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Ratings List Resolving European Structured Finance Counterparty CreditWatch Placements—May 27, 2011 Review

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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 lowered, affirmed, or left on CreditWatch negative our ratings on 59 tranches in 20 transactions, including some ratings not previously on CreditWatch 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 39 European Structured Finance Counterparty Criteria CreditWatch Placements (May 27, 2011 Review)."

Tables 1 to 4 provide the details of the affected tranches by asset class. Note that this review doesn't include CMBS or structured credit transactions. 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**	**Series (if applicable)**	**Class (if applicable)**	**Rating to**	**Rating from**	**Collateral type/segment**	**CUSIP**	**ISIN**	**Reason**
BBVA Consumo 1 Fondo de Titulizacion de Activos	EUR1.5 bil floating-rate asset-backed notes		A	AA+ (sf)	AAA (sf)/Watch Neg	ABS Consumer-Other	-	ES0333763003	Run without swap
BBVA Consumo 2 Fondo de Titulizacion de Activos	EUR1.5 bil floating-rate asset-backed notes		A	AA+ (sf)	AAA (sf)/Watch Neg	ABS Consumer-Other	-	ES0313956007	Run without swap
BBVA Empresas 1, Fondo de Titulizacion de Activos	EUR1.45 bil floating-rate notes		A1	AAA (sf)	AAA (sf)/Watch Neg	ABS Small Business Loan-Amortizing	-	ES0313820005	Run without swap
BBVA Empresas 1, Fondo de Titulizacion de Activos	EUR1.45 bil floating-rate notes		A2	AAA (sf)	AAA (sf)/Watch Neg	ABS Small Business Loan-Amortizing	-	ES0313820013	Run without swap
BBVA Empresas 1, Fondo de Titulizacion de Activos	EUR1.45 bil floating-rate notes		A3	AAA (sf)	AAA (sf)	ABS Small Business Loan-Amortizing	-	ES0313820021	Run without swap

Table 1

EMEA: ABS: List Of Rating Actions (cont.)									
BBVA-3 FTPYME, Fondo de Titulizacion de Activos	EUR1 bil floating-rate notes		A2 (G)	AAA (sf)	AAA (sf)/Watch Neg	ABS Small Business Loan-Amortizing	-	ES0310110012	Run without swap
BBVA-4 PYME Fondo de Titulizacion de Activos	EUR1.25 bil mortgage-backed floating-rate notes		A2	AAA (sf)	AAA (sf)/Watch Neg	ABS Small Business Loan-Amortizing	-	ES0370458012	Run without swap
BBVA-8 FTPYME Fondo de Titulizacion de Activos	EUR1.1 bil floating-rate notes		A1	AAA (sf)	AAA (sf)/Watch Neg	ABS Small Business Loan-Amortizing	-	ES0370462006	Run without swap
BBVA-8 FTPYME Fondo de Titulizacion de Activos	EUR1.1 bil floating-rate notes		A2(G)	AAA (sf)	AAA (sf)/Watch Neg	ABS Small Business Loan-Amortizing	-	ES0370462014	Run without swap
GAMMA Sociedade de Titularizacao de Creditors SA	EUR411.189 mil asset-backed floating rate notes (of which Â€28.7 million subordinated notes)	ATLANTES FINANCE No 3	A	AA- (sf)	AA- (sf)/Watch Neg	ABS Consumer-Other	-	XS0527225196	In line with criteria
Madrid Consumo II	EUR625 mil floating rate notes		A	AA- (sf)	AAA (sf)/Watch Neg	ABS Consumer-Other	-	ES0358893008	Application of criteria
Sagres Sociedade de Titularizacao de Creditos S.A	EUR206.1 mil asset-backed floating-rate notes and subordinated notes (Chaves Funding No.5)	CHAVES FUNDING NO.5	A	AA- (sf)	AA- (sf)/Watch Neg	ABS Auto Leases	-	XS0405712646	In line with criteria

EMEA: CMBS: List Of Rating Actions

Table 2

EMEA: CMBS: List Of Rating Actions										
Issuer	**Issue description**	**Series (if applicable)**	**Class (if applicable)**	**Rating to**	**Rating from**	**Collateral type/segment**	**CUSIP**	**ISIN**	**Reason**	**If linked to ICR, name of counterparty**
Not applicable										

EMEA: RMBS: List Of Rating Actions

Table 3

EMEA: RMBS: List Of Rating Actions

Issuer	Issue description	Class (if applicable)	Rating to	Rating from	Collateral type/segment	CUSIP	ISIN	Reason
ALBA 2005 - 1 PLC	£301 mil mortgage-backed floating-rate notes	A3	RMBS Subprime	AAA (sf)	AAA (sf)/Watch Neg	-	XS0235712006	Application of criteria
ALBA 2005 - 1 PLC	£301 mil mortgage-backed floating-rate notes	B	RMBS Subprime	AA+ (sf)/Watch Neg	AA+ (sf)/Watch Neg	-	XS0235713152	Transaction review
ALBA 2005 - 1 PLC	£301 mil mortgage-backed floating-rate notes	C	RMBS Subprime	A+ (sf)/Watch Neg	A+ (sf)	-	XS0235713822	Transaction review
ALBA 2005 - 1 PLC	£301 mil mortgage-backed floating-rate notes	D	RMBS Subprime	BBB (sf)/Watch Neg	BBB (sf)	-	XS0235715363	Transaction review
ALBA 2005 - 1 PLC	£301 mil mortgage-backed floating-rate notes	E	RMBS Subprime	B (sf)	B (sf)	-	XS0235715793	Transaction review
ALBA 2005 - 1 PLC	£301 mil mortgage-backed floating-rate notes	MERCs	RMBS Subprime	NR (sf)	AAA (sf)/Watch Neg	-	-	Transaction review
ALBA 2006 - 1 PLC	£556.25 mil mortgage-backed floating-rate notes due 2037	A3a	RMBS Subprime	AAA (sf)	AAA (sf)/Watch Neg	-	XS0254830499	Application of criteria
ALBA 2006 - 1 PLC	£556.25 mil mortgage-backed floating-rate notes due 2037	A3b	RMBS Subprime	AAA (sf)	AAA (sf)/Watch Neg	-	XS0254831893	Application of criteria
ALBA 2006 - 1 PLC	£556.25 mil mortgage-backed floating-rate notes due 2037	B	RMBS Subprime	AA (sf)/Watch Neg	AA (sf)/Watch Neg	-	XS0254833089	Transaction review
ALBA 2006 - 1 PLC	£556.25 mil mortgage-backed floating-rate notes due 2037	C	RMBS Subprime	A- (sf)/Watch Neg	A- (sf)	-	XS0254833758	Transaction review
ALBA 2006 - 1 PLC	£556.25 mil mortgage-backed floating-rate notes due 2037	D	RMBS Subprime	BBB- (sf)/Watch Neg	BBB- (sf)	-	XS0254834053	Transaction review
ALBA 2006 - 1 PLC	£556.25 mil mortgage-backed floating-rate notes due 2037	E	RMBS Subprime	B (sf)	B (sf)	-	XS0254834301	Transaction review
ALBA 2006 - 1 PLC	£556.25 mil mortgage-backed floating-rate notes due 2037	MERCs	RMBS Subprime	NR (sf)	AAA (sf)/Watch Neg	-	-	Transaction review
ALBA 2006 - 2 PLC	EUR110 mil, £466.641 mil mortgage-backed floating-rate notes	A3a	RMBS Subprime	A (sf)	AAA (sf)/Watch Neg	-	XS0271529967	Application of criteria
ALBA 2006 - 2 PLC	EUR110 mil, £466.641 mil mortgage-backed floating-rate notes	A3b	RMBS Subprime	A (sf)	AAA (sf)/Watch Neg	-	XS0272876623	Application of criteria

Table 3

EMEA: RMBS: List Of Rating Actions (cont.)									
ALBA 2006 - 2 PLC	EUR110 mil, £466.641 mil mortgage-backed floating-rate notes	B	RMBS Subprime	A (sf)/Watch Neg	AAA (sf)/Watch Neg	-	XS0271530114	ICR/Transaction review
ALBA 2006 - 2 PLC	EUR110 mil, £466.641 mil mortgage-backed floating-rate notes	C	RMBS Subprime	A- (sf)/Watch Neg	A- (sf)	-	XS0271530544	Transaction review
ALBA 2006 - 2 PLC	EUR110 mil, £466.641 mil mortgage-backed floating-rate notes	D	RMBS Subprime	BBB- (sf)/Watch Neg	BBB- (sf)	-	XS0271530973	Transaction review
ALBA 2006 - 2 PLC	EUR110 mil, £466.641 mil mortgage-backed floating-rate notes	E	RMBS Subprime	BB- (sf)/Watch Neg	BB- (sf)	-	XS0271531435	Transaction review
ALBA 2006 - 2 PLC	EUR110 mil, £466.641 mil mortgage-backed floating-rate notes	F	RMBS Subprime	CCC (sf)	CCC (sf)	-	XS0272877514	Transaction review
ALBA 2006 - 2 PLC	EUR110 mil, £466.641 mil mortgage-backed floating-rate notes	MERCS	RMBS Subprime	NR (sf)	AAA (sf)/Watch Neg	-	XS0272869172	Transaction review
Eurosail-UK 2007-2NP PLC	EUR480.7 mil, £267.575 mil mortgage-backed floating-rate notes and an overissuance excess spread backed floating-rate notes	A2a	RMBS Subprime	AA- (sf)	AAA (sf)/Watch Neg	29881AAD2	US29881AAD28	Run without swap
Eurosail-UK 2007-2NP PLC	EUR480.7 mil, £267.575 mil mortgage-backed floating-rate notes and an overissuance excess spread backed floating-rate notes	A2c	RMBS Subprime	AA- (sf)	AAA (sf)/Watch Neg	29881AAF7	US29881AAF75	Run without swap
Eurosail-UK 2007-2NP PLC	EUR480.7 mil, £267.575 mil mortgage-backed floating-rate notes and an overissuance excess spread backed floating-rate notes	A3a	RMBS Subprime	AA- (sf)	AAA (sf)/Watch Neg	29881AAG5	US29881AAG58	Run without swap
Eurosail-UK 2007-2NP PLC	EUR480.7 mil, £267.575 mil mortgage-backed floating-rate notes and an overissuance excess spread backed floating-rate notes	A3c	RMBS Subprime	AA- (sf)	AAA (sf)/Watch Neg	29881AAJ9	US29881AAJ97	Run without swap

Table 3

EMEA: RMBS: List Of Rating Actions (cont.)								
Eurosail-UK 2007-2NP PLC	EUR480.7 mil, £267.575 mil mortgage-backed floating-rate notes and an overissuance excess spread backed floating-rate notes	M1a	RMBS Subprime	AA- (sf)	AAA (sf)/Watch Neg	29881AAK6	US29881AAK60	Run without swap
Eurosail-UK 2007-2NP PLC	EUR480.7 mil, £267.575 mil mortgage-backed floating-rate notes and an overissuance excess spread backed floating-rate notes	M1c	RMBS Subprime	AA- (sf)	AAA (sf)/Watch Neg	29881AAM2	US29881AAM27	Run without swap
Eurosail-UK 2007-4BL PLC	EUR696 mil, £251.11 mil mortgage-backed floating-rate notes	A1a	RMBS Subprime	AA (sf)	AA (sf)/Watch Neg	29881BAA6	US29881BAA61	Run without swap
Eurosail-UK 2007-4BL PLC	EUR696 mil, £251.11 mil mortgage-backed floating-rate notes	A1c	RMBS Subprime	AA (sf)	AA (sf)/Watch Neg	29881BAC2	US29881BAC28	Run without swap
Mercurio Mortgage Finance S.r.l.	EUR1.098 bil mortgage-backed floating-rate notes	A	RMBS Prime	AA (sf)	AAA (sf)/Watch Neg	-	XS0171824559	Application of criteria
Mercurio Mortgage Finance S.r.l.	EUR1.098 bil mortgage-backed floating-rate notes	B	RMBS Prime	AA (sf)	AA+ (sf)/Watch Neg	-	XS0171824807	Application of criteria
Mercurio Mortgage Finance S.r.l.	EUR1.098 bil mortgage-backed floating-rate notes	C	RMBS Prime	A+ (sf)	A+ (sf)	-	XS0171825283	Transaction review
Mercurio Mortgage Finance S.r.l.	EUR1.098 bil mortgage-backed floating-rate notes	D	RMBS Prime	BBB (sf)	BBB (sf)	-	XS0171826091	Transaction review
Mercurio Mortgage Finance S.r.l.	EUR631.2 mil mortgage-backed floating-rate notes	A	RMBS Prime	AAA (sf)	AAA (sf)/Watch Neg	-	XS0161057087	Application of criteria
Mercurio Mortgage Finance S.r.l.	EUR631.2 mil mortgage-backed floating-rate notes	B	RMBS Prime	BBB (sf)/Watch Pos	BBB (sf)	-	XS0161057673	Transaction review
Mercurio Mortgage Finance S.r.l.	EUR631.2 mil mortgage-backed floating-rate notes	M1	RMBS Prime	AA+ (sf)	AA+ (sf)/Watch Neg	-	XS0161057327	Application of criteria
Mercurio Mortgage Finance S.r.l.	EUR631.2 mil mortgage-backed floating-rate notes	M2	RMBS Prime	A+ (sf)/Watch Pos	A+ (sf)	-	XS0161057590	Transaction review
Sestante Finance S.r.l.	EUR412.3 mil fixed- and floating-rate mortgage-backed notes series 1	A1	RMBS Prime	A+ (sf)	AAA (sf)/Watch Neg	-	IT0003604789	ICR+1
Sestante Finance S.r.l.	EUR412.3 mil fixed- and floating-rate mortgage-backed notes series 1	A2	RMBS Prime	A+ (sf)	AAA (sf)/Watch Neg	-	IT0003604813	ICR+1
Sestante Finance S.r.l.	EUR647.2 mil asset-backed floating-rate notes series 2	A	RMBS Prime	A+ (sf)	AAA (sf)/Watch Neg	-	IT0003760136	ICR+1

Table 3

EMEA: RMBS: List Of Rating Actions (cont.)								
TDA Ibercaja 1 Fondo de Titulizacion de Activos	EUR600 mil mortgage-backed floating-rate notes	A	RMBS Prime	AAA (sf)	AAA (sf)/Watch Neg	-	ES0338450002	Run without swap
TDA Ibercaja 1 Fondo de Titulizacion de Activos	EUR600 mil mortgage-backed floating-rate notes	B	RMBS Prime	A+ (sf)	A+ (sf)	-	ES0338450010	Run without swap
TDA Ibercaja 1 Fondo de Titulizacion de Activos	EUR600 mil mortgage-backed floating-rate notes	C	RMBS Prime	BBB+ (sf)	BBB+ (sf)	-	ES0338450028	Run without swap
TDA Ibercaja 1 Fondo de Titulizacion de Activos	EUR600 mil mortgage-backed floating-rate notes	D	RMBS Prime	BB+ (sf)	BB+ (sf)	-	ES0338450036	Run without swap
TDA Ibercaja 7, Fondo de Titulizacion de activos	EUR2.07 bil Floating Rating Notes	A	RMBS Prime	AAA (sf)	AAA (sf)/Watch Neg	-	ES0377849007	Application of criteria
TDA Ibercaja 7, Fondo de Titulizacion de activos	EUR2.07 bil Floating Rating Notes	B	RMBS Prime	BB (sf)	BB (sf)	-	ES0377849015	Application of criteria
TDA Ibercaja 7, Fondo de Titulizacion de activos	EUR2.07 bil Floating Rating Notes	C	RMBS Prime	CCC- (sf)	CCC- (sf)	-	ES0377849023	Application of criteria

EMEA: Structured Credit (Including CDOs): List Of Rating Actions

Table 4

EMEA: Structured Credit (Including CDOs): List Of Rating Actions										
Issuer	**Issue description**	**Series (if applicable)**	**Class (if applicable)**	**Rating to**	**Rating from**	**Collateral type/segment**	**CUSIP**	**ISIN**	**Reason**	**If linked to ICR, name of counterparty**
Not applicable										

Reasons For Counterparty CreditWatch Resolution

Table 5

Reasons For Counterparty CreditWatch Resolution	
In line with criteria	Our review of the transaction documents indicates that they are in line with updated criteria.
Run without swap	In our review of the counterparty related transaction documents we found that the swap agreement does not comply with our updated counterparty criteria. We therefore conducted our cash flow analysis by assuming that the swap does not exist and applied the appropriate stresses as per our European cash flow criteria. However, our review did indicate that the remaining documents were in line with the updated counterparty criteria.
Application of criteria	In our review of the counterparty related transaction documents we found that some or all agreements do not fully comply with our updated counterparty criteria. We therefore applied adjustments, for the variations, in line with our criteria.
Transaction review	We reviewed these transactions because at least one other tranche in the transaction is on CreditWatch for counterparty reasons. The action being taken is based on a review of the performance of the transaction.

Table 5

Reasons For Counterparty CreditWatch Resolution (cont.)	
ICR	In our review of the counterparty related transaction documents we found that some or all agreements do not fully comply with our updated counterparty criteria. However, the ratings are supported by the minimum of issuer credit rating (ICR) of the lowest rated counterparty in this transaction according to our criteria.
ICR + 1	In our review of the counterparty related transaction documents we found that some or all agreements do not fully comply with our updated counterparty criteria. However, the ratings are supported by the minimum of issuer credit rating (ICR) plus 1 notch of the lowest rated counterparty in this transaction according to our criteria.

Related Criteria And Research

- S&P Resolves 39 European Structured Finance Counterparty Criteria CreditWatch Placements (May 27, 2011 Review), May 27, 2011
- Request For Comment: Covered Bonds Counterparty And Supporting Obligations Methodology And Assumptions, March 23, 2011
- EMEA Structured Finance CreditWatch Actions In Connection With Revised Counterparty Criteria, Jan. 18, 2011
- Counterparty And Supporting Obligations Update, 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
- General Criteria: Understanding Standard & Poor's Rating Definitions, June 3, 2009

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