



Tagging Info

Fitch Downgrades and Places on RWN 7 CDO Tranches with Exposure to Spain

Ratings

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Fitch Ratings-London-12 October 2011: Fitch Ratings has downgraded five tranches and placed two tranches on Rating Watch Negative (RWN) due to exposure to Spain and guarantees by the Kingdom of Spain ('AA-/Negative/'F1+') as follows:

FTPYME Bancaja 6, FTA

EUR70.4m class A3(G) (ISIN ES0339735021): downgraded to 'AA-sf' from 'AA+sf'; Outlook Negative

FTPYME TDA 5, FTA

EUR12.0m series 2CA (ISIN ES0339741011): downgraded to 'AAsf' from 'AA+sf'; Outlook Stable

FTPYME TDA 6, FTA

EUR 20.4m class 2CA (ISIN ES0339742019): downgraded to 'AA-sf' from 'AA+sf'; Outlook Negative

FTPYME TDA CAM 4, FTA

EUR127.0m class A3(CA) (ISIN:ES0339759021): downgraded to 'AA-sf' from 'AA+sf', Outlook Negative

Santander Publico 1 F.T.A

EUR403.4m class A (ISIN ES0338185004): downgraded to 'AA-sf' from 'AAsf'; removed from RWN, Outlook Negative

BBVA-5 FTPYME, FTA

EUR26.8m class A3(G) (ISIN ES0370459028): 'AA+sf'; placed on RWN

BBVA-6 FTPYME, FTA

EUR93.8 class A2(G) (ISIN ES0370460018): 'AA+sf'; placed on RWN

The downgrades of FTPYME Bancaja 6, FTA class A3(G), FTPYME TDA 6, FTA class 2CA and FTPYME TDA CAM 4, FTA class A3(CA) all reflect the reliance of these tranches on the guarantee provided by the Kingdom of Spain.

While Santander Publico 1 F.T.A's class A notes are not explicitly guaranteed by the Kingdom of Spain, the underlying portfolio is comprised of loans to a variety of public service providers in Spain including local governments, municipalities, autonomous communities and others such as universities. The credit profile of these public service providers is closely tied to the sovereign rating which effectively caps the rating of Santander Publico 1 F.T.A's notes at Spain's rating.

The downgrade of FTPYME TDA 5, FTA series 2CA to 'AAsf' from 'AA+sf' reflects the standalone rating of this tranche based on available credit enhancement provided by subordination of 39.0%, transaction performance and high portfolio security levels. As of the August 2011 investor report, 95.9% of the current portfolio is secured on mortgage collateral with a weighted average loan-to-value (LTV) of 35.1%.

BBVA-5 FTPYME, FTA's class A3(G) notes and BBVA-6 FTPYME, FTA's class A2(G) notes are placed on RWN while the agency completes its surveillance review for these transactions. The RWN are expected to be resolved within the next few weeks.

Contact:

Lead Surveillance Analyst

Selena Dewitya

Director

+44 20 3530 1135

Fitch Ratings Limited

30 North Colonnade

London, E14 5GN

Committee Chairperson
Matthias Neugebauer
Senior Director
+44 20 3530 1099

Media Relations: Mark Morley, London, Tel: +44 0203 530 1000, Email: mark.morley@fitchratings.com; Sandro Scenga, New York, Tel: +1 212-908-0278, Email: sandro.scenga@fitchratings.com.

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The ratings above were solicited by, or on behalf of, the issuer, and therefore, Fitch has been compensated for the provision of the ratings.

Sources of information: The information used to assess these ratings was sourced from periodic investor reports and the trustee.

Applicable criteria 'Criteria for Rating European Granular Corporate Balance-Sheet Securitisations (SME CLOs)', dated 6 June 2011; 'Global Rating Criteria for Corporate CDOs', dated 5 July 2010; 'Counterparty Criteria for Structured Finance Transactions', dated 14 March 2011; 'Criteria for European Structured Credit Issuer Report Grades (EMEA CDO)', dated 16 February 2010; and 'Criteria for Rating Caps in Global Structured Finance Transactions', dated 23 June 2010, are available at www.fitchratings.com.

Applicable Criteria and Related Research:

Criteria for Rating European Granular Corporate Balance-Sheet Securitisations (SME CLOs)
Global Rating Criteria for Corporate CDOs
Counterparty Criteria for Structured Finance Transactions
Criteria for European Structured Credit Issuer Report Grades (EMEA CDO)
Criteria for Rating Caps in Global Structured Finance Transactions

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