



## Fitch Upgrades Spanish Consumer and SME SF Transactions

Fitch Ratings-London/ Madrid -30 April 2014: Fitch Ratings has upgraded 35 tranches of 24 Spanish consumer and SME structured finance transactions, following the agency's recent upgrade of the Spanish sovereign.

A further three tranches from two transactions that are still in the revolving phase have been placed on Rating Watch Positive (RWP) pending further analysis.

On 25 April Spain was upgraded to 'BBB+' from 'BBB' (see 'Fitch Upgrades Spain's to 'BBB+'; Outlook Stable' on [www.fitchratings.com](http://www.fitchratings.com)).

A full list of rating actions and affected tranches can be found on [www.fitchratings.com](http://www.fitchratings.com) or by clicking the link above.

### KEY RATING DRIVERS

The action only affects consumer and SME tranches that are at Fitch's ratings cap for SF transactions for Spain, which is equal to the sovereign's Country Ceiling.

Thirty three tranches of 22 SF deals are capped by the Country Ceiling of Spain and the ratings cap for Spanish SF, and were therefore upgraded after the ratings cap was recently revised to 'AA+sf' from 'AAsf'.

The other two upgraded tranches are directly linked to the rating of Spain due to a direct guarantee provided by the sovereign.

Tranches rated below this remain unaffected by this review. The ratings cap reflects the agency's view that a weak sovereign increases the likelihood of extreme macro-economic events that could undermine the performance of the securitisations.

### RATING SENSITIVITIES

The ratings of these tranches remain principally exposed to the sovereign and SF rating cap for transactions rated in Spain.

Selected RMBS tranches were previously placed on RWP (see 'Fitch Takes Positive Rating Action on SF Transactions on Revised Rating Caps' dated 15 April 2014) pending further review.

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Additional information is available on [www.fitchratings.com](http://www.fitchratings.com)

Applicable criteria, "EMEA Consumer ABS Rating Criteria" dated 9 July 2013 and "Global Rating Criteria for Corporate CDOs" published 8 August 2013 are available at [www.fitchratings.com](http://www.fitchratings.com).