

Bulletin:

S&P Comments On European Securitizations Exposed To 'A-2' Rated Counterparties

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LONDON (Standard & Poor's) Nov. 19, 2008—Standard & Poor's Ratings Services said today that 33 European securitization and covered bond programs remained under close scrutiny following the publication of its revised 'A-2' rated derivatives counterparties methodology (see list below).

On Oct. 22, we revised our methodology for 'A-2' rated derivatives counterparties. This stated that, absent any other structural mitigants, we would no longer maintain 'AAA' ratings on securitization and other structured finance-related debt instruments (including covered bonds) that depend on the performance of derivatives counterparties that are rated 'A-2' or equivalent.

In our view, support provided by 'A-2' rated derivatives counterparties is more commensurate with issue ratings no higher than 'AA'.

The criteria revision relates to all derivatives contracts but primarily affects basis swaps, interest rate swaps, currency swaps, repurchase agreements, credit default swaps, and total return swaps. The transactions

listed below are potentially affected by this methodology change due to their exposure to derivative counterparties, rated 'A-2', that provide one or more of such instruments.

The breakdown by asset class of the transactions potentially affected is:

- 14 residential mortgage-backed securities (RMBS) transactions,
- 12 asset-backed securities (ABS) transactions,
- 3 commercial mortgage-backed securities (CMBS) transactions,
- 2 collateralized debt obligation (CDO) transactions, and
- 2 covered bond transactions.

The article outlined a review period of one month from the date of its publication. At the end of this period, we expect to place ratings on CreditWatch negative in transactions where actions to establish sufficient mitigants to the 'A-2' exposure are not, in our view, at an advanced stage. In assessing which ratings to place on CreditWatch, we will consider the magnitude of the counterparty exposure and any structural and cash flow features that may offset the exposure.

For certain other European securitizations with exposure to 'A-2' rated derivatives counterparties not mentioned in this release, we have already concluded that transaction ratings will not be affected by this criteria update, or have already been placed on CreditWatch negative for performance or other supporting party reasons.

The related criteria article referenced above, titled "Methodology: Updated Counterparty Criteria For Derivatives: Eligibility Of 'A-2' Counterparties Removed In 'AAA' Transactions," is available to subscribers of RatingsDirect, the real-time Web-based source for Standard & Poor's credit ratings, research, and risk analysis, at www.ratingsdirect.com. The article 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) 495-783-4017.

TRANSACTION/PROGRAM LIST

Achmea Hypotheekbank N.V. Covered Bond Programme
€10 billion covered bond program

Adriatico Finance RMBS S.r.l.
€192.55 million asset-backed floating rate notes

Adriatico Finance SME S.r.l.
€162.95 million asset-backed floating rate notes

Bamburgh Finance No. 1 PLC
£210 million mortgage-backed floating-rate notes

Bancaja 5 Fondo de Titulizacion de Activos

€1 billion bonos de titulizacion

Bancaja 6 Fondo de Titulizacion de Activos

€2.08 billion mortgage-backed floating-rate notes

Bancaja 7 Fondo de Titulizacion de Activos

€1.9 billion mortgage-backed floating-rate notes

Bancaja 12 Fondo de Titulización de Activos

€2.1 billion mortgage-backed floating-rate notes

Bavarian Sky S.A.

€818.8 million asset-backed floating-rate notes compartment 1 1

Carnuntum High Grade I Ltd.

€1 billion floating-rate notes

EdT FTPYME PASTOR 3, FONDO DE TITULIZACION DE ACTIVOS

€520 million floating-rate notes

Empresas Hipotecario TDA CAM 3, Fondo de Titulizacion de Activos

€750 million mortgage-backed floating-rate notes

EMPRESAS HIPOTECARIO TDA CAM 5, Fondo de Titulizacion de Activos

€1,430.8 million floating-rate notes

FTPYME Bancaja 3, Fondo de Titulizacion de Activos

€900 million floating-rate notes

FTPYME TDA CAM 4, Fondo de Titulizacion de Activos

€1.5 billion floating-rate notes

GC FTPYME PASTOR 1, Fondo de Titulizacion de Activos

€225 million floating-rate notes

GC FTPYME PASTOR 4 Fondo de Titulizacion de Activos

€630 million asset-backed floating-rate notes

GC Pastor Hipotecario 5, Fondo de Titulizacion de Activos

€710.5 million floating-rate mortgage-backed notes

IM PASTOR 2, Fondo de Titulizacion Hipotecaria

€1 billion mortgage-backed floating-rate notes

IM PASTOR 3, Fondo de Titulizacion Hipotecaria

€1 billion mortgage-backed floating-rate notes

IM PASTOR 4, Fondo de Titulizacion de Activos

€920 million mortgage-backed floating-rate notes

MESDAG (Berlin) B.V.

€154.55 million commercial mortgage-backed floating-rate notes 2006

MESDAG (Charlie) B.V.

€493.65 million commercial mortgage-backed floating-rate notes 2006

NIBC Bank N.V. Covered Bond Programme

€7 billion covered bonds

Sestante Finance S.r.l.

€325.48 million asset-backed floating-rate notes series 5

Silver Birch CLO I B.V.

€300 million floating-rate notes

TDA CAM 7, Fondo de Titulizacion de Activos

€1.75 billion mortgage-backed floating-rate notes

TDA CAM 8, Fondo de Titulizacion de Activos

€1,712.8 million floating-rate notes

TDA CAM 9, Fondo de Titulizacion de Activos

€1,515 million mortgage-backed floating-rate notes

TDA CAM 10, Fondo de Titulizacion de Activos

€1,423.5 million mortgage-backed floating-rate notes

TDA Pastor Consumo 1, FTA

€300 million asset-backed floating-rate notes

TDA, Empresas Pastor 5, Fondo de Titulizacion de Activos

€550 million asset-backed floating-rate and €18.7 million floating-rate notes

VCL No. 10 S.A.

€970.55 million asset-backed floating-rate notes

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