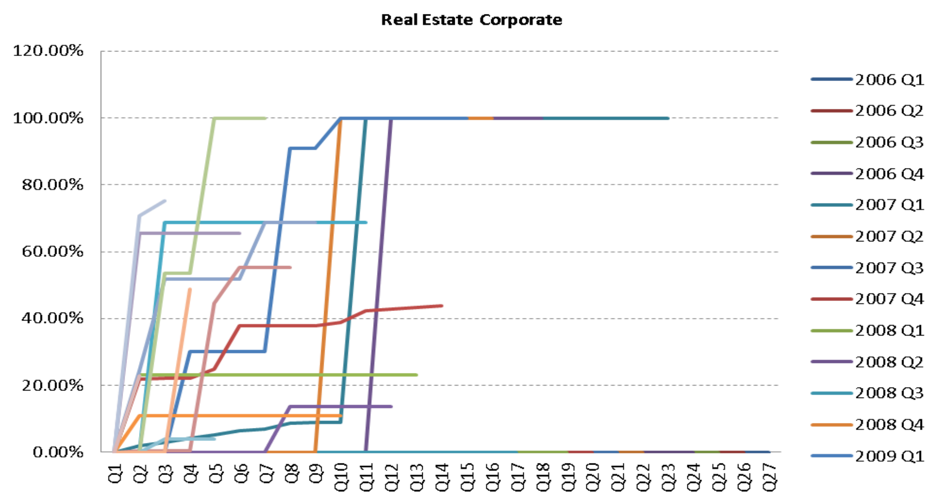


Recovery Analysis

Vintage quarterly gross recovery data was provided going from 1Q 2006 to 3Q 2012 for real estate and non-real estate leases with further sub-divisions (private, public, semi-public). Using the standard DBRS loss analysis, performance was extrapolated for all vintages that are not fully seasoned starting from 1Q 2006 since the pool under observation has been originated in recent years.



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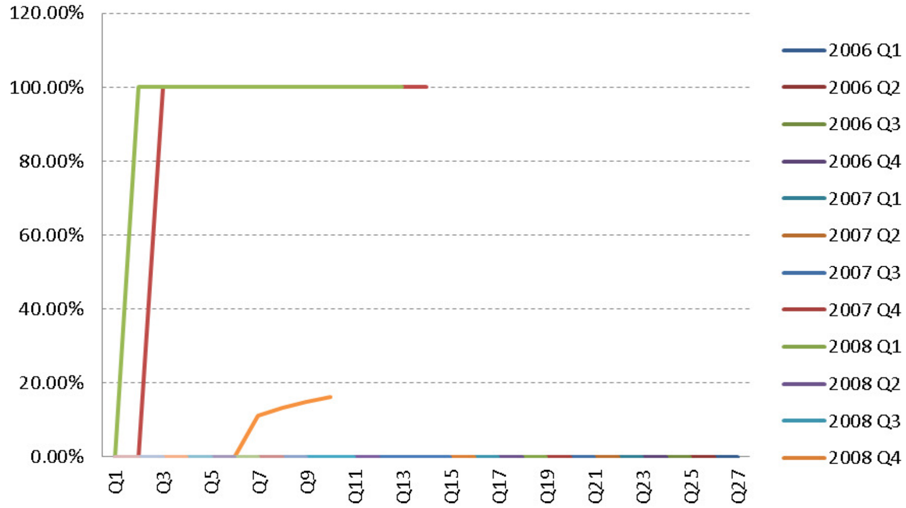
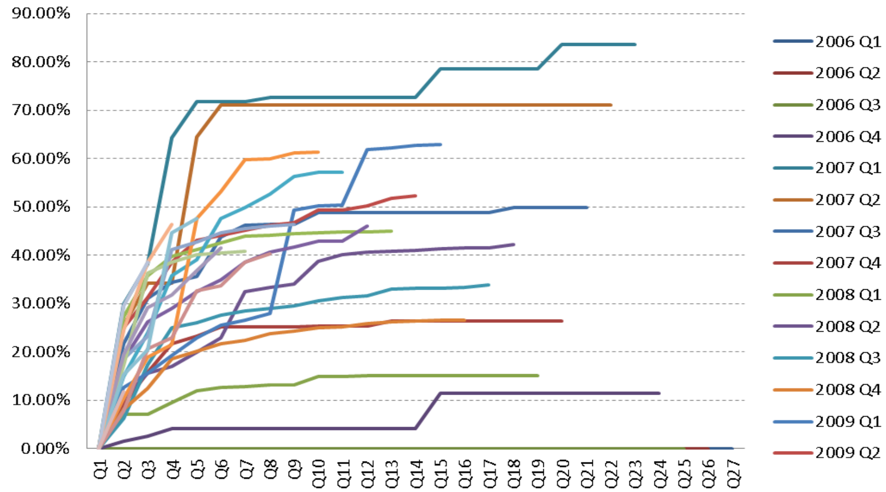
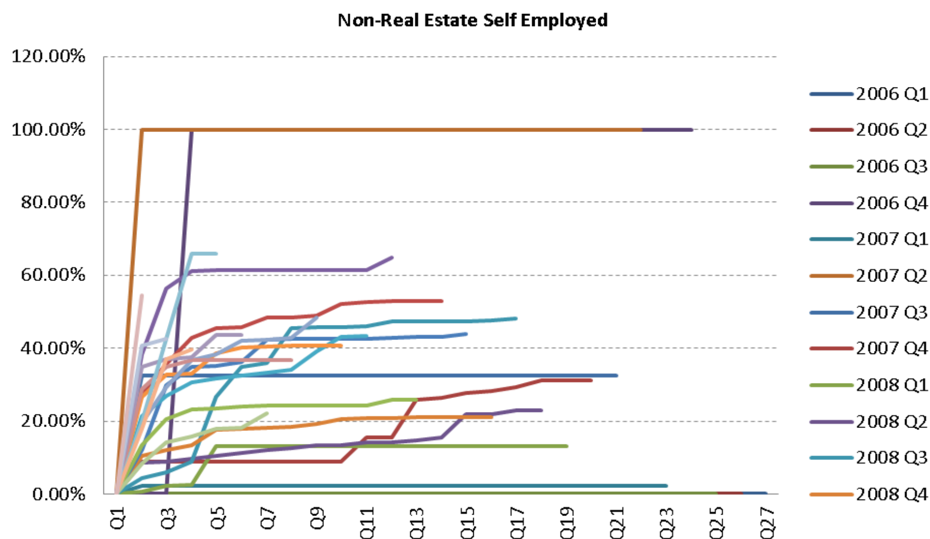
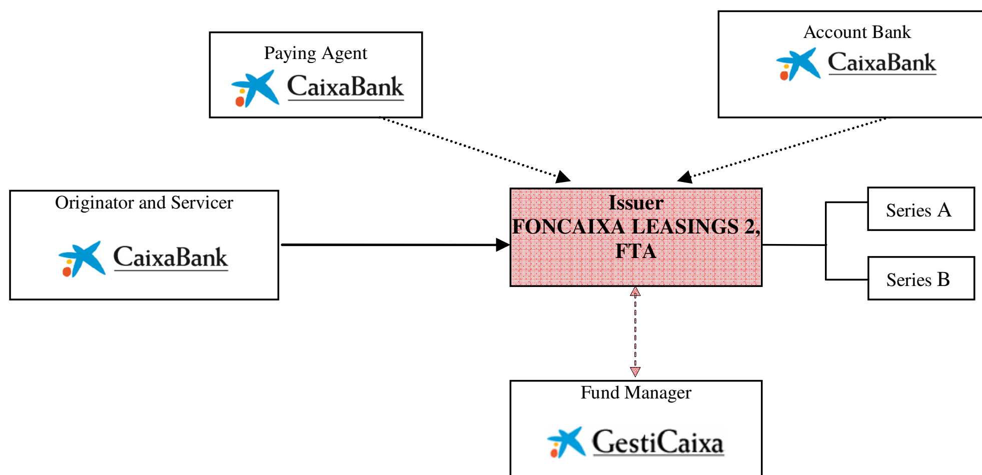






Transaction Structure

Transaction Diagram



Available Funds

The transaction benefits from the following main sources of funds, which have been deposited in the Treasury Account:

- Any amounts received from the credit rights on the lease receivables;
- Any interest accrued on the Treasury Account;
- Available amounts in the Cash Reserve Account;
- Any amounts from the liquidation of the Fund;
- Any other amounts including proceeds from the liquidation of the assets.

Priority of Payments

Pre Enforcement Priority of Payments

The transaction has a combined waterfall where both interest and principal are distributed in accordance with one priority of payments as follows:

1. Fees and Expenses of the Fund (including taxes, the commission of the management company and of the paying agent);
2. Interest on the Series A Notes;
3. Principal on the Series A Notes;
4. Interest on the Class B Notes;
5. Principal on the Class B Notes;
6. Replenish the Cash Reserve up to the Minimum Cash Reserve Amount;
7. Interest on the Subordinated Loan to fund the Initial Cash Reserve Amount;
8. Principal of the Subordinated Loan to fund the Initial Cash Reserve Amount;
9. Interest on the Subordinated Loan to fund the Initial Expenses;
10. Principal on the Subordinated Loan to fund the Initial Expenses;
11. Pay the servicing fees; in case the servicer is replaced, this item will rank n. 1) in the waterfall; and
12. Excess spread (if any) to CaixaBank.

The series A and B notes were issued to finance the acquisition of the asset pool. The amortisation of the notes is sequential and the amortisation of Series B notes will start only once the Series A bonds have amortised in full. A €184mn subordinated loan extended by CaixaBank will fund the reserve fund. Another subordinated loan from CaixaBank will be used to cover for initial expenses. Both loans rank junior in the waterfall so are not material to the credit analysis of the bonds. The bonds pay quarterly on the 20th March, June, September and December and their legal final maturity will be on 20th December 2035.

The Amortisation Amount is equal to the lower between:

- The positive difference in the relevant payment date between: i) the principal outstanding amount of the Series A and B Notes and ii) the performing balance of the receivables (excluding defaulted loans);
- The available funds in the relevant payment date, minus the items 1) to 5) of the Pre-Enforcement Priority of Payments.

CaixaBank is the servicer and collection agent and pays all amounts received from the loans into the issuer's Treasury Account held at CaixaBank within one business day.

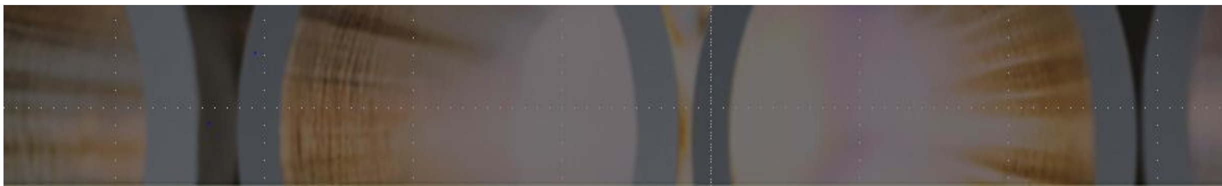
Cash Reserve

The reserve fund is fully funded at closing with a subordinated loan of €184mn or 16.00% of the Series A and B Notes at closing. The cash reserve is amortising and the minimum cash reserve amount is equal to the lesser of (i) €184mn and (ii) 32.00% of the bond balances. The cash reserve floor is equal to 8.00% of the original balance of Series A and B notes.

The cash reserve provides credit enhancement to the structure and covers items from 1) to 3) of the Pre-Enforcement Priority of Payments.

The cash reserve does not amortise if in a payment date one of the following events occurred:

- If 2 years have not passed since the constitution of the Fund;



- If in the previous Payment Date, the Reserve Fund has not reached the Minimum Cash Reserve Amount required in such Payment Date;
- If in the Calculation Date related to the corresponding Payment Date, the outstanding Amount of the receivables in arrears equal to or higher than 90 days, but excluding defaulted receivables is higher than 1.00% of the outstanding amount of the receivables.

Transaction Accounts

Collections from borrowers are credited into an account held with CaixaBank. All collections are transferred to the collection account under the name of the SPV within one business day. The collection account is held at CaixaBank. The collection account is opened in the name of the Issuer with an Eligible Institution.

Hedge Agreement

N/A

Cash Flow Analysis

Cash Flow Scenarios
DBRS undertook a detailed cash flow analysis to ensure timely payment of interest and full payment of principal by the final maturity. The DBRS cash flow model assumptions focused on the amount and timing of defaults and recoveries, prepayment speeds and interest rates. Based on a combination of these assumptions, a total of 12 cash flow scenarios were applied to test the resilience of the rated notes.

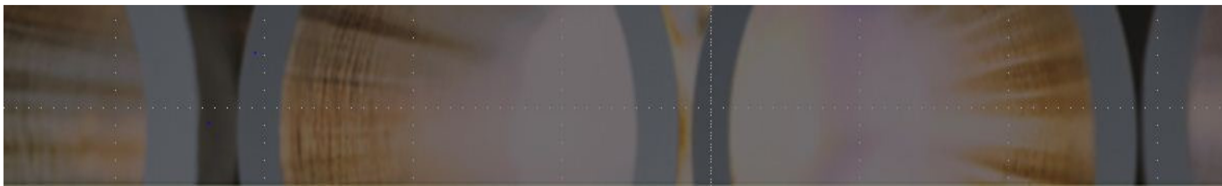
Base Case Default and Recoveries
The expected base case default was calculated as a weighted average sum of sector-specific adjusted defaults and is equal to approximately 10.37%. The weighted average recovery rate is projected at approximately 7.42%. The resulting base case cumulative net loss assumption, factoring in the sovereign stress equalled to approximately 11.21%.

Prepayment Speeds
Prepayment speeds ranging from 0% to 15% were assumed on the basis of DBRS projections.

Timing of Defaults
DBRS estimated the default timing patterns and created mid, front and back-loaded default curves. The front-loaded default curve assumes that approximately 85% of predicted defaults occur in the first three years of the transaction. The mid default curve assumes that approximately 60% of predicted defaults occur in years two to three. The back-loaded default curve assumes that approximately 85% of predicted defaults occur in years' two to four.

Risk Sensitivity
DBRS expects a lifetime base case probability of default (PD) and loss given default (LGD) for the each rated pool based on a review of historical data. Adverse changes to asset performance may cause stresses to base case assumptions and therefore have a negative effect on credit ratings.

Margin Compression
Margin compression results from higher coupon leases prepaying or defaulting at a faster rate than the rest of the portfolio. DBRS applies prepayment and default stresses that address margin compression by removing higher coupon collateral first.



Interest Rate Stresses
DBRS applied its standard interest rate stresses as detailed in its Unified Interest Rate Model methodology. Two interest rate stress scenarios were implemented to analyse the performance of the swap: (1) an Up scenario where rates continued to rise and (2) a Down scenario where rates continued to decline.

Legal Structure

Law(s) Impacting Transaction

The Notes and transaction documents are governed by Spanish law, and the receivables are assigned to the Issuer in a true sale transaction in accordance with the provisions of the Royal Decree 926/1988 and Act 19/1992.

The transfer of the receivables is entirely valid and a true sale. The transfer is silent, such that until notice is provided to the lessees, they may continue to discharge their obligations by paying the originator.

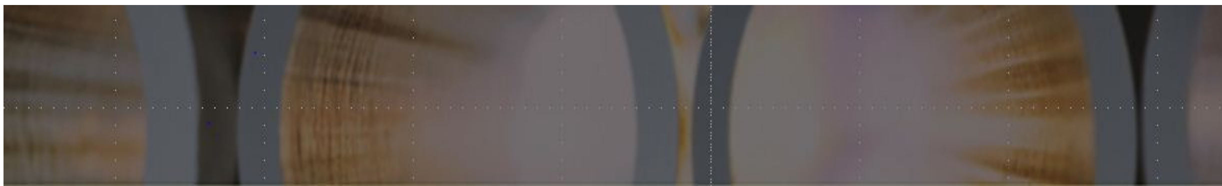
The assets that are the object of the leases are not transferred to the issuer. Instead, in the event of a lessee default, the servicer undertakes to realise the assets in accordance with its usual servicing practices and the originator undertakes to pass on the proceeds of realisation of the assets. As a result, the level of recoveries that the issuer can expect on defaulting leases is depends on the solvency of the originator.

Counterparty Risk

Originator/Servicer

CaixaBank SA is a financial services company, owned by the savings bank La Caixa with a 61% stake. The company was originally formed in 2007 as Criteria CaixaCorp, a publicly-traded vehicle for La Caixa's shareholdings and investments in both industrial and financial services companies. The company consists of the universal banking and insurance activities of the La Caixa group, along with the group's stakes in the oil and gas firm Repsol YPF (13%), the telecommunications company Telefónica (5.4%) and its holdings in several other financial institutions. Due to the reorganisation of La Caixa group, the bank is currently in the final stages of merging the remaining to cajas (savings banks) – Caja Navarra and Caja Sol with full integration expected by year end.

CaixaBank is currently the leading retail franchise in Spain and listed on the Madrid stock exchange since July 2011. The bank’s competitive position was reinforced by the acquisition of Banca Cívica in March 2012 making CaixaBank the largest bank in Spain (excluding foreign asset) with approximately 13 million customers and deposits totalling €306bn equating to a 14% market share. The bank is a leader in online and mobile banking with a sector market share of 46%. Retail banking comprises 46% of CaixaBank’s business with corporate, business and SME representing 23%. The bank’s real estate exposure is lower than its Spanish peers owing in large part to the decision not to transfer foreclosed assets into CaixaBank following the La Caixa group reorganisation in February 2011. As of the end-September 2012, CaixaBank’s leasing portfolio totalled approximately €50bn.



DBRS

Commingling Risk

The silent nature of the transfer means that collections continue to be routed through the originator until such time as the lessees are given notice of the transfer of the receivables to the issuer. As a result, collections held by the originator at the point of insolvency as well as collections until notice is effectively delivered will be held up in the insolvency estate, and will be, for the securitisations purposes, lost. The length of time needed to notify lessees and ensure they redirect payment is hard to gauge.

The transaction documents envisage that in case CaixaBank is downgraded below BBB (low) by DBRS, Caixabank will deposit in an institution with a DBRS rating not lower than BBB an amount equal to the sum of: i) fees and expenses as indicated in the 1) item of the Pre-Enforcement Priority of Payments (sufficient to cover six months of such item) and ii) interest on the Series A notes for the following two interest payment dates.

Set-Off Risk

In case of insolvency of the originator, lessees would have the same rights of set-off against the issuer as arose against the originator. Conditions to set-off in Spain require the mutual debts to be due and payable prior to the insolvency event. As a result, only overdue instalments could be set-off against claims against the originator (and only to the extent those claims had become due and payable prior to the insolvency). As such set-off risk should not be a material component of the risk to the notes.

Swap Counterparty

N/A

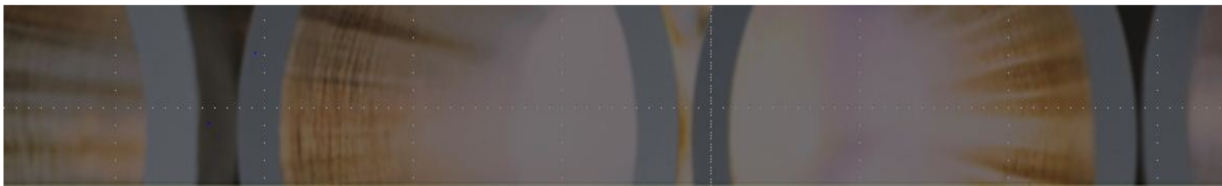
Account Bank

Both the treasury account agreement and amortisation account agreement contain downgrade triggers, mitigating the risk of their failure. The management company must replace the party at loss of BBB within thirty calendar days with an entity with an equivalent DBRS rating of BBB or obtain an unconditional and irrevocable guarantee from an entity with a DBRS rating of at least BBB.

Methodologies Applied

The following are the primary methodologies DBRS applied to assign a rating to the above referenced transaction, which can be found on www.dbrs.com under the heading Methodologies. Alternatively, please contact info@dbrs.com, or contact the primary analysts whose information is listed in this report.

- Legal Criteria for European Structured Finance Transactions;
- Rating European Consumer and Commercial Asset-Backed Securitisations;
- Operational Risk Assessment for European ABS and SME CLO Servicers; and
- Unified Interest Rate Model Methodology for European Securitisations.



Monitoring and Surveillance

The transaction will be monitored by DBRS in accordance with its Master European Structured Finance Surveillance Methodology available at www.dbrs.com.

Note:
All figures are in EUR unless otherwise noted.

This report is based on information as of March 2013, unless otherwise noted. Subsequent information may result in material changes to the rating assigned herein and/or the contents of this report.

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