

Rating Actions Taken On Seven Tranches In Five Spanish ABS Transactions Following Rating Actions On Counterparties

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OVERVIEW

- At the end of 2011, we took rating actions on several Spanish banks following the application of our revised bank criteria and the CreditWatch negative placement of the Kingdom of Spain.
- As a consequence of those rating actions, on Dec. 21, 2011, we placed on CreditWatch negative our ratings on 10 tranches in eight Spanish ABS transactions, due to a direct ratings link that we consider to exist between the ratings on the tranches and the rating actions on the related counterparties, based on the application of our 2010 counterparty criteria.
- On Feb. 13, 2012, we resolved most of the CreditWatch placements of the ratings on the Spanish banks, and in all cases lowered the ratings.
- We have today taken rating actions on seven tranches in five Spanish ABS transactions, due to the existing link between those tranches and the downgraded counterparties.
- After today's rating actions, our ratings on three tranches in three transactions remain on CreditWatch negative. They have a substantial support exposure under our 2010 counterparty criteria.

MADRID (Standard & Poor's) Feb. 24, 2012--Standard & Poor's Ratings Services today took various credit rating actions on seven tranches in five Spanish asset-backed securities (ABS) transactions.

Specifically, we:

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- Lowered and removed from CreditWatch negative our rating on one tranche in one transaction;
- Lowered our ratings on four tranches in two transactions; and
- Affirmed and removed from CreditWatch negative our ratings on two tranches in two transactions.

For the full list of today's rating actions, see "List Of Spanish ABS Counterparty-Related Rating Actions--Feb. 24, 2012."

On Dec. 21, 2011, we placed on CreditWatch negative our ratings on 10 tranches in eight Spanish ABS transactions due to either the downgrade of a counterparty involved, or to the fact that the remedy period had not elapsed (see "Ratings On 19 Tranches In 12 European ABS Transactions Placed On CreditWatch Negative After Bank Rating Actions," and "Ratings Placed On CreditWatch Negative In Spanish ABS Transactions Madrid Consumo I And II For Counterparty Reasons").

On Feb. 13, 2012, we resolved the CreditWatch placement of most of the ratings on the Spanish banks and we further downgraded these counterparties.

In assessing the impact of any bank downgrades on our structured finance ratings, we apply our 2010 counterparty criteria (see "Counterparty And Supporting Obligations Methodology And Assumptions," published on Dec. 6, 2010, and "Counterparty And Supporting Obligations Update," published on Jan. 13, 2011).

Today's rating actions partially resolve the CreditWatch placements we made in December 2011.

We have lowered our ratings on four tranches in two transactions due to the most recent bank rating actions, which have resulted in the ratings on additional tranches being linked to the rating on the related counterparty.

We have affirmed and removed from CreditWatch negative our rating on one tranche in one transaction where the documentation related to the derivative agreement does not reflect our 2010 counterparty criteria. We conducted our cash flow analysis assuming that the transaction does not benefit from any support under the interest rate swap. After conducting this cash flow analysis, we concluded that the relevant tranches could maintain the current ratings.

We have also affirmed and removed from CreditWatch negative our rating on one tranche in one transaction, which we placed on CreditWatch negative on Dec. 21, 2011, following the downgrade of the bank account provider (see "Ratings Placed On CreditWatch Negative In Spanish ABS Transactions Madrid Consumo I And II For Counterparty Reasons"). We have received evidence of the bank account provider being replaced with a suitably rated entity. Therefore, the remedy actions are being executed in accordance with the transaction documents, which reflect our 2010 counterparty criteria.

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Finally, we have lowered and removed from CreditWatch negative our rating on one tranche in one transaction--which we placed on CreditWatch negative on Dec. 22, 2011 due to the rating action on the related counterparty (see "Various Rating Actions Taken In Spanish ABS Transaction GC Sabadell Empresas 2 Following Review"). Our analysis indicates that the amendment to the swap agreement, under our 2010 counterparty criteria, constrains the rating to 'A-(sf)'.

After today's rating actions, three tranches in three transactions remain on CreditWatch negative. They have substantial support under our 2010 counterparty criteria and we are completing our assessment of the effect that the bank downgrades may have on the transactions.

STANDARD & POOR'S 17G-7 DISCLOSURE REPORT

SEC Rule 17g-7 requires an NRSRO, for any report accompanying a credit rating relating to an residential mortgage backed security as defined in the Rule, to include a description of the representations, warranties and enforcement mechanisms available to investors and a description of how they differ from the representations, warranties and enforcement mechanisms in issuances of similar securities. The Rule applies to in-scope securities initially rated (including preliminary ratings) on or after Sept. 26, 2011.

If applicable, the Standard & Poor's 17g-7 Disclosure Reports included in this credit rating report are available at
<http://standardandpoorsdisclosure-17g7.com>.

RELATED CRITERIA AND RESEARCH

- List Of Spanish ABS Counterparty-Related Rating Actions--Feb. 24, 2012, Feb. 24, 2012
- Ratings On 15 Spanish Financial Institutions Lowered Following Sovereign Downgrade And BICRA Revision, Feb. 13, 2012
- Ratings Lowered On Spanish ABS Deals BBVA Consumo 1 And 2's Class A And B Notes; Class C Notes On CreditWatch Negative, Feb. 10, 2012
- Various Rating Actions Taken In Spanish ABS Transaction GC Sabadell Empresas 2 Following Review, Dec. 22, 2011
- Ratings On 19 Tranches In 12 European ABS Transactions Placed On CreditWatch Negative After Bank Rating Actions, Dec. 21, 2011
- Ratings Placed On CreditWatch Negative In Spanish ABS Transactions Madrid Consumo I And II For Counterparty Reasons, Dec. 21, 2011
- S&P Reviews Rating Impact Of Revised Bank Ratings On Structured Finance Transactions, Dec. 6, 2011
- Standard & Poor's Applies Its Revised Bank Criteria To 37 Of The Largest Rated Banks And Certain Subsidiaries, Nov. 29, 2011
- Request For Comment: Counterparty And Supporting Obligations Methodology And Assumptions--Expanded Framework, Nov. 21, 2011
- Global Structured Finance Scenario And Sensitivity Analysis: The Effects Of The Top Five Macroeconomic Factors, Nov. 4, 2011
- Spain's Slowing Economy And Depressed Real Estate Market Prompt Negative

Rating Actions Taken On Seven Tranches In Five Spanish ABS Transactions Following Rating Actions On Counterparties

Rating Actions On 15 Spanish Banks, Oct. 11, 2011

- Counterparty And Supporting Obligations Update, Jan. 13, 2011
- Counterparty And Supporting Obligations Methodology And Assumptions, Dec. 6, 2010
- Use Of CreditWatch And Outlooks, Sept. 14, 2009

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Related Criteria And Research

List Of Spanish ABS Counterparty-Related Rating Actions--Feb. 24, 2012

Standard & Poor's Ratings Services today took various credit rating actions on seven tranches in five Spanish asset-backed securities (ABS) transactions.

For the related media release, see "Rating Actions Taken On Seven Tranches In Five Spanish ABS Transactions Following Rating Actions On Counterparties," published on Feb. 24, 2012.

The table below provides the transaction names, series, and ratings for the affected Spanish ABS tranches.

Full Ratings List

List Of Spanish ABS Counterparty-Related Rating Actions--Feb. 24, 2012

Issuer	Issue description	Class (if applicable)	Rating to	Rating from	Collateral type/segment	ISIN
BBVA Consumo 1 Fondo de Titulización de Activos	EUR1.5 bil floating-rate asset-backed notes	A	A+ (sf)	AA- (sf)	ABS consumer - other	ES0333763003
BBVA Consumo 1 Fondo de Titulización de Activos	EUR1.5 bil floating-rate asset-backed notes	B	A+ (sf)	AA- (sf)	ABS consumer - other	ES0333763011
BBVA Consumo 2 Fondo de Titulización de Activos	EUR1.5 bil floating-rate asset-backed notes	A	A+ (sf)	AA- (sf)	ABS consumer - other	ES0313956007
BBVA Consumo 2 Fondo de Titulización de Activos	EUR1.5 bil floating-rate asset-backed notes	B	A+ (sf)	AA- (sf)	ABS consumer - other	ES0313956015
Financiación Banesto 1, Fondo de Titulización de Activos	EUR800 mil asset-backed floating-rate notes	A	AA (sf)	AA (sf)/Watch Neg	ABS consumer - other	ES0337648002
GC Sabadell Empresas 2, Fondo de Titulización de Activos	EUR1 bil floating-rate notes	A2	A- (sf)	A (sf)/Watch Neg	ABS small business loan - amortizing	ES0316875014
Madrid Consumo I, Fondo de Titulización de Activos	EUR1.425 bil mortgage-backed floating-rate notes and mortgage-backed floating rate loan	A	AAA (sf)	AAA (sf)/Watch Neg	ABS consumer - other	ES0358892000

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