Rating Report

Caixabank Leasing 3, FT

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DBRS

Insight beyond the rating.

Ratings and Issuer's Assets and Liabilities

Debt	Par Amount (EUR)	Tranche Size / Credit Enhancement	Coupon	Rating	Rating Action
Series A Notes ES0305418008	1,573,800,000	86.0% / 18.9%	0.75%	AA (sf)	Provisional Rating - Finalised
Series B Notes ES0305418016	256,200,000	14.0% / 4.9%	1.00%	B (high) (sf)	Provisional Rating - Finalised
Reserve Fund	89,670,000	4.9% / -		--	--

	Initial Amount (EUR) 1	Size
Asset Portfolio 2	1,914,216,507	100.0%
Reserve Fund	89,670,000	4.9% of the collateral portfolio

Note:
1 As at the issue date. 2 The provisional portfolio cut-off date as at 21 May 2019.At closing, the portfolio was EUR 1,830,000,000.

DBRS finalised its provisional ratings on the Series A Notes and Series B Notes (collectively, the Notes) issued by CaixaBank Leasings 3, FT (the Issuer, special-purpose vehicle or SPV) as listed in the table above. This securitisation has been structured as a public transaction with Series A Notes and Series B Notes. The Series A Notes are senior and supported by 18.90% subordination provided by the Series B Notes and the Reserve Fund. The Series B Notes are supported by 4.90% subordination provided by the Reserve Fund.

The rating on the Series A Notes addresses the timely payment of interest and the ultimate payment of principal on or before the Legal Maturity Date in December 2039. The rating on the Series B Notes addresses the ultimate payment of interest and principal on or before the Legal Maturity Date in December 2039.

The transaction represents the issuance of notes backed by a static pool of receivables related to commercial leases (real estate and non-real estate) receivables granted to companies, SMEs and self-employed individual in Spain originated by CaixaBank, S.A. (CaixaBank or the originator) and subsequently assigned to Caixabank Leasings 3, FT (Caixabank Leasings 3 or the Issuer).

Issuer	Caixabank Leasing 3, FT
Issuer Jurisdiction of Incorporation	Kingdom of Spain
Asset Governing Jurisdiction	Kingdom of Spain
Sovereign Rating	"A"
Asset Comprising the Underlying Collateral Portfolio	Commercial Leases
Originator/Seller	CaixaBank S.A.
Servicer	CaixaBank S.A.
Backup Servicer	N/A

Portfolio Summary (as at 21 May 2019)			
Current Portfolio Balance	EUR 1,914,216,507	**Number of Contracts**	37,676
Original Principal Balance	EUR 3,322,670,352	**Number of Group of Borrowers**	19,950
Weighted-Average Remaining Term	63 months	**Weighted-Average Interest Rate**	1.77%
		Percentage of Assets up to 60 Days in Arrears	0.98%

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Transaction Parties

Role(s)	Counterparty	Ratings
Issuer	Caixabank Leasings 3, FT	N/A
Originator/Sellers/Servicer	CaixaBank S.A.	A / R-1 (low) / Stable 1 AA (low) / R-1 (middle) Stable 2
Subordinated Loan Provider (Initial expenses and Reserve Fund)	CaixaBank S.A.	A / R-1 (low) / Stable AA (low) / R-1 (middle) Stable 2
Account Bank and Paying Agent	CaixaBank S.A.	A / R-1 (low) / Stable AA (low) / R-1 (middle) Stable 2
Arranger and Management Company	CaixaBank Titulización SGFT, S.A.	Not Rated
Guaranteed Reinvestment Agreement Provider	CaixaBank S.A.	A / R-1 (low) / Stable AA (low) / R-1 (middle) Stable 2

1 Long-term and short-term senior debt ratings are referenced unless otherwise specified.
2 Critical Obligations Ratings.

Relevant Dates

Issue Date	20 June 2019
Closing Date	27 June 2019
Provisional Portfolio Valuation Date	21 May 2019
First Payment Date	19 September 2019
Payment Dates	19th calendar day of March, June, September and December
Interest Periods	Quarterly
Collection Periods	Each day of any calendar month
Legal Maturity Date	19 December 2039

Rating Considerations

- The collateral portfolio is static; the Notes will amortise on the first payment date on a strictly sequential basis.
- The lease contract residual values are not securitised.
- The portfolio is split into three types of leases: real estate leases that represent 24.6% of the provisional portfolio balance, vehicles leases that represent 36.5% and equipment leases that represent 38.9%.
- The structure envisages a single waterfall aiming to amortise the Series A and the Series B Notes by an amount equal to the positive difference between (1) the amount outstanding of the Series A and Series B Notes on each interest payment date and (2) the outstanding balance of the non-defaulted portfolio.
- Interest on the Series A Notes is paid senior to principal repayment and principal of the Series A Notes is senior to the interest and principal payments of the Series B Notes.
- The Series A Notes benefit from a reserve fund that can be used to pay senior expenses, interest and principal shortfall on the Series A Notes. Once the Series A Notes are fully redeemed, the Reserve Fund will cover interest and principal on the Series B Notes.

Strengths

- CaixaBank (with a Long Term Critical Obligations Rating of AA (low) and a Short Term Critical Obligations Rating of R-1 (middle)) is an experienced originator and servicer in the consumer finance business and a financially strong banking institution.
- Sequential amortisation: The Series A Notes benefit from full sequential amortisation. The Series B Notes will not begin to amortise until the Series A Notes are redeemed in full.
- Amortising Reserve Fund: The Reserve Fund provides liquidity and credit support to the Series A and Series B Notes. The reserve fund is fully funded at the closing of the transaction in an amount equal to 4.9% of the Series A and Series B Notes. The reserve fund will amortise periodically on each payment date according specific its amortisation rules.
- No exposure to the underlying assets' depreciation, since the lease contract residual values are not securitised.
- Even if the residual value is not transferred in the securitisation, the interest accrued by the residual value is part of the transaction cash flows;
- Relatively low industry concentration: the top three industries of the portfolio as per DBRS's Industry definition are Surface transport, Building and Development, and Food Products representing 25.2%, 20.4% and 7.9% of the outstanding balance, respectively;
- Relatively low weighted-average life (WAL). The WAL of the transaction is 2.7 years.

Challenges

- High borrower concentration: The portfolio consists of 37,676 credit right parts to 19,950 groups of borrowers, eight of them representing more than 1.0% of the total provisional portfolio, the largest borrower group representing 2.8% of the provisional portfolio balance, and the top 10 and top 20 representing 14.6% and 19.9% of the provisional portfolio balance respectively.

  Mitigants: The borrower concentration has been captured by DBRS's default model (please see the DBRS Analysis section of this report for further details) and DBRS applies additional stress applying a higher probability of default (PD) for those borrowers representing more than 1.0% of the portfolio balance.
- Relatively high regional concentration: Catalonia represents 28.2% of the portfolio balance with Madrid (16.6%) and Valencian Community (13.2%) completing the three largest regions.

  Mitigant: The high exposure of the portfolio to Catalonia reflects the Originator's strong market share in this region, which is also captured by the historical performance data. Although Catalonia has experienced political instability recently, its economic performance has been quite positive. Gross domestic product (GDP) and unemployment have also shown improvement, with estimated GDP figures for 2018 demonstrating an increase of 2.9% compared with a growth rate of 1.8% at the end of 2014. Unemployment has fallen to 11.4% as of Q2 2018 from 24.5% in Q1 2013.

- The reliance on CaixaBank to perform most of the relevant ancillary roles in the transaction. CaixaBank was the Originator of the lease contracts and will act as Servicer and financial agent where all of the Issuer's bank accounts (including collections and Reserve Fund cash) will be held.

  Mitigant: DBRS maintains public ratings, private ratings or internal assessments to evaluate and monitor the potential risk that counterparties pose to the performance of the Notes in their roles. In addition, the transaction agreements foresee specific remedial actions for each counterparty role once the DBRS ratings fall below certain levels.

- The Servicer's ability to modify some of the original terms of the lease agreements within specified limits, which could increase the risk profile and the WAL of the portfolio.

  Mitigant: The servicer flexibility is common in balance sheet securitisations. DBRS has assumed the worst-case portfolio allowed by the Servicer's permitted variations.

- Interest Rate and Basis Risk: The interest rate risk and basis risk in this transaction are unhedged. The Series A and the Series B Notes pay a fixed rate, whereas 35.1% of the lease agreements in the whole portfolio are fixed rate.

  Mitigants: (1) Interest rate risk and basis risk for the Series A Notes are partially mitigated by the subordination of the Series B Notes interest payments in the priority of payments; (2) the Reserve Fund is available to cover interest payments to the Series A Notes; and (3) the excess spread in the transaction considering that 95.4% of the portfolio balance has a payment frequency higher or equal to the payment frequency of the Notes.

Transaction Structure

Transaction Summary		
Currencies	Issuer's assets and liabilities are denominated in euros (EUR).	
Relevant Jurisdictions	Lease contracts are ruled by Spanish law. The transaction documents are ruled by Spanish securitisation law. The issuer is incorporated under Spanish law.	
Basis Risk Hedging	None	
Interest Rate Risk Hedging	None	
Reserve Fund	Provides credit support to the Series A Notes and is available to cover senior expenses, interest on the Series A Notes and gross losses; once Series A is amortised, the Reserve Fund will provide support to Series B Notes interest and principal.	
	Initial Amount (EUR)	89,670,000 (4.9% of the initial balance of the rated notes)
	Target Amount (EUR)	4.9% of the outstanding amount of the Series A and Series B Notes.
	Trigger	The Reserve Fund will not amortise if (1) the Reserve Fund was not at the target balance at the beginning of the interest payment period; or (2) one year has not elapsed since the closing date.
Commingling Reserve	None	

Counterparty Assessment

The Issuer

The Issuer is a special-purpose vehicle (SPV), incorporated and registered in the Kingdom of Spain as a securitisation fund (*Fondo de Titulización*) through a public deed (*Escritura de Constitución*) executed on 20 June 2019.

The Issuer was established with the exclusive purpose to enter into this securitisation transaction, the scope within which it is allowed to purchase the receivables, to issue notes and to enter into the relevant transaction documents, and to carry out the activities related to this transaction. The Management Company of the Issuer's board of directors is formed of five directors.

The Issuer has no subsidiaries or employees and has not carried on any business or activities other than those incidental to its incorporation, the authorisation and the other activities incidental to the exercise of its rights and compliance with its obligations under the transaction. The Issuer does not directly conduct any activity and thus has no employees of its own; however, it appointed the transaction parties to conduct all activities necessary to its existence and the management of this securitisation transaction.

Pursuant to the terms of the transaction documents, the Management Company (*Sociedad Gestora*), CaixaBank Titulización, S.G.F.T., S.A.U will provide the directors and certain other corporate and administration services to the Issuer in consideration for the payment by the Issuer of an annual fee. Likewise, the Issuer has mandated the other transaction parties to conduct all the activities necessary to enable the continuation of this transaction.

Account Bank

CaixaBank S.A. was appointed as the Issuer's account bank for the transaction. DBRS holds the following public ratings on CaixaBank S.A. and has concluded that it meets DBRS's minimum criteria to act in its capacity as account bank.

Caixabank S.A.	Rating	Trend
Long-Term Critical Obligation Rating	AA (low)	Stable
Short-Term Critical Obligation Rating	R-1 (middle)	Stable
Long-Term Issuer Rating	A	Stable
Long-Term Senior Unsecured Debt Rating	A	Stable
Short-Term Senior Unsecured Debt Rating	R-1 (low)	Stable

The transaction contains downgrade provisions relating to the account bank consistent with DBRS's criteria as at the date of this report.

The downgrade provisions require that CaixaBank S.A. is replaced as account bank upon breach of certain rating provisions. If the account bank's applicable DBRS rating is downgraded below BBB (high), then within 30 working days, the Management Company on behalf of the fund would need to (1) find a guarantor with the minimum DBRS rating of BBB (high) who will unconditionally and irrevocably guarantee the obligations of the treasury account agreement or (2) find a replacement with the minimum DBRS Account Bank rating of BBB (high).

The Account Bank holds the Issuer's accounts where the Issuer deposits all its funds, particularly the Issuer's main account, the Treasury Account, that holds: (1) principal and interest collections, (2) any other revenue directly or indirectly derived from the assigned receivables, (3) the reserve fund (Cash Reserve Amount) and (4) funds required to pay the Issuer's set-up expenses provided on the settlement date by CaixaBank S.A. through the subordinated loan.

The Treasury Account's balance will be always positive and no interest will be earned on the funds held in this account as per the Account Bank Agreement.

The Management Company will enter into a paying agency agreement with CaixaBank on behalf of the Fund. The Paying Agent will receive all the amounts needed to attend the Issuer payments and execute the payments indicated by the Management Company that previously performed the calculation of the amounts due and payable.

Hedging Counterparty

N/A

Originator and Servicing

The receivables backing the notes were assigned by CaixaBank as the receivables' Seller. The receivables are related to lease contracts originated by CaixaBank S.A. in Spain, in its normal course of business.

DBRS conducted an operational review of CaixaBank S.A.'s leasing operations in April 2019 at its Head Office in Barcelona. DBRS considers the origination and servicing practices of CaixaBank to be consistent with those observed among other Spanish SME lenders.

CaixaBank was founded in 2011 from the reorganisation of Fundación Bancaria Caixa d'Estalvis y Pensions de Barcelona, "la Caixa" (formerly Caja de Ahorros y Pensiones de Barcelona). The banking assets and liabilities of the La Caixa group were transferred to Criteria Caixa Corp S.A., a listed investment vehicle that was in turn transformed into a bank and renamed CaixaBank. Simultaneously, various other non-banking assets of Criteria Caixa Corp were spun off to create Criteria Caixa (Criteria), a holding company wholly owned by La Caixa. Criteria is the majority shareholder of CaixaBank, with a 39% stake as at end-February 2019.

CaixaBank is one of the leading commercial banks in Spain that provides universal banking services to individuals, small and medium-sized enterprises and large corporations. The Group's operational headquarters are in Barcelona, Spain, it has a nationwide footprint and is the third-largest banking group by total assets in Spain. In Portugal, CaixaBank owns Banco BPI, the fifth-largest bank by total assets. At end-Q1 2019, CaixaBank had upwards of 13.7 million customers in Spain and a network of 4,326 branches.

DBRS confirmed CaixaBank's issuer and senior debt ratings at 'A' with a Stable trend in March 2019. More information on CaixaBank's ratings can be found at www.dbrs.com.

Origination and Sourcing

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

CaixaBank offers leasing with an option to purchase. The lessor conveys the right to use the asset in return for regular payments for a specified period, after which, the customer can acquire the asset at the residual value. The customers in this market are Companies, SMEs, professionals and freelancers and leases are offered to finance purchases pertaining to the business such as vehicles, equipment, machinery and buildings.

Underwriting

The underwriting process starts at the time the application is made in a branch and the main criteria analysed are the borrower, affordability, finance purpose and transaction characteristics. The analysis is supported by internal knowledge of the customer from past lending experiences as well as their asset and liability positions, external information of bureaus and the return on the proposed transaction. When considering affordability, CaixaBank first considers the status of the applicant then considers appropriate factors to determine their capacity to pay.

CaixaBank uses internal rating models for its SME and large corporate clients. All models are IRB-approved and approved by the Bank of Spain, except for a model for self-employed non-clients because that part of the portfolio is very residual. The models follow a standard PD calculation and include rating categories mapped to a standard credit rating scale. The ratings are mainly used for assessing the borrower's creditworthiness and overall risk profile and are used as an ongoing monitoring tool. For SMEs, the rating is reviewed monthly or whenever a new application is received for a lease contract while large 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 the European Central Bank.

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. Only lower value and lower-risk applications can be approved within branches, the majority are referred to centralised risk underwriting centres with one located in each of CaixaBank's 14 territories. The approval limits take into account the borrower type, client and lease contract risk profile (including expected loss) as well as the total exposure to an economic group.

Valuations

CaixaBank uses a panel of 12 appraisal companies to undertake valuations and they must comply with the following conditions:

- They have to be an Appraisal Company authorised by the Bank of Spain.
- They have to cover the whole Spanish territory.
- The companies have to demonstrate that they have public liability insurance for at least the minimum legal amount determined by Bank of Spain.
- They have to be able to adapt their systems and communications to the CaixaBank standard.
- They have to be independent of the CaixaBank group.

Servicing

The operational loan management department, centralised in Barcelona, is responsible for all loan and lease agreement management and servicing activities. Primary borrower contact is managed at the branch level through relationship managers using CaixaBank's system which also manages alerts warning of indicators of distress.

If an account falls into arrears multiple functions are involved in the recovery process at different stages as follows:

1 to 30 days past due

Branches are responsible for early stage arrears including the following activities:

- Prevention of delinquency (Alert system);
- Collection and recovery of unpaid customers within the first month of default;
- Proposal for restructuring debt to adjust to customers' payment capability; "one client, one solution";
- Each branch has a dedicated recovery manager responsible for managing delinquency and recoveries.

31 to 90 days past due

There are Recovery Specialists in each Business Branch Area who support branches in managing delinquent agreements. Their role involves:

- Preventing, reducing delinquencies and track results in their area;
- Tracking branch office performance;
- Supporting branches with the resolution of complex cases;
- Analysing outcomes to confirm that an appropriate solution has been reached;
- Undertaking client negotiation.

91 days to 365 days past due

Each Territory has its own specialised team of Delinquency and Recovery Managers whose role involves:

- Acting as the link between headquarters and the network - communicating and implementing recovery strategies;
- Responsible for recruiting, training and placing the recovery staff in their territory;
- Taking part in the resolution of complex cases;
- Reporting to headquarters and Regional Commercial Managers.

Beyond 365 days past due

Specialist SME Recovery Managers takeover of the management of the non-performing agreements. Their role includes the management of judicial and insolvency procedures whilst continuing to try to reach amicable agreements with the aim of reaching stable solutions.

CaixaBank utilises a subsidiary company GDS CUSA to support its recovery operations with solutions such as dialler-based telephony and automated issuance of text messages. GDS CUSA provides CaixaBank with flexible resource to undertake the specific management of portfolios by age of debt, product debt or outstanding balance.

Opinion on Backup Servicer: No backup servicer at closing of the current CaixaBank securitisation. DBRS believes that CaixaBank's current financial condition mitigates the risk of a possible disruption in servicing following a servicer event of default including insolvency.

Servicing and Management of Collections

CaixaBank is the Originator and Seller of the receivables and will service the portfolio on mandate by the Issuer in accordance with its customary practices. As per the ratings mentioned above, DBRS concluded that CaixaBank meets the minimum criteria to act as Originator and Servicer.

All borrower payments are collected by CaixaBank under a direct debit scheme and deposited in the Treasury Account with CaixaBank. Payments are transferred from the servicer account to the Treasury Account with the Account Bank in the name of the Fund on the following business day after receipt of funds.

In case of termination of the servicing agreement with the Servicer, the Management Company is responsible for appointing a new servicer. If the Servicer's DBRS rating is downgraded below BBB (low), the Servicer would need to (1) find a replacement servicer, (2) find a back-up servicer or (3) fund a commingling reserve in line with DBRS criteria. DBRS believes that the Servicer's current financial condition, together with the provisions, mitigates the risk of a disruption in servicing following a servicer event of default including insolvency.

Funds available to the Issuer are collections made under the securitised receivables, including interest and principal components of instalments and recoveries under defaulted receivables. Additional sources of funds available to the Issuer are represented by the Cash Reserve held by the Issuer with the Account Bank. On each payment date, the amounts available in the Treasury Account will be distributed in accordance with the Priority of Payments as summarised below.

The available funds must be disbursed by the Issuer, as per the terms of the transaction documents, on specified dates (the payment dates). Funds processed on a given payment date are payments related to a specific quarterly period ending prior to the payment date (the collection period) and amounts collected but referred to during the following collection period should only be processed on the relevant payment date.

The Servicer is allowed to negotiate changes to existing credit rights within the permitted variations foreseen in the servicing agreement. The permitted variations are mainly limited to changes in the interest rate and maturity of the credit rights.

The Reserve Fund

As of the Closing Date, the balance in the Reserve Fund was EUR 89.67 million, which is equivalent to 4.9% of the Notes.

The Reserve Fund is available to cover senior expenses as well as missed interest and principal payments on the notes, firstly on the Series A Notes and then on Series B Notes once the Series A Notes have paid in full.

The Reserve Fund balance must be maintained at the Minimum Level, defined as the 4.9% of the outstanding principal balance of the Notes. However, no reduction of the required Reserve Fund level will be allowed (1) in the first year or (2) if the Reserve Fund was not funded to the Minimum Level on the previous payment date.

On the issue date, the EUR 89,670,000 Reserve Fund was funded by the Originator (as the subordinated lender) through a subordinated loan, granted by CaixaBank (as the transaction subordinate lender).

Use of Funds

The Servicer will collect all payments received on interest and principal (including recoveries) from the portfolio on an ongoing basis. On each payment date, the amounts available in the Treasury Account will be distributed in accordance with the Priority of Payments as summarised below.

Prior to its liquidation, the Issuer applies a single combined priority of payments as summarised below[1]:

1. Ordinary and extraordinary expenses and the servicing fee (if CaixaBank ceases to be the servicer);
2. Interest due on the Series A Notes;
3. Principal on the Series A Notes;
4. Replenishment of the Reserve Fund to the target level while the Series A Notes are outstanding;
5. Interest due on the Series B Notes;
6. Principal on the Series B Notes;
7. Replenishment of the Reserve Fund to the target level once the Series A Notes have been fully amortised;
8. Interest on the Subordinated Loan for initial expenses;
9. Principal on the Subordinated Loan for initial expenses;
10. Interest on the Subordinated Loan for the Reserve Fund;
11. Principal on the Subordinated Loan for the Reserve Fund;
12. Servicing fee (if CaixaBank is the servicer);
13. Payment of the financial intermediary margin.

Upon liquidation of the Issuer at the legal final maturity date or upon early termination of the Issuer, the available funds and any amounts received by the Issuer after the sale of the remaining mortgage portfolio will be distributed through the Post-Enforcement Priority of Payments:

1. Expenses related to the liquidation of the Fund or liquidation of taxes, administrative or advertising costs;
2. Payment of taxes, ordinary and extraordinary expenses and the servicing fee (if CaixaBank is not the servicer);
3. Interest due on the Series A Notes;
4. Principal on the Series A Notes;
5. Interest due on the Series B Notes;
6. Principal on the Series B Notes;
7. Interest on the Subordinated Loan for initial expenses;
8. Principal on the Subordinated Loan for initial expenses;
9. Interest on the Subordinated Loan for the Reserve Fund;
10. Principal on the Subordinated Loan for the Reserve Fund;
11. Servicing fee (as long as CaixaBank is the servicer);
12. Payment of the financial intermediary margin.

1. This report does not aim to provide a detailed description of the transaction documents, the terms and conditions of the Notes or of the priority of payments. This report provides a high-level summary that cannot be exhaustive; anyone wanting to fully understand the structure should refer to the transaction documents or to the prospectus. The description provided in this report is partial and cannot be as accurate as the transaction documents.

Note Redemption Rules

- The Series A Notes will start amortising on the first payment date in September 2019.
- The Series B Notes will amortise once the Series A Notes have been fully redeemed.

Early Liquidation Events

- Once the outstanding balance of the assets is less than 10.0% of the initial balance and the proceeds from the sale of the assets are sufficient to pay down all Notes outstanding.
- If there are circumstances that permanently affect the SPV's financial stability.
- If the Management Company is declared bankrupt and a substitute is not appointed within four months.
- In case of a non-payment indicating a serious and permanent imbalance that affects the transaction.
- The first payment date following 36 months from the amortisation of the last lease contract in the Portfolio.

The Collateral Portfolio

On the issue date, the Seller transferred a portfolio of about EUR 1.8 billion of receivables. The purchase price of the receivables will be funded with the proceeds from the subscription of the Notes. The securitised portfolio cut-off date is 20 June 2019.

The receivables comprising the portfolio are related to real estate and no real estate (vehicles and equipment) commercial lease agreement (excluding the residual value) has been granted by the Originator to companies and self-employed residing in Spain.

Eligibility Criteria

The receivables comprising the portfolio have been selected in accordance with specific criteria, including broad criteria covering the nature of the receivables (e.g. currency, originator, etc.). Some of the specific criteria are summarised below:

- All credit rights are duly documented and formalised, and the corresponding agreements are available to the
- Management Company.
- There are no legal claims against the credit rights that may adversely affect their validity.
- At the closing date, up to 5.0% of the initial balance of the portfolio may be up to 30 days in arrears, and up to 1.0% of the receivables may be in arrears up to 90 days.
- At the date of transfer, CaixaBank has no knowledge of any bankruptcy of any of the borrowers included in this portfolio.
- None of the credit rights have a maturity date later than 20 March 2036. All of the borrowers make payments via direct debit.
- All credit rights have been serviced by CaixaBank since the date of origination. Currently, all lease contract are serviced by CaixaBank in accordance with its current procedures.
- None of the credit rights have been restructured. None of the borrowers will be employees of CaixaBank.
- At the closing date all the borrowers have paid at least one instalment.
- None of the borrowers are financial institutions.

For a complete list of criteria, reference should be made to the transaction documents or the prospectus.

Portfolio Summary

DBRS has analysed the provisional portfolio dated at 21 May 2019, the final portfolio was assigned to the Issuer as at 20 June 2019 (the cut-off date). The main characteristics of the provisional portfolio are summarised below:

	CB Leasings 3 (Provisional Pool)
Date	**21/05/2019**
Number of Credits Rights	37,676
Total Original Balance (EUR)	3,322,670,352
Total Current Balance (EUR)	1,914,216,507
Number of Group of Borrowers	19,950
Average Original Balance per Borrower Group (EUR)	166,550
Average Current Balance per Borrower Group (EUR)	95,951
Maximum Original Balance (EUR)	55,227,281
Maximum Current Balance (EUR)	27,310,097
WA Seasoning (months)	31.0
WA Remaining Term (months)	63.09
WA Interest Rate	1.77%
WA Margin	1.57%%
Fixed-Rate Contracts	35.06%
Floating-Rate Contracts	64.94%
Type of Lease: • Real Estate • Equipment • Auto	 24.58% 38.94% 36.48%
Borrower Group: • Largest • Top 10 • Top 20	 2.78% 14.62% 19.95%
Percentage of Contracts up to 90-Day Arrears	0.98%
Origination Date	2008 - 2019

Portfolio Distribution – Largest Exposures

The portfolio shows relatively high level of concentration. The top one and ten obligor groups represent 2.8% and 14.6% of the outstanding balance of the portfolio, respectively.

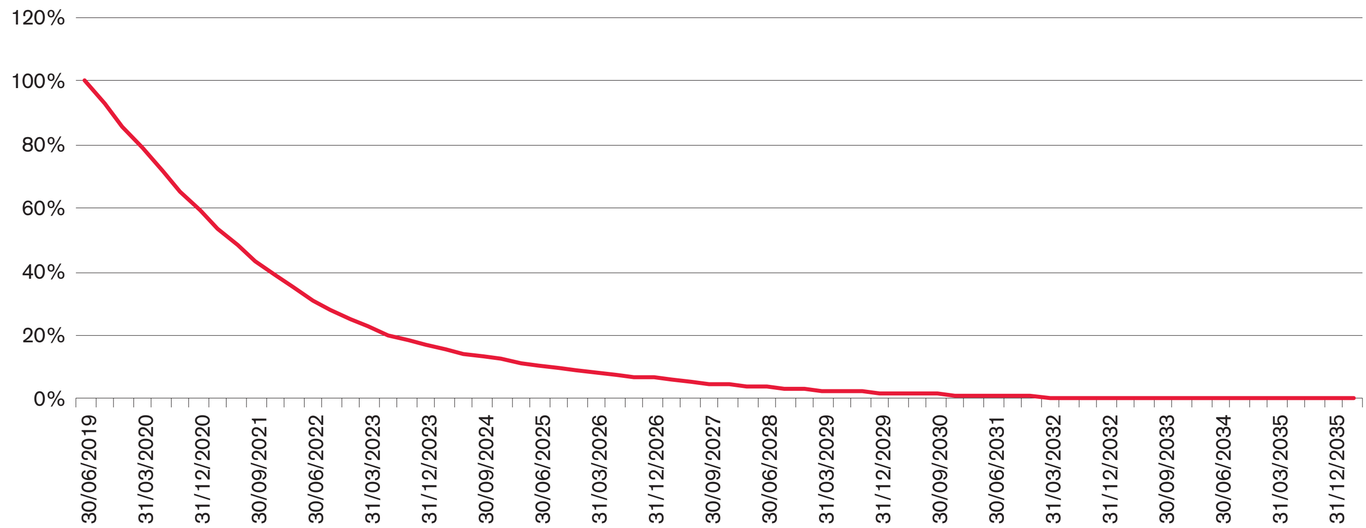
Rank	Balance (EUR)	Percentage of Portfolio	Region	Industry
1	53,296,596	2.78%	Catalonia	Surface transport
2	42,191,476	2.20%	Valencia Community	Building & Development
3	30,357,768	1.59%	Madrid	Retailers (except food & drug)
4	27,310,097	1.43%	Catalonia	Building & Development
5	27,305,981	1.43%	Aragon	Surface transport
6	22,659,655	1.18%	Madrid	Building & Development
7	21,875,000	.14%	Aragon	Utilities
8	20,662,111	1.08%	Valencia Community	Electronics/electrical
9	17,251,493	0.90%	Catalonia	Surface transport
10	16,900,500	0.88%	Canary Island	Lodging & casinos
Total	**279,810,680**	**14.62%**		

Note: Because of rounding, the items in the columns might not add up to the stated totals.
Sources: CaixaBank, DBRS.

Amortisation Profile

The provisional portfolio used for the analysis had a WA life of 2.7 years; for the purpose of the analysis, DBRS assumed 3.09 years to account for selection and permitted variations (which allows up to 5.0% of the portfolio maturity to be extended). The Series A Notes are expected to begin amortising from the first payment date, given the scheduled amortisation profile (assuming a 0% constant prepayment rate) of the underlying lease contracts (see Exhibit 1).

Exhibit 1: Eligible Portfolio Amort Schedule



Portfolio Distribution – Borrower Industry Sector Classification

The portfolio is well diversified across industries grouped by DBRS industry classification. The top industry exposure is to Surface Transport which represents approximately 25.2% of the portfolio balance, which is in line with the type of asset is being securitised.

DBRS Industry	Percentage of Balance
Surface transport	25.20%
Building & Development	20.35%
Food Products	7.87%
Business equipment & services	5.78%
Retailers (except food & drug)	4.24%
Leisure goods/activities/movies	3.19%
Equipment leasing	2.71%
Health care	2.64%
Farming/agriculture	2.53%
Lodging & casinos	2.48%
Chemicals & plastics	2.29%
Nonferrous metals/minerals	2.04%
Automotive	2.00%
Electronics/electrical	1.53%
Utilities	1.40%
Industrial equipment	1.34%
Food service	1.30%
Publishing	1.20%
Food/drug retailers	1.18%
Clothing/textiles	1.07%
Ecological services & equipment	0.96%
Containers & glass products	0.89%
Beverage & Tobacco	0.74%
Home furnishings	0.72%
Air transport	0.65%
Remaining Industries	3.70%
Total	**100.00%**

Note: Because of rounding, the items in the columns might not add up to the stated totals.
Sources: CaixaBank, DBRS.

Exhibit 2

Portfolio Distribution – Borrower Location by Region

Regional Classification	Percentage of Balance
Catalonia	28.22%
Madrid	16.57%
Valencian Community	13.20%
Andalusia	10.16%
Aragon	5.12%
Castille - Leon	4.16%
Galicia	3.73%
Basque Country	3.14%
Murcia	2.88%
Canary Islands	2.76%
Castille- La Mancha	2.74%
Balearic Islands	2.10%
Navarre	2.08%
Extremadura	0.99%
Cantabria	0.83%
Asturias	0.75%
La Rioja	0.54%
Melilla	0.02%
Ceuta	0.01%
Total	**100.0%**

Note: Because of rounding, the items in the column might not add up to the stated totals.
Sources: CaixaBank, DBRS.

Rating Analysis

Asset Analysis

DBRS used its Diversity Model to determine a lifetime default rate at the required rating levels. The Diversity Model takes key loan-by-loan information of the securitised portfolio (such as borrower identification (ID), borrower notional amount, industry ID and amortisation type for each lease contract); the expected WA life of the portfolio, which is calculated creating a loan-by-loan amortisation schedule of the portfolio; and the annualised PD assumption estimated by DBRS based on the historical data provided. The Diversity Model employs a Monte Carlo simulation to determine cumulative default rates (or hurdle rates) at each rating stress level.

Break-even default rates (BDRs) on the Notes were determined using the DBRS CDO Cash Flow Model. The minimum BDR is computed over nine combinations of default timing and interest rate stresses. At the AA (sf) and B (high) (sf) rating levels, the BDRs for the average of the nine scenarios must exceed the respective hurdle rate calculated by the Diversity Model.

DBRS was also provided with detailed loan-by-loan data of the final portfolio selected by CaixaBank as at 20 June 2019 and the amortisation schedule related to this portfolio, but the analysis included in this report is related to the provisional pool dated 21 May 2019.

Average Annualised Default Rate

The average annualised default rate is determined from the historical data supplied by the Originator. CaixaBank supplied historical default data divided into real estate leases, equipment leases and vehicle leases.

For this transaction, DBRS considered an annual base-case PD of 0.75% for real estate lease contracts, 0.98% for vehicles lease contracts and 1.62% for equipment lease contracts. The DBRS base-case PD is based on the performance data provided by CaixaBank from the last eight years.

Granularity Default Risk

Borrower concentration is taken into account in the DBRS Diversity Model. In exceptional cases, DBRS may need to conduct additional analysis to ensure that the risk associated with specific borrowers is accounted for appropriately. DBRS determined that the transaction shows a relatively high level of borrower concentration and decided to double the PD for all the borrower groups that represent more than 1.00% of the portfolio balance.

Correlation

DBRS employs a two-factor correlation model as the basis for the SME default modelling. This correlation structure is implemented in the DBRS Diversity Model, allowing for explicit concentration in obligor and industries while using a Monte Carlo process to generate the stressed default rates. To account for the increased concentration risk inherent in SME pools because of obligor and industry, DBRS applies a rating level-based correlation stress using the DBRS Diversity Model.

All information used for the analysis was sourced by CaixaBank directly or indirectly through the transaction Management Company CaixaBank de Titulización SGFT, S.A.U

DBRS did not rely upon third-party due diligence in order to conduct its analysis. DBRS considers the data and information available to it for the purposes of providing this rating to be of satisfactory quality.

DBRS does not audit or independently verify the data or information it receives in connection with the rating process.

Recovery Assumptions

CaixaBank provided DBRS with quarterly vintage default (gross loss) and vintage recovery analysis. The vintage analysis is based on the securitised stock originated by CaixaBank over the years. Default and recovery analyses have been provided for the total portfolio split between real estate leases, equipment leases and vehicle leases. DBRS received historical performance data on gross defaults and on recoveries from Q1 2008 to Q4 2018.

The static default and recovery data is summarised below in charts by product type and per quarterly vintages:

Recoveries (Loss Severities)

Exhibit 3: Auto Lease Contracts

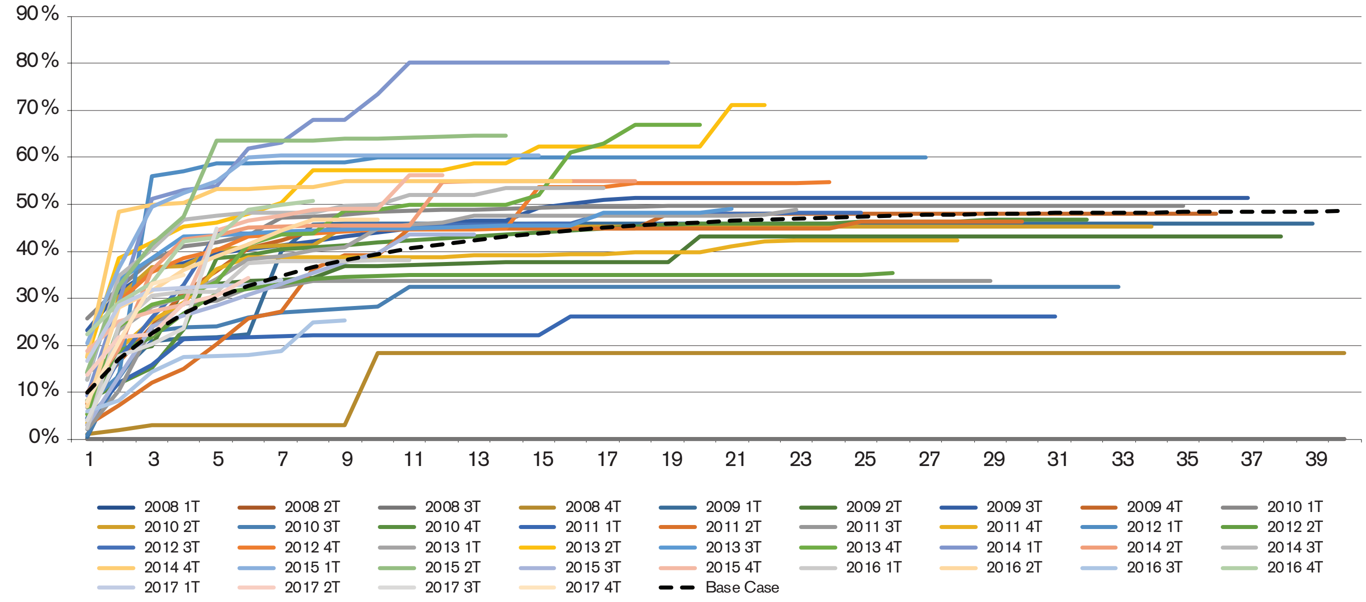


Exhibit 4: Equipment Lease Contracts

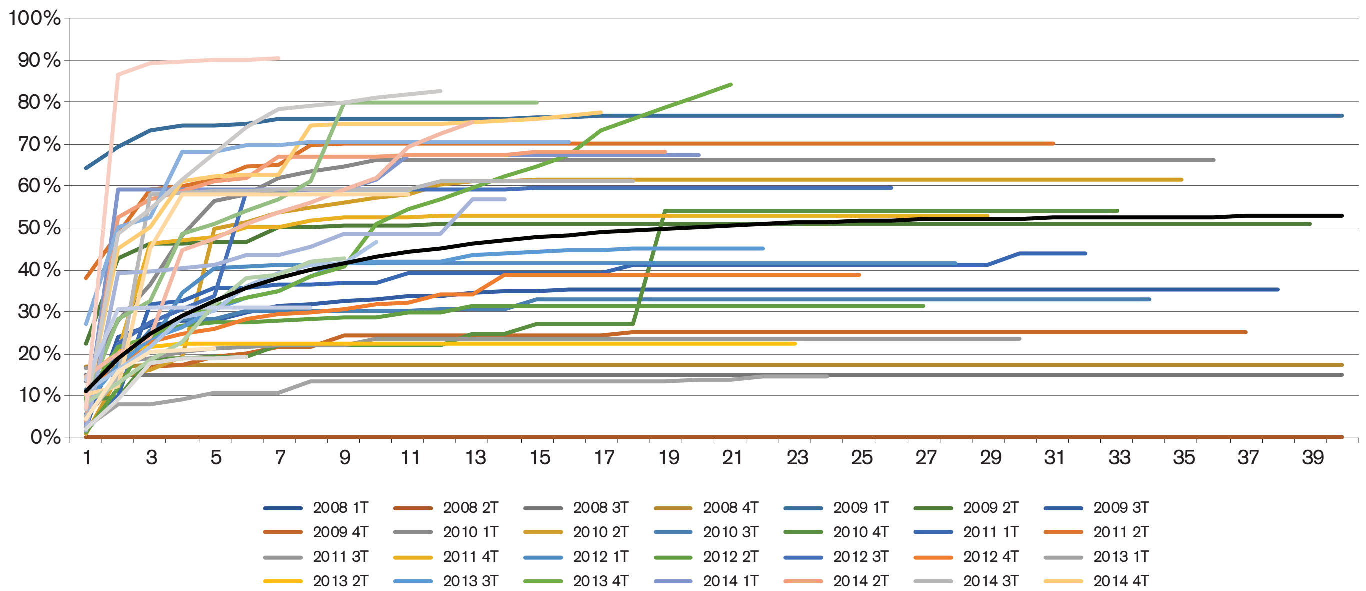
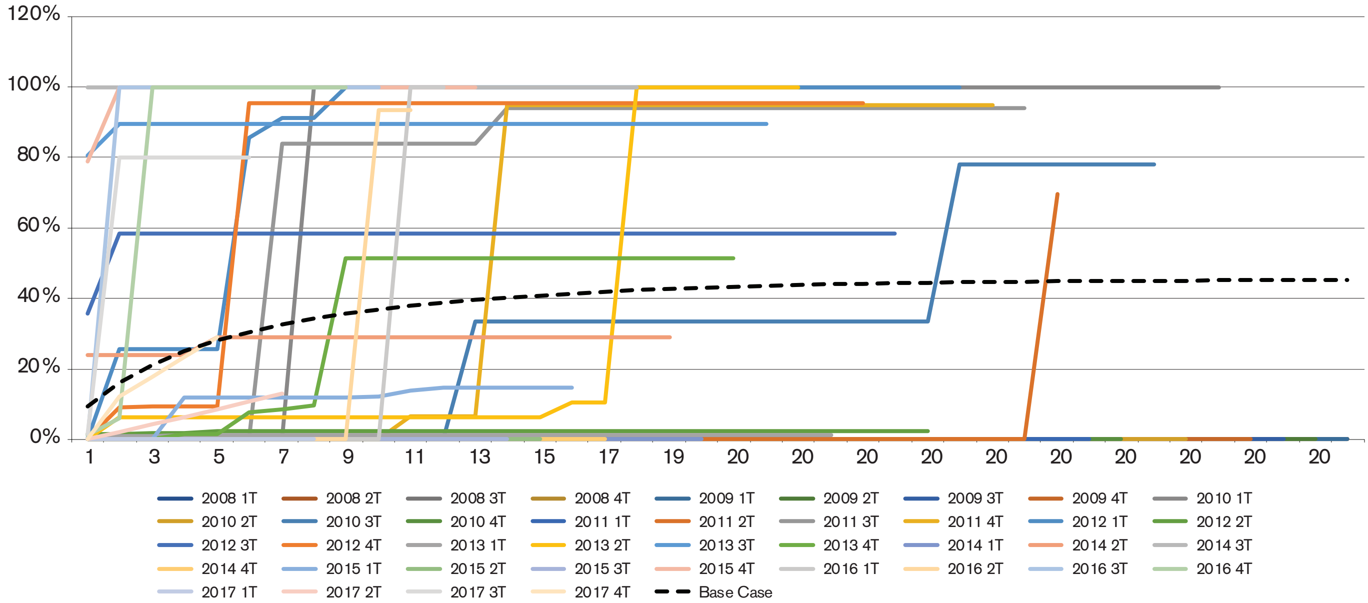


Exhibit 5: Real Estate Lease Contracts



For real estate leases, the recoveries look high but this is because the origination levels are lower in terms of transactions but the amounts and the recoveries are normally higher and high in terms of percentage when the asset is sold is very quickly.

Caixabank provides aggregated information regarding recoveries coming directly from the borrower regularising the debt position. Around 41.0% of the total recoveries for vehicles and equipment leases come from the asset execution, regarding the real estate lease there were no data and DBRS assumed the collateralised loan obligation recovery assumption for unsecured transactions for Tier 4 countries. Please refer to DBRS's *Rating CLOs and CDOs of Large Corporate Credit* methodology for country tiers and recovery delays for unsecured recoveries.

The portfolio's loss was calculated as a WA sum of the losses calculated by product type and by applying the additional stresses. The loss assumptions used are summarised below:

Relevant Rating Level	AA (sf)
Gross Loss	20.02%
Recovery Rate	21.64%

Relevant Rating Level	B (high) (sf)
Gross Loss	6.40%
Recovery Rate	43.96%

Summary of the Cash Flow Scenarios

DBRS's cash flow 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 18 cash flow scenarios were applied to test the performance of the rated Notes (please see table below).

Scenario	Prepayments	Default Timing	Interest Rate
1	Low	Front	Upward
2	Low	Middle	Upward
3	Low	Back	Upward
4	Base	Front	Upward
5	Base	Middle	Upward
6	Base	Back	Upward
7	High	Front	Upward
8	High	Middle	Upward
9	High	Back	Upward
10	Low	Front	Downward
11	Low	Middle	Downward
12	Low	Back	Downward
13	Base	Front	Downward
14	Base	Middle	Downward
15	Base	Back	Downward
16	High	Front	Downward
17	High	Middle	Downward
18	High	Back	Downward

Prepayment Speeds and Prepayment Stress

DBRS has not been provided with prepayment data from CaixaBank. Considering other Spanish asset-backed security transactions with similar collateral as well as from the same or similar originators, DBRS has assumed prepayments from 0.0% to 10.0%.

Interest Rate Risk, Basis Risk and Excess Spread

Interest rate risk is partially mitigated as the Series A and Series B Notes have a fixed-rate coupon and 35.01% of the portfolio pays a fixed interest rate. Basis risk is addressed in DBRS's analysis by incorporating stressed spread assumptions in its cash flow analysis. DBRS took into account the margin compression and interest rate reduction options on the lease contacts as described in the Lease Contract Modifications paragraph below.

Interest Rate Stresses

DBRS applied its standard interest rate stresses as detailed in its methodology *Interest Rate Stresses for European Structured Finance Transactions* (December 2018).

Lease Contracts Modifications

As per the servicing agreement, the servicer is allowed to modify lease contracts within the portfolio aside from the good servicing practices defined by the Bank of Spain. These modifications can be made without the Management Company's consent and are subject to the following limitations:

1. 5% of the portfolio's initial balance may have the maturity date extended up until March 2036.
2. The weighted-average interest rate of the portfolio may not be renegotiated below 1.25%.

DBRS has stressed 5% of the portfolio by extending the maturity date to the maximum date and considering a WA interest rate of the portfolio of 1.25% after one year.

Timing of Defaults

DBRS estimated the default timing patterns and created base, front- and back-loaded default curves. The WA life of the collateral portfolio is expected to be about two years, and the front-loaded, middle and back-loaded default distributions are listed below.

Period	Front Loaded Losses	Middle Losses	Back Loaded Losses
1	50.00%	35.00%	25.00%
2	30.00%	45.00%	40.00%
3	20.00%	20.00%	35.00%

Risk Sensitivity

DBRS expects a lifetime base-case PD may cause stresses to base-case assumptions and therefore have a negative effect on credit ratings. The tables below illustrate the sensitivity of the rating to various changes in the base-case default rates and loss severity assumptions relative to the base-case assumptions used by DBRS in assigning the rating.

Series A

		Increase in Default Rate (%)		
		0	25	50
Increase in LGD (%)	0	AA (high) (sf)	AA (low) (sf)	A (high) (sf)
	25	A (high) (sf)	A (sf)	A (sf)
	50	A (high) (sf)	A (low) (sf)	BBB (high) (sf)

Series B

		Increase in Default Rate (%)		
		0	25	50
Increase in LGD (%)	0	B (high) (sf)	B (low) (sf)	CCC (sf)
	25	B (low) (sf)	CCC (sf)	C (sf)
	50	CCC (sf)	C (sf)	C (sf)

Methodologies Applied

The principal methodology applicable to assigning ratings to the above referenced transaction is *Rating European Consumer and Commercial Asset-Backed Securitisations* (December 2018).

Other methodologies referenced in this transaction are listed below:

- *Rating CLOs Backed by Loans to European SMEs* (July 2018)
- *Legal Criteria for European Structured Finance Transactions* (September 2018)
- *Rating CLOs and CDOs of Large Corporate Credit* (February 2019)
- *Operational Risk Assessment for European Structured Finance Servicers* (January 2019)
- *Operational Risk Assessment for European Structured Finance Originators* (January 2019)
- *Interest Rate Stresses for European Structured Finance Transactions* (October 2018)

The rating methodologies and criteria used in the analysis of this transaction can be found at: http://www.dbrs.com/about/methodologies. Alternatively, please contact info@dbrs.com.

For a more detailed discussion of the sovereign risk impact on Structured Finance ratings, please refer to "Appendix C: The Impact of Sovereign Ratings on Other DBRS Credit Ratings" of the *Rating Sovereign Governments* methodology at: http://dbrs.com/research/319564/rating-sovereign-governments.pdf.

Surveillance

The transaction is monitored by DBRS in accordance with its *Master European Structured Finance Surveillance Methodology*, which is available at www.dbrs.com under Methodologies. Alternatively, please contact info@dbrs.com.

Notes:
All figures are euros unless otherwise noted.

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