# S&P Resolves 110 European Structured Finance Counterparty Criteria CreditWatch Placements (June 14, 2011 Review)

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## OVERVIEW

- Today's rating actions reflect the application of our updated counterparty criteria for structured finance transactions.
- As a result, we have lowered, affirmed, raised, or withdrawn our ratings on 190 tranches in 59 transactions, including some ratings not previously on CreditWatch for counterparty reasons.

LONDON (Standard & Poor's) June 14, 2011--Standard & Poor's Ratings Services today took various rating actions on 190 European structured finance tranches, including resolving 110 tranches on CreditWatch negative for counterparty reasons.

Specifically we have taken the following ratings actions:
- We have lowered our credit ratings on 69 tranches in 38 transactions and, of those, we removed 63 from CreditWatch negative.
- Of these downgraded tranches, we subsequently withdrew the rating on three tranches in line with our criteria (see "Global Methodology For Rating Interest-Only Securities," published on April 15, 2010).

- We have affirmed our ratings on 113 tranches in 40 transactions and, of those, removed 45 from CreditWatch negative.
- We have raised our ratings on six tranches in five transactions.
- We have withdrawn two RMBS ratings on MERCS, both of which were on CreditWatch negative.

Today's rating actions partially reflect the application of our updated counterparty criteria for structured finance transactions (see "Counterparty And Supporting Obligations Methodology And Assumptions," published on Dec. 6, 2010). For the full list of today's rating actions see "Ratings List Resolving European Structured Finance Counterparty CreditWatch Placements—June 14, 2011 Review."

We lowered our ratings on the downgraded tranches because:

- The transaction documents do not fully reflect our updated criteria, but do reflect our prior counterparty criteria. Therefore, as per our updated criteria, we have lowered the rating to a ratings floor that is one rating level above the issuer credit rating (ICR) on the lowest-rated counterparty;
- The transaction documents do not fully reflect our updated criteria, but do meet certain requirements to achieve a rating higher than the ratings floor. Based on our analysis, we have adjusted the maximum potential rating the tranche can achieve, as described in our updated counterparty criteria, and then lowered the rating accordingly;
- The transaction documents do not reflect our updated criteria, and, in our opinion, have a weak replacement framework such that the tranche rating doesn't qualify for one notch above the ICR on the lowest-rated counterparty. Therefore, we have lowered the rating to the ICR level; or
- The documentation related to derivatives does not reflect our updated criteria, so we conducted our cash flow analyses assuming that the transactions do not benefit from any support under the swaps. After conducting these cash flow analyses, we concluded that the current tranche ratings could not be maintained.

For the affirmed tranches:

- We have received evidence of legally binding agreements that reflect the updated criteria.
- We have applied our updated counterparty criteria with the appropriate notching for variants and, in our opinion, the counterparties participating in the transaction have a sufficiently high rating for us to affirm the current rating on the tranche.
- The documentation related to derivatives does not reflect our updated criteria, so we conducted our cash flow analyses assuming that the swap does not exist. This indicated that the current ratings could be maintained.

Furthermore, we have raised our ratings on six classes of notes in five transactions following a review of the respective transactions. We have also withdrawn two ratings in one transaction following note redemption.

We will continue to review the remaining transactions that we placed on CreditWatch negative on Jan. 18 (see "EMEA Structured Finance CreditWatch Actions In Connection With Revised Counterparty Criteria"), and we intend to resolve all of these CreditWatch placements by the transition date of July 18, 2011.

RELATED CRITERIA AND RESEARCH

- Ratings List Resolving European Structured Finance Counterparty CreditWatch Placements—June 14, 2011 Review, June 14, 2011
- Global Methodology For Rating Interest-Only Securities, April 15, 2010
- 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
- Standard & Poor's Updates Counterparty And Supporting Obligations Criteria, Reviews Application To Covered Bonds, 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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## EMEA: RMBS: List Of Rating Actions

**Table 3**

**EMEA: RMBS: List Of Rating Actions**

| Issuer | Issue description | Series (if applicable) | Class | Rating to | Rating from | Collateral type/segment | CUSIP | ISIN | Reason |
|---|---|---|---|---|---|---|---|---|---|
| Bankinter 4 Fondo de Titulizacion Hipotecaria | EUR1.025 bil mortgage-backed floating-rate notes | | A | AAA (sf) | AAA (sf)/Watch Neg | RMBS Other | -- | ES0313919005 | Run without swap |
| Bankinter 4 Fondo de Titulizacion Hipotecaria | EUR1.025 bil mortgage-backed floating-rate notes | | B | A+ (sf) | A+ (sf) | RMBS Other | -- | ES0313919013 | Transaction review |
| Bankinter 4 Fondo de Titulizacion Hipotecaria | EUR1.025 bil mortgage-backed floating-rate notes | | C | A- (sf) | A- (sf) | RMBS Other | -- | ES0313919021 | Transaction review |
| Eurosail-NL 2007-1 B.V. | EUR361.2 mil mortgage-backed floating-rate notes and an overissuance of excess spread backed floating-rate notes | | A | AA+ (sf) | AAA (sf)/Watch Neg | RMBS Other | 298797AA9 | US298797AA96 | ICR+1 |
| Eurosail-NL 2007-1 B.V. | EUR361.2 mil mortgage-backed floating-rate notes and an overissuance of excess spread backed floating-rate notes | | B | AA (sf) | AA (sf)/Watch Neg | RMBS Other | 298797AB7 | US298797AB79 | Transaction Review |
| Eurosail-NL 2007-1 B.V. | EUR361.2 mil mortgage-backed floating-rate notes and an overissuance of excess spread backed floating-rate notes | | C | A (sf) | A (sf) | RMBS Other | 298797AC5 | US298797AC52 | Transaction Review |
| Eurosail-NL 2007-1 B.V. | EUR361.2 mil mortgage-backed floating-rate notes and an overissuance of excess spread backed floating-rate notes | | D | BBB (sf) | BBB (sf) | RMBS Other | 298797AD3 | US298797AD36 | Transaction Review |

**Table 3**

| EMEA: RMBS: List Of Rating Actions (cont.) | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Eurosail-NL 2007-1 B.V. | EUR361.2 mil mortgage-backed floating-rate notes and an overissuance of excess spread backed floating-rate notes | E1 | BB (sf) | BB (sf) | RMBS Other | 298797AE1 | US298797AE19 | Transaction Review |
| Bancaja 5 Fondo de Titulizacion de Activos | EUR1 bil bonos de titulizacion | A | AAA (sf) | AAA (sf)/Watch Neg | RMBS Prime | -- | ES0312884002 | Run without swap |
| Bancaja 5 Fondo de Titulizacion de Activos | EUR1 bil bonos de titulizacion | B | AA- (sf) | AA- (sf)/Watch Neg | RMBS Prime | -- | ES0312884010 | ICR + 1 (Application of criteria) |
| Bancaja 5 Fondo de Titulizacion de Activos | EUR1 bil bonos de titulizacion | C | A- (sf) | A- (sf) | RMBS Prime | -- | ES0312884028 | Transaction review |
| Bancaja 6 Fondo de Titulizacion de Activos | EUR2.08 bil mortgage-backed floating-rate notes | A2 | AAA (sf) | AAA (sf)/Watch Neg | RMBS Prime | -- | ES0312885017 | Run without swap |
| Bancaja 6 Fondo de Titulizacion de Activos | EUR2.08 bil mortgage-backed floating-rate notes | B | AA (sf) | AA (sf)/Watch Neg | RMBS Prime | -- | ES0312885025 | Run without swap |
| Bancaja 6 Fondo de Titulizacion de Activos | EUR2.08 bil mortgage-backed floating-rate notes | C | A (sf) | A (sf) | RMBS Prime | -- | ES0312885033 | Transaction review |
| Bancaja 7 Fondo de Titulizacion de Activos | EUR1.9 bil mortgage-backed floating-rate notes | A2 | AAA (sf) | AAA (sf)/Watch Neg | RMBS Prime | -- | ES0312886015 | Run without swap |
| Bancaja 7 Fondo de Titulizacion de Activos | EUR1.9 bil mortgage-backed floating-rate notes | B | AA- (sf) | AA (sf)/Watch Neg | RMBS Prime | -- | ES0312886023 | ICR + 1 (Application of criteria) |
| Bancaja 7 Fondo de Titulizacion de Activos | EUR1.9 bil mortgage-backed floating-rate notes | C | BBB (sf) | BBB (sf) | RMBS Prime | -- | ES0312886031 | Transaction review |
| Bancaja 7 Fondo de Titulizacion de Activos | EUR1.9 bil mortgage-backed floating-rate notes | D | BB (sf) | BB (sf) | RMBS Prime | -- | ES0312886049 | Transaction review |
| Bankinter 10, Fondo de Titulizacion de Activos | EUR1.74 bil mortgage-backed floating-rate notes | A2 | AAA (sf) | AAA (sf)/Watch Neg | RMBS Prime | -- | ES0313529010 | Run without swap |
| Bankinter 10, Fondo de Titulizacion de Activos | EUR1.74 bil mortgage-backed floating-rate notes | B | A (sf) | A (sf) | RMBS Prime | -- | ES0313529028 | Transaction review |

**Table 3**

| EMEA: RMBS: List Of Rating Actions (cont.) | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Bankinter 10, Fondo de Titulizacion de Activos | EUR1.74 bil mortgage-backed floating-rate notes | C | BBB- (sf) | BBB- (sf) | RMBS Prime | -- | ES0313529036 | Transaction review |
| Bankinter 10, Fondo de Titulizacion de Activos | EUR1.74 bil mortgage-backed floating-rate notes | D | BB- (sf) | BB- (sf) | RMBS Prime | -- | ES0313529044 | Transaction review |
| Bankinter 10, Fondo de Titulizacion de Activos | EUR1.74 bil mortgage-backed floating-rate notes | E | CCC- (sf) | CCC- (sf) | RMBS Prime | -- | ES0313529051 | Transaction review |
| Bankinter 11 Fondo de Titulizacion Hipotecaria | EUR900 mil mortgage-backed floating-rate notes | A2 | AAA (sf) | AAA (sf)/Watch Neg | RMBS Prime | -- | ES0313714018 | Run without swap |
| Bankinter 11 Fondo de Titulizacion Hipotecaria | EUR900 mil mortgage-backed floating-rate notes | B | A (sf) | A (sf) | RMBS Prime | -- | ES0313714026 | Transaction review |
| Bankinter 11 Fondo de Titulizacion Hipotecaria | EUR900 mil mortgage-backed floating-rate notes | C | BBB- (sf) | BBB- (sf) | RMBS Prime | -- | ES0313714034 | Transaction review |
| Bankinter 11 Fondo de Titulizacion Hipotecaria | EUR900 mil mortgage-backed floating-rate notes | D | BB- (sf) | BB- (sf) | RMBS Prime | -- | ES0313714042 | Transaction review |
| Bankinter 13, Fondo de Titulizacion de Activos | EUR1.57 bil mortgage-backed floating-rate notes | A2 | AA- (sf) | AAA (sf)/Watch Neg | RMBS Prime | -- | ES0313270011 | ICR+1 |
| Bankinter 13, Fondo de Titulizacion de Activos | EUR1.57 bil mortgage-backed floating-rate notes | B | A (sf) | A (sf) | RMBS Prime | -- | ES0313270029 | Transaction review |
| Bankinter 13, Fondo de Titulizacion de Activos | EUR1.57 bil mortgage-backed floating-rate notes | C | BBB (sf) | BBB (sf) | RMBS Prime | -- | ES0313270037 | Transaction review |
| Bankinter 13, Fondo de Titulizacion de Activos | EUR1.57 bil mortgage-backed floating-rate notes | D | BB- (sf) | BB- (sf) | RMBS Prime | -- | ES0313270045 | Transaction review |
| Bankinter 13, Fondo de Titulizacion de Activos | EUR1.57 bil mortgage-backed floating-rate notes | E | D | D | RMBS Prime | -- | ES0313270052 | Transaction review |
| Bankinter 14, Fondo de Titulizacion Hipotecaria | EUR964 mil residential mortgage-backed floating-rate notes | A2 | A+ (sf) | AAA (sf)/Watch Neg | RMBS Prime | -- | ES0313271019 | ICR+1 |
| Bankinter 14, Fondo de Titulizacion Hipotecaria | EUR964 mil residential mortgage-backed floating-rate notes | A3 | A+ (sf) | AAA (sf)/Watch Neg | RMBS Prime | -- | ES0313271027 | ICR+1 |

**Table 3**

| EMEA: RMBS: List Of Rating Actions (cont.) | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Bankinter 14, Fondo de Titulizacion Hipotecaria | EUR964 mil residential mortgage-backed floating-rate notes | B | A+ (sf) | AA (sf)/Watch Neg | RMBS Prime | -- | ES0313271035 | ICR+1 |
| Bankinter 14, Fondo de Titulizacion Hipotecaria | EUR964 mil residential mortgage-backed floating-rate notes | C | A- (sf) | A- (sf) | RMBS Prime | -- | ES0313271043 | Transaction review |
| Bankinter 14, Fondo de Titulizacion Hipotecaria | EUR964 mil residential mortgage-backed floating-rate notes | D | BB- (sf) | BB- (sf) | RMBS Prime | -- | ES0313271050 | Transaction review |
| Bankinter 14, Fondo de Titulizacion Hipotecaria | EUR964 mil residential mortgage-backed floating-rate notes | E | D | D | RMBS Prime | -- | ES0313271068 | Transaction review |
| Bankinter 15, Fondo de Titulizacion Hipotecaria | EUR1.526 bil mortgage-backed floating-rate notes | A2 | A+ (sf) | AAA (sf)/Watch Neg | RMBS Prime | -- | ES0313272017 | ICR+1 |
| Bankinter 15, Fondo de Titulizacion Hipotecaria | EUR1.526 bil mortgage-backed floating-rate notes | A3 | A+ (sf) | AAA (sf)/Watch Neg | RMBS Prime | -- | ES0313272025 | ICR+1 |
| Bankinter 15, Fondo de Titulizacion Hipotecaria | EUR1.526 bil mortgage-backed floating-rate notes | B | A+ (sf) | AA (sf)/Watch Neg | RMBS Prime | -- | ES0313272033 | ICR+1 |
| Bankinter 15, Fondo de Titulizacion Hipotecaria | EUR1.526 bil mortgage-backed floating-rate notes | C | A- (sf) | A- (sf) | RMBS Prime | -- | ES0313272041 | Transaction review |
| Bankinter 15, Fondo de Titulizacion Hipotecaria | EUR1.526 bil mortgage-backed floating-rate notes | D | BB (sf) | BB (sf) | RMBS Prime | -- | ES0313272058 | Transaction review |
| Bankinter 15, Fondo de Titulizacion Hipotecaria | EUR1.526 bil mortgage-backed floating-rate notes | E | D | D | RMBS Prime | -- | ES0313272066 | Transaction review |
| Bankinter 3 Fondo de Titulizacion Hipotecaria | EUR1.323 bil mortgage-backed floating-rate notes | A | AAA (sf) | AAA (sf)/Watch Neg | RMBS Prime | -- | ES0314019003 | Run without swap |
| Bankinter 3 Fondo de Titulizacion Hipotecaria | EUR1.323 bil mortgage-backed floating-rate notes | B | A+ (sf) | A+ (sf) | RMBS Prime | -- | ES0314019011 | Transaction review |
| Bankinter 3 Fondo de Titulizacion Hipotecaria | EUR1.323 bil mortgage-backed floating-rate notes | C | A- (sf) | A- (sf) | RMBS Prime | -- | ES0314019029 | Transaction review |

**Table 3**

| EMEA: RMBS: List Of Rating Actions (cont.) | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Bankinter 5 Fondo de Titulizacion Hipotecaria | EUR710 mil mortgage-backed floating-rate notes | A | AAA (sf) | AAA (sf)/Watch Neg | RMBS Prime | -- | ES0313920003 | Run without swap |
| Bankinter 5 Fondo de Titulizacion Hipotecaria | EUR710 mil mortgage-backed floating-rate notes | B | AA- (sf) | AA (sf)/Watch Neg | RMBS Prime | -- | ES0313920011 | ICR+1 |
| Bankinter 5 Fondo de Titulizacion Hipotecaria | EUR710 mil mortgage-backed floating-rate notes | C | A (sf) | A (sf) | RMBS Prime | -- | ES0313920029 | Transaction review |
| Bankinter 6 Fondo de Titulizacion de Activos | EUR1.35 bil mortgage-backed floating-rate notes | A | AAA (sf) | AAA (sf)/Watch Neg | RMBS Prime | -- | ES0313546006 | Run without swap |
| Bankinter 6 Fondo de Titulizacion de Activos | EUR1.35 bil mortgage-backed floating-rate notes | B | AA- (sf) | AA (sf)/Watch Neg | RMBS Prime | -- | ES0313546014 | ICR+1 |
| Bankinter 6 Fondo de Titulizacion de Activos | EUR1.35 bil mortgage-backed floating-rate notes | C | A (sf) | A (sf) | RMBS Prime | -- | ES0313546022 | Transaction review |
| Bankinter 8 Fondo de Titulizacion de Activos | EUR1.07 bil mortgage-backed floating-rate notes | A | AAA (sf) | AAA (sf)/Watch Neg | RMBS Prime | -- | ES0313548002 | Run without swap |
| Bankinter 8 Fondo de Titulizacion de Activos | EUR1.07 bil mortgage-backed floating-rate notes | B | AA- (sf) | AA- (sf)/Watch Neg | RMBS Prime | -- | ES0313548010 | Transaction review |
| Bankinter 8 Fondo de Titulizacion de Activos | EUR1.07 bil mortgage-backed floating-rate notes | C | A- (sf) | A- (sf) | RMBS Prime | -- | ES0313548028 | Transaction review |
| E-MAC DE 2005-I B.V. | EUR301.5 mil mortgage-backed floating-rate notes | A | AA- (sf) | AA (sf)/Watch Neg | RMBS Prime | -- | XS0221900243 | Application of criteria |
| E-MAC DE 2006-II B.V. | EUR703.5 mil mortgage-backed floating-rate notes | A1 | AA- (sf) | AA+ (sf)/Watch Neg | RMBS Prime | -- | XS0276932539 | Application of criteria |
| E-MAC DE 2006-II B.V. | EUR703.5 mil mortgage-backed floating-rate notes | A2 | AA- (sf) | AA- (sf) | RMBS Prime | -- | XS0276933347 | Transaction review |
| E-MAC DE 2006-II B.V. | EUR703.5 mil mortgage-backed floating-rate notes | B | BBB (sf) | BBB (sf) | RMBS Prime | -- | XS0276933859 | Transaction review |
| E-MAC DE 2006-II B.V. | EUR703.5 mil mortgage-backed floating-rate notes | C | BB- (sf) | BB- (sf) | RMBS Prime | -- | XS0276934667 | Transaction review |