

S&P Resolves 171 European Structured Finance Counterparty Criteria CreditWatch Placements (July 4, 2011 Review)

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OVERVIEW

- Today's rating actions reflect the application of our updated counterparty criteria for structured finance transactions.
- As a result, we have lowered, raised, affirmed, or withdrawn our ratings on 260 tranches in 109 transactions, including some ratings not previously on CreditWatch for counterparty reasons.

LONDON (Standard & Poor's) July 4, 2011--Standard & Poor's Ratings Services today took various rating actions on 260 European structured finance tranches, including resolving 171 tranches on CreditWatch negative for counterparty reasons.

Specifically we have taken the following ratings actions:

- We have lowered our credit ratings on 83 tranches in 48 transactions and, of those, we removed 72 from CreditWatch negative.
- We have affirmed and removed from CreditWatch negative our ratings on 82 tranches in 50 transactions.
- We have raised our ratings on 16 tranches in 12 transactions.
- We have withdrawn our ratings on 14 tranches in 13 transactions.

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- We have lowered and removed from CreditWatch positive our ratings on two tranches in two transactions.
- We have affirmed and removed from CreditWatch positive our ratings on two tranches in two transactions.
- We have raised and removed from CreditWatch positive our ratings on four tranches in three transactions.

Today's rating actions primarily reflect the application of our updated counterparty criteria for structured finance transactions (see "Counterparty And Supporting Obligations Methodology And Assumptions," published on Dec. 6, 2010). For the full list of today's rating actions see "Ratings List Resolving European Structured Finance Counterparty CreditWatch Placements—July 4, 2011 Review."

We lowered our ratings on the downgraded tranches because:

- The transaction documents do not fully reflect our updated criteria, but do reflect our prior counterparty criteria. Therefore, as per our updated criteria, we have lowered the rating to a ratings floor that is one rating level above the issuer credit rating (ICR) on the lowest-rated counterparty.
- The transaction documents do not fully reflect our updated criteria, but do meet certain requirements to achieve a rating higher than the ratings floor. Based on our analysis, we have adjusted the maximum potential rating the tranche can achieve, as described in our updated counterparty criteria, and then lowered the rating accordingly.
- The transaction documents do not reflect our updated criteria, and, in our opinion, have a weak replacement framework such that the tranche rating doesn't qualify for one notch above the ICR on the lowest-rated counterparty. Therefore, we have lowered the rating to the ICR level.
- The documentation related to derivatives does not reflect our updated criteria, so we conducted our cash flow analyses assuming that the transactions do not benefit from any support under the swaps. After conducting these cash flow analyses, we concluded that the current tranche ratings could not be maintained.

We have affirmed tranches that were on CreditWatch for counterparty reasons because:

- We have received evidence of legally binding agreements that reflect our updated criteria;
- We have applied our updated counterparty criteria with the appropriate notching for variants and, in our opinion, the counterparties participating in the transaction have a sufficiently high rating for us to affirm the current rating on the tranche; or
- The documentation related to derivatives does not reflect our updated criteria, so we conducted a cash flow analysis assuming that the swap does not exist. This indicated that the current ratings could be maintained.

We have taken some rating actions on tranches that we did not previously place on CreditWatch negative for counterparty reasons. However, they are included

here because they are classes of notes in a transaction where we placed at least one other class on CreditWatch for counterparty reasons. Following a review of the performance of these classes and the rating on the counterparties, we have affirmed our ratings on 67 tranches in 34 transactions, lowered our ratings on 11 tranches in eight transactions, and raised our ratings on 11 tranches in 10 transactions.

We have withdrawn certain ratings where the tranches have redeemed or terminated.

In the case of direct support obligations--such as bank accounts and custodian accounts--where the replacement commitment comes from the issuer and/or the trustee, rather than the counterparty itself, we consider the use of best or reasonable efforts or endeavours to be consistent with the replacement framework in our 2010 counterparty criteria. Since a trustee has a responsibility to act in the best interests of noteholders, the criteria differentiates between the replacement commitment of the issuer and/or trustee and the replacement commitment of the counterparty itself.

We will continue to review the remaining transactions that we placed on CreditWatch negative on Jan. 18 (see "EMEA Structured Finance CreditWatch Actions In Connection With Revised Counterparty Criteria"), and we intend to resolve all of these CreditWatch placements by the transition date of July 18, 2011.

RELATED CRITERIA AND RESEARCH

- Ratings List Resolving European Structured Finance Counterparty CreditWatch Placements--July 4, 2011 Review, July 4, 2011
- Request for Comment: Covered Bonds Counterparty And Supporting Obligations Methodology And Assumptions, March 23, 2011
- Principles of Credit Ratings, Feb. 16, 2011
- EMEA Structured Finance CreditWatch Actions In Connection With Revised Counterparty Criteria, Jan. 18, 2011
- Counterparty And Supporting Obligations Update, Jan. 13, 2011
- Standard & Poor's Updates Counterparty And Supporting Obligations Criteria, Reviews Application To Covered Bonds, Jan. 13, 2011
- CreditWatch Placements Likely Following Application Of New Counterparty Criteria To European Structured Finance, Dec. 23, 2010
- Credit FAQ: Standard & Poor's Explains Process For Applying Updated Counterparty Criteria, Dec. 14, 2010
- Counterparty And Supporting Obligations Methodology And Assumptions, Dec. 6, 2010
- Recent Global Financial Disruption Reinforces Counterparty Risk As A Key Securitization Exposure, Nov. 4, 2010
- Global Methodology For Rating Interest-Only Securities, April 15, 2010
- General Criteria: Understanding Standard & Poor's Rating Definitions, June 3, 2009
- Standard & Poor's Revises Criteria Methodology For Servicer Risk Assessment, May 28, 2009

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- European Legal Criteria For Structured Finance Transactions, Aug. 28, 2008
- Use Of CreditWatch And Outlooks, Sept. 30, 2005

Related articles are available on RatingsDirect. Criteria, presales, servicer evaluations, and ratings information can also be found on Standard & Poor's Web site at www.standardandpoors.com. Alternatively, call one of the following Standard & Poor's numbers: Client Support Europe (44) 20-7176-7176; London Press Office (44) 20-7176-3605; Paris (33) 1-4420-6708; Frankfurt (49) 69-33-999-225; Stockholm (46) 8-440-5914; or Moscow (7) 495-783-4011.

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Related Criteria And Research

Ratings List Resolving European Structured Finance Counterparty CreditWatch Placements—July 4, 2011 Review

On Jan. 18, 2011, our criteria for assessing counterparty risk (see "Counterparty And Supporting Obligations Methodology And Assumptions") became effective. On that day, we placed or kept on CreditWatch negative certain affected EMEA structured finance ratings (see "EMEA Structured Finance CreditWatch Actions In Connection With Revised Counterparty Criteria").

This is one of our periodic reviews of affected EMEA tranches. In this report we have taken various rating actions on 260 European structured finance tranches, including resolving 171 tranches on CreditWatch negative for counterparty reasons.

The tables below provide the transaction names, series, and ratings for the affected EMEA transactions. For the related media release, see "S&P Resolves 171 European Structured Finance Counterparty Criteria CreditWatch Placements (July 4, 2011 Review)."

Tables 1 to 4 provide the details of the affected tranches by asset class: ABS, CMBS, RMBS, and structured credit (including CDOs). Table 5 provides further detail of the reasons for today's actions.

EMEA: ABS: List Of Rating Actions

Table 1

EMEA: ABS: List Of Rating Actions										
Issuer	Issue description	Class (if applicable)	Rating to	Rating from	Collateral type/segment	CUSIP	ISIN	Reason	If linked to ICR, name of counterparty	
AUTO ABS COMPARTIMENT 2007-1	EUR1.25 bil asset-backed floating-rate notes	A	AAA (sf)	AAA (sf)/Watch Neg	ABS Auto Loans	--	FR0010413153	In line with criteria	--	
AUTO ABS COMPARTIMENT 2007-1	EUR1.25 bil asset-backed floating-rate notes	B	AA (sf)	A (sf)	ABS Auto Loans	--	FR0010413161	In line with criteria	--	
Bankinter 2 PYME, Fondo de Titulizacion de Activos	EUR800 mil asset-backed floating-rate notes	A2	AAA (sf)	AAA (sf)/Watch Neg	ABS Small Business Loan-Amortizing	--	ES0313716013	Run without swap	--	
Bankinter 2 PYME, Fondo de Titulizacion de Activos	EUR800 mil asset-backed floating-rate notes	B	AA (sf)	A+ (sf)	ABS Small Business Loan-Amortizing	--	ES0313716021	Transaction review	--	
Bankinter 2 PYME, Fondo de Titulizacion de Activos	EUR800 mil asset-backed floating-rate notes	C	BBB (sf)	BBB (sf)	ABS Small Business Loan-Amortizing	--	ES0313716039	Transaction review	--	
Bankinter 2 PYME, Fondo de Titulizacion de Activos	EUR800 mil asset-backed floating-rate notes	D	B (sf)	BB (sf)	ABS Small Business Loan-Amortizing	--	ES0313716047	Transaction review	--	

Ratings List Resolving European Structured Finance Counterparty CreditWatch Placements—July 4, 2011 Review

Table 1

EMEA: ABS: List Of Rating Actions (cont.)									
Bankinter 2 PYME, Fondo de Titulizacion de Activos	EUR800 mil asset-backed floating-rate notes	E	D (sf)	D (sf)	ABS Small Business Loan-Amortizing	--	ES0313716054	Transaction review	--
Bankinter 3 FTPYME, Fondo de Titulizacion de Activos	EUR617.4 mil asset-backed floating-rate notes	A2	AAA (sf)	AAA (sf)/Watch Neg	ABS Small Business Loan-Amortizing	--	ES0313273015	Run without swap	--
Bankinter 3 FTPYME, Fondo de Titulizacion de Activos	EUR617.4 mil asset-backed floating-rate notes	A3 (G)	AAA (sf)	AAA (sf)/Watch Neg	ABS Small Business Loan-Amortizing	--	ES0313273023	Run without swap	--
Bankinter 3 FTPYME, Fondo de Titulizacion de Activos	EUR617.4 mil asset-backed floating-rate notes	B	A+ (sf)	A+ (sf)	ABS Small Business Loan-Amortizing	--	ES0313273031	Transaction review	--
Bankinter 3 FTPYME, Fondo de Titulizacion de Activos	EUR617.4 mil asset-backed floating-rate notes	C	BBB (sf)	BB+ (sf)	ABS Small Business Loan-Amortizing	--	ES0313273049	Transaction review	--
Bankinter 3 FTPYME, Fondo de Titulizacion de Activos	EUR617.4 mil asset-backed floating-rate notes	D	B (sf)	B (sf)	ABS Small Business Loan-Amortizing	--	ES0313273056	Transaction review	--
Bankinter 3 FTPYME, Fondo de Titulizacion de Activos	EUR617.4 mil asset-backed floating-rate notes	E	D (sf)	D (sf)	ABS Small Business Loan-Amortizing	--	ES0313273064	Transaction review	--
Bankinter 4 FTPYME Fondo de Titulizacion de Activos	EUR400 mil floating-rate notes	A1	AAA (sf)	AAA (sf)/Watch Neg	ABS Small Business Loan-Amortizing	--	ES0313583009	Run without swap	--
Bankinter 4 FTPYME Fondo de Titulizacion de Activos	EUR400 mil floating-rate notes	A2	A+ (sf)	AAA (sf)/Watch Neg	ABS Small Business Loan-Amortizing	--	ES0313583017	Application of criteria	--
Bankinter 4 FTPYME Fondo de Titulizacion de Activos	EUR400 mil floating-rate notes	A3	A+ (sf)	AAA (sf)/Watch Neg	ABS Small Business Loan-Amortizing	--	ES0313583025	Application of criteria	--
Bankinter 4 FTPYME Fondo de Titulizacion de Activos	EUR400 mil floating-rate notes	B	A (sf)	A (sf)	ABS Small Business Loan-Amortizing	--	ES0313583033	Transaction review	--
Bankinter 4 FTPYME Fondo de Titulizacion de Activos	EUR400 mil floating-rate notes	C	BBB (sf)	BBB (sf)	ABS Small Business Loan-Amortizing	--	ES0313583041	Transaction review	--
Empresas Banesto 1, Fondo de Titulizacion de Activos	EUR2 bil floating-rate notes	A2	AAA (sf)	AAA (sf)/Watch Neg	ABS Small Business Loan-Amortizing	--	ES0330866015	In line with criteria	--
Empresas Banesto 1, Fondo de Titulizacion de Activos	EUR2 bil floating-rate notes	B	A- (sf)	A (sf)	ABS Small Business Loan-Amortizing	--	ES0330866023	Transaction review	--

Table 1

EMEA: ABS: List Of Rating Actions (cont.)									
Empresas Banesto 1, Fondo de Titulizacion de Activos	EUR2 bil floating-rate notes	C	BB (sf)	BBB- (sf)	ABS Small Business Loan-Amortizing	--	ES0330866031	Transaction review	--
Empresas Banesto 1, Fondo de Titulizacion de Activos	EUR2 bil floating-rate notes	D	B- (sf)	B (sf)	ABS Small Business Loan-Amortizing	--	ES0330866049	Transaction review	--
Empresas Banesto 2, Fondo de Titulizacion de Activos	EUR2 bil floating-rate notes	A	AAA (sf)	AAA (sf)/Watch Neg	ABS Small Business Loan-Amortizing	--	ES0330861008	In line with criteria	--
Empresas Banesto 2, Fondo de Titulizacion de Activos	EUR2 bil floating-rate notes	B	A (sf)	A (sf)	ABS Small Business Loan-Amortizing	--	ES0330861016	Transaction review	--
Empresas Banesto 2, Fondo de Titulizacion de Activos	EUR2 bil floating-rate notes	C	BBB (sf)	BBB (sf)	ABS Small Business Loan-Amortizing	--	ES0330861024	Transaction review	--
FCC Retail ABS Finance Compartiment Noria 2008	EUR3.4 bil asset-backed floating-rate notes	A	AAA (sf)	AA+ (sf)	ABS Consumer-Other	--	--	In line with criteria	--
F-E Green S.r.l.	EUR1.451 bil asset-backed floating-rate notes	A	AAA (sf)	AAA (sf)	ABS Equipment	--	IT0003675763	Run without swap	--
F-E Green S.r.l.	EUR1.451 bil asset-backed floating-rate notes	B	AAA (sf)	AAA (sf)	ABS Equipment	--	IT0003675771	Transaction review	--
Fondo de Titulizacion de Activos Santander Consumer Spain Auto 06	EUR1.36 bil floating-rate notes	A	AAA (sf)	AAA (sf)/Watch Neg	ABS Auto Loans	--	ES0338057005	In line with criteria	--
Fondo de Titulizacion de Activos Santander Consumer Spain Auto 06	EUR1.36 bil floating-rate notes	B	A- (sf)	A- (sf)	ABS Auto Loans	--	ES0338057013	Transaction review	--
Fondo de Titulizacion de Activos Santander Consumer Spain Auto 06	EUR1.36 bil floating-rate notes	C	BB+ (sf)	BB+ (sf)/Watch Neg	ABS Auto Loans	--	ES0338057021	Transaction review	--
Fondo de Titulizacion de Activos Santander Consumer Spain Auto 06	EUR1.36 bil floating-rate notes	D	CCC- (sf)	CCC- (sf)	ABS Auto Loans	--	ES0338057039	Transaction review	--