

European Securitized Products Weekly

UK NCRMBS Picks for Potential Pro-Rata Benefit

- **Five Poised for Pro-Rata Payment** — Five transactions in the UK NCRMBS universe are likely to switch from sequential to pro-rata principal payment in the next four years, benefitting the subordinate classes, according to our analysis. We examine 95 transactions, and find that LGATE 2006-1, ROOF 1 & 2, MANSD 2007-1, and EMAST 2007-1V are pro-rata candidates.
- **Notable RMAC Improvement** — Five RMAC transactions would change to pro-rata if their delinquencies continue to improve. Four RMAC transactions have already transitioned from sequential to pro-rata payment within the past year due to decreasing 90D+ delinquencies.
- **Watch Out for a Switch Back** — Nine transactions currently paying pro-rata are within close proximity to trigger thresholds that would switch them back to sequential payment. A reversion to sequential payment would extend the subordinate classes' WAL, while benefitting the shortened senior classes.
- **Delinquency Poses Largest Hurdle** — A total of 45 transactions are breaching delinquency triggers, preventing pro-rata principal payment. Performance improvement would switch some of these transactions to pro-rata payment. We identify 11 transactions with improving delinquencies and approaching trigger thresholds.

Global Securitized Products

Mary E Kane
+1-212-816-8409
mary.e.kane@citi.com

Stav Gaon
+1-212-816-3233
stav.gaon@citi.com

European Securitized Products

Gordon W Kerr
+44-20-7986-1998
gordon.kerr@citi.com

Himanshu Shrimali, CFA
+44-20-3569 4127
himanshu.shrimali@citi.com

Rajat Deshpande
+91-22-4277-5048
rajat.deshpande@citi.com

See Appendix A-1 for Analyst Certification, Important Disclosures and non-US research analyst disclosures.

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UK NCRMBS Pro-Rata Trigger Analysis

This week's analysis leads us to expand our current recommendation for senior first-pay UK non-conforming RMBS to certain NCRMBS subordinate classes which we expect to switch to trigger-based pro-rata payments. The UKNCRMBS senior sector offers spreads ranging from LIBOR +140–200bp, and subordinate classes yield LIBOR +375–900bp. The sector represents an attractive yield alternative to UK prime RMBS. This week, we screen for subordinate classes likely to benefit from a trigger-based shift to pro-rata payment and find five transactions that are likely to pay pro-rata within the next four years out of the 95 transactions we examined. Some 23 transactions are currently paying pro-rata (having passed pro-rata triggers) and 72 are failing triggers. Our analysis incorporates the universe of 95 non-conforming and buy-to-let transactions containing pro-rata triggers.

We estimate that shift to pro-rata payment improves subordinate discount margins by roughly 200bp (from LIBOR +550bp to LIBOR + 750bp). Conversely, shifting to pro-rata payment extends the average senior class WAL by 1–2 years and shrinks senior class discount margins by roughly 30bp (from LIBOR +200bp to 170bp). Non-conforming transactions contain triggers that may switch sequential principal payment to pro-rata, sharing cash flow between the senior and subordinate classes. This switch extends the senior classes' WAL, while the subordinate bonds benefit from a significant WAL shortening via acceleration of principal repayment. We discuss our findings next.

Few Have High Pro-Rata Potential

Filtering the transactions currently not paying pro-rata, we find five transactions which we estimate have a high potential to pay pro-rata within the next four years. We analysed the transactions in Intex using two scenarios:

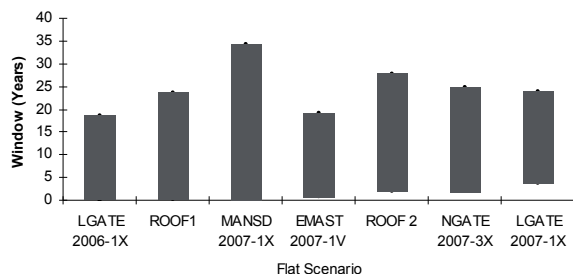
- **Flat.** Flat performance to current metrics.
- **Stress.** The stress scenario haircuts current performance, increases delinquency levels by 20%, and incorporates a high loss severity (75%).

Stress Results

- **High-Five.** Out of our filtered universe, and subject to the stress assumptions, we estimate that there are only five candidate transactions most likely to switch to pro-rata. We believe LGATE 2006-1X, ROOF 1, and MANSD 2007-1X are imminently (Dec 12 & Jan 13) eligible to pay pro-rata. EMAS 2007-1V and ROOF 2, are likely to pay pro-rata within the next four years.
- **Stress vs. Flat Scenario Differences.** Figure 1–Figure 2 show the difference in payment windows between flat and stress cases, and highlights the impact of performance on pro-rata triggers. Two transactions that would pay pro-rata within the next four years in our flat scenario would remain sequential under a stress scenario (NGATE 2007-3X and LGATE 2007-1X). MANSD 2007-1X's pro-rata payment window shortens in our stress scenario as the trigger is eventually breached.
- **Performance Dependent.** Another two transactions may potentially pay pro-rata within the next four years, according to our analysis. NGATE 2007-3X and LGATE 2007-1X potentially will pay pro-rata if they maintain current performance. However, under our stress scenario, they do not switch to pro-rata.

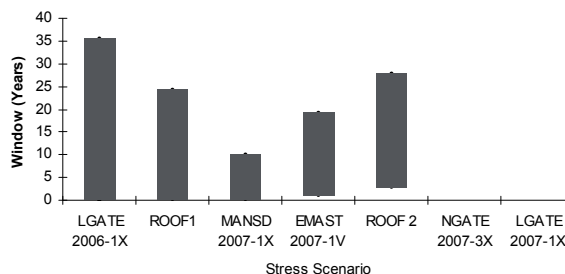
- **Switch Back.** Nine transactions currently paying pro-rata are at risk of reverting to sequential, according to our analysis. The transactions are close to trigger thresholds that would change cash flows from pro-rata payment to sequential.

Figure 1. Pro-Rata Subordinate Principal Payment Window Start Dates
Flat Scenario, Dec 12–Dec 16



Source: Intex and Citi Research

Figure 2. Pro-Rata Subordinate Principal Payment Window Start Dates
Stress Scenario, Dec 12–Dec 16



Source: Intex and Citi Research

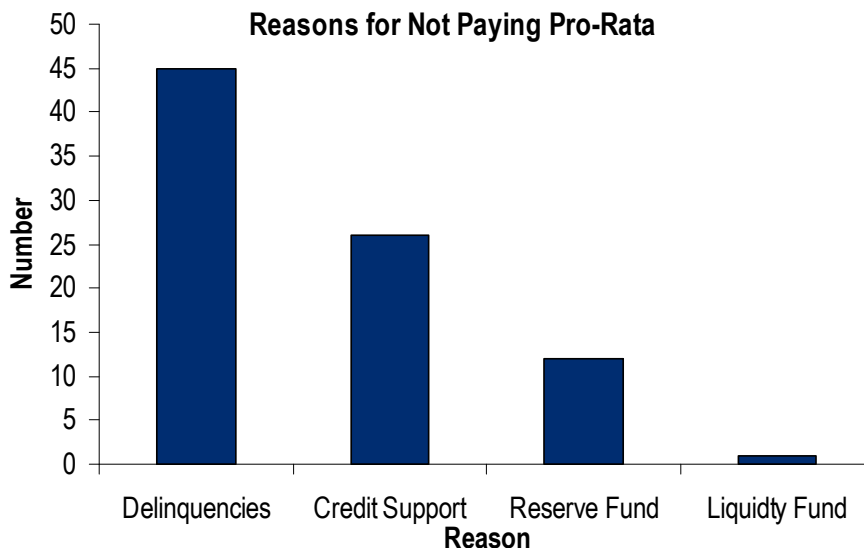
Pro-Rata Most Beneficial to Subordinate Tranches

- **Heavy Senior Impact.** Given the strong senior tranche rally, the impact of switching to pro-rata would have a heavy impact on senior classes. Using LGATE 2006-1X A2A as an example, pro-rata payment decreases its senior WAL by a full year from 8 to 9 years. At 200bp DM and using a flat scenario, this has a full point impact on the cash price of the bonds.
- **Large Subordinate Uplift.** Using the C tranche from the LGATE 2006-1X, and calculating with our flat scenario, we find the WAL for the bond decreases by 4.5 years, from 18.5 to 14 years. Using a DM of 650bp, the trigger potentially could increase the cash price of the bond by 12 points.

Delinquencies Largest Reason for Non-Compliance

- **Delinquency Dominates.** Elevated delinquency levels are the most frequent reason for the maintenance of sequential principal payment. A total of 45 transactions currently paying sequentially have delinquencies above the trigger threshold (Figure 3). Triggers thresholds range from 17–25% for non-conforming transactions and 2.5–10.0% for buy-to-let transactions.
- **Fund Balance Impact Rare.** Pro-rata trigger failures due to reserve fund and liquidity fund breaches are rare. Only 12 transactions are failing to pay pro-rata due to a low reserve fund balance. A liquidity fund breach is occurring in only one transaction.
- **Slow Amortisation.** More than five years after origination, a total of 26 transactions are still short of the required credit support levels for pro-rata payment eligibility. These classes would need further senior amortisation to qualify. Non-conforming RMBS amortisation rates are slowing — 3 CPRs fell from 30% in 2007 to 9.5% in 2012.

Figure 3. Reasons for NCRMBS and BTL Pro-Rata Trigger Failure, as of Latest Investor Report

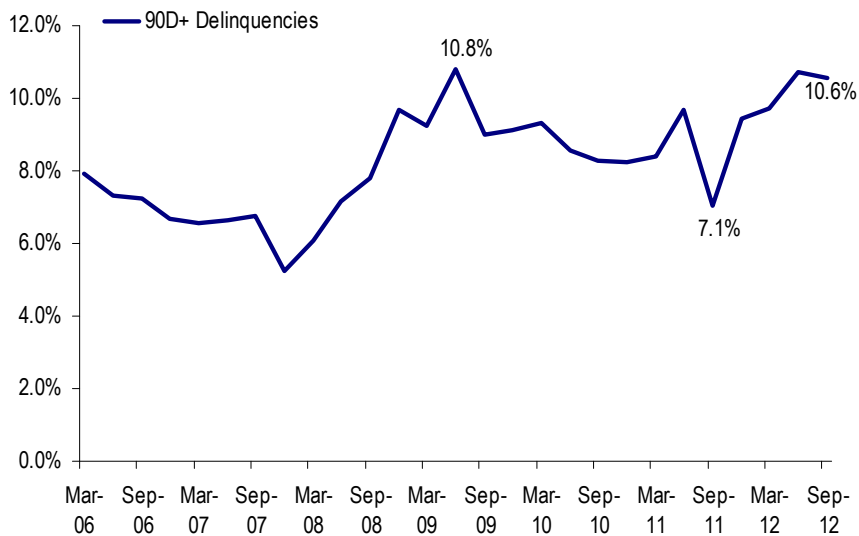


Source: Investor Reports, Intex and Citi Research

Delinquency Performance Benefits Some, Hinders Others

- **Elevated Delinquencies.** Average 90D+ delinquencies remain very high for UK nonconforming RMBS. Current 90D+ delinquencies are 10.6%, still close to the peak levels of 10.8% hit in June 2009 (Figure 4). Levels are trending upwards since reaching a post-2008 low of 7.1% in January 2011.

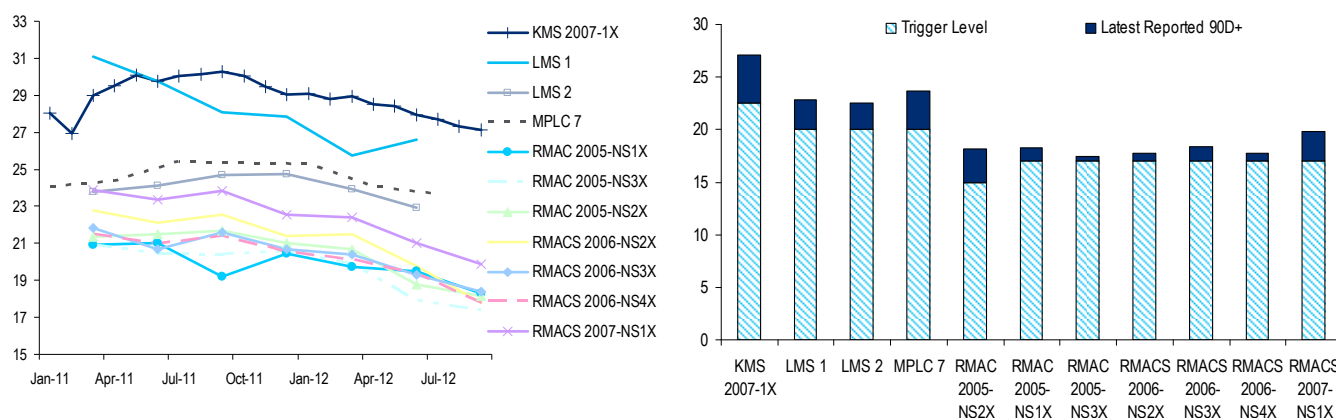
Figure 4. Average UK NCRMBS 90D+ Delinquencies, Mar 06–Sep 12 (%)



Source: ABS Net and Citi Research

- **Bucking the Trend.** A number of transactions have potential to cure delinquency triggers thanks to positive delinquency trends, defying the greater sector trend. We identify 11 transactions with delinquency levels within 5% of trigger levels and demonstrating a downward trend in serious delinquencies (Figure 5). The latest 90D+ delinquencies are 1–5% lower from April 2011.
- **RMAC Stands Out.** Most notable are the large number of RMAC transactions with an average 4.25% 90D+ delinquency drop since April 2011. Four transactions switched to pro-rata within the past year, and a further five transactions are close to the transition. A further two transactions are also showing performance improvement, but require further credit support.

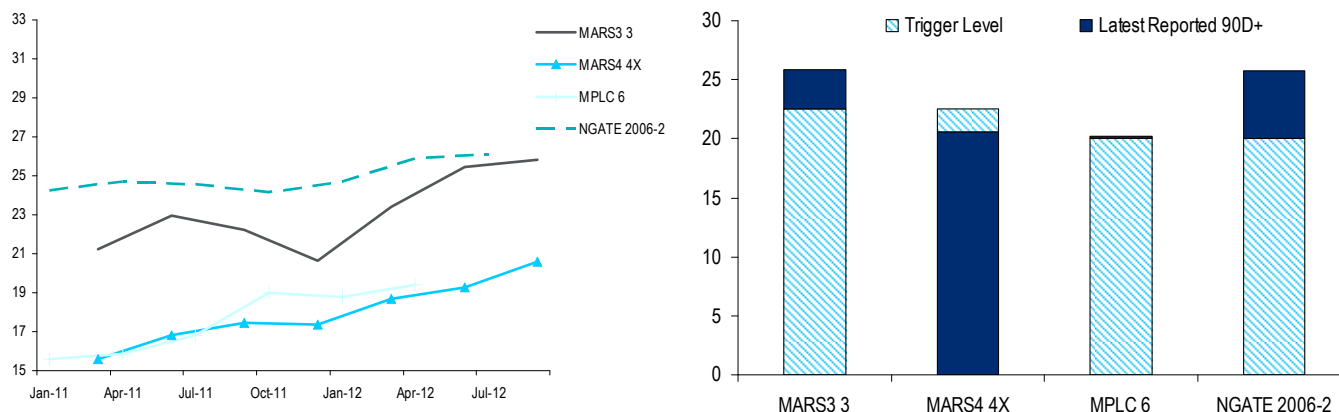
Figure 5. Eleven Transactions' 90D+ Delinquencies with Downward Trend and within 5% of Triggers and Trigger Levels, Jan 11–Sept 12 (%)



Source: Intex, Bloomberg, Investor Reports and Citi Research

- **Deteriorating Performance.** We identify four transactions with 90D+ delinquencies very close to trigger thresholds and a deteriorating trend. Three of these transactions have recently switched to sequential. They are unlikely to revert to pro-rata if performance deterioration continues, in our opinion (Figure 6). MPLC 6 went back to sequential from pro-rata at the latest investor reporting period because of increasing delinquencies. We expect MARS4 4X to transition to sequential in the near term.

Figure 6. Four Transactions' 90D+ Delinquencies with Upward Trend and Near or In Breach of Triggers and Trigger Levels, Jan 11–Sep 12 (%)



Source: Intex, Bloomberg, Investor Reports and Citi Research

Potential to Switch Back to Sequential

Market focus tends to be on transactions with subordinate class upside potential, but several could potentially go from pro-rata to sequential payment. We find a total of nine transactions are close to their delinquency trigger thresholds (Figure 7).

- **Heading to Sequential.** Only two of the nine transactions are trending towards a potential breach of their delinquency triggers. However, both maintain reasonable room to avoid a breach. ALBA 2006-2 and ESAIL 2006-4 demonstrate an increasing level of serious delinquencies, but are within 5% of their triggers (Figure 7).
- **Close, But on Right Path.** Seven of the nine transactions are within 3% of their triggers. However, all seven display a downward trend to their 90D+ delinquency levels. Most notable are the RMAC transactions, showing improvements of 3–6% year over year.
- **Recently Switched.** Four of the RMAC transactions switched to pro-rata payment during 2012, demonstrating a positive issuer trend. However, all have the potential to reverse the current cash flow priority and revert to sequential payment. Severe delinquencies peaked at levels above 20% for all four of the RMAC transactions paying pro-rata.

Figure 7. Transactions with Potential to Switch to Sequential Payment

Deal Name	90D+ Delinquencies	Delinquency Trigger	Delinquency Trend
ALBA 2006-2	12.10%	17.0%	Increasing
BRNL 2007-1	1.42%	2.5%	Decreasing
CLAVS 2007-1	14.80%	17.0%	Decreasing
ESAIL 2006-4	15.38%	20.0%	Increasing
PSF 1	9.69%	10.0%	Flat
RMAC 2004-NS3	15.35%	17.0%	Decreasing
RMAC 2004-NSP4	12.40%	15.0%	Decreasing
RMAC 2005-NS4	14.35%	17.0%	Decreasing
RMACS 2006-NS1	16.00%	17.0%	Decreasing

Source: Intex and Citi Research

Five Transactions to Remain Sequential — Estimate

- **Five Will Never Switch.** Five transactions contain cumulative loss triggers that once breached cannot be cured. They include all three of the GHM transactions, BRNL 2007-1, and EHMU 2007-1. They have breached cumulative loss or gross foreclosure triggers. Despite these breaches, they have better than average severe delinquencies below 10%.

Filter Methodology

- **Define Universe.** We examined all of the non-conforming transactions, plus some buy-to-let shelves with pro-rata triggers. This universe consists of a total of 95 transactions. A further 11 transactions in the sector do not have a pro-rata trigger.

- **Determine Trigger Breaches.** We then scrutinise each of the transactions and identify criteria for switching from sequential to pro-rata. We explain the various triggers in further detail below.
- **Filter for Pass/Fail.** We filter transactions based on whether they are passing or failing pro-rata triggers. For those failing, we outline the reasons for failing. For example, LMS 2 is breaching both its delinquency and credit support triggers.
- **Close to Trigger or Beyond Recovery.** Some transactions are close to their trigger levels, either because 1) they have recently breached triggers, or 2) are moving closer to passing. We identify those that are close and investigate them in greater detail. Some transactions contain delinquency levels that are well beyond trigger levels, or are failing triggers on multiple levels. We exclude these from further enquiry.
- **Credit Support Scenarios.** We run cash flows in Intex using two scenarios for transactions that only require an increase in credit support to switch to pro-rata. Using two scenarios, we then identify those that are most likely to switch to pro-rata. The two scenarios we use are:
 - **Flat Scenario.** We take existing performance in terms of CPR, CDR, and delinquency levels and run them flat in perpetuity. We apply a 50% loss severity and an 18 month lag.
 - **Stress Scenario.** We take current levels and apply the following stresses:
 - **CPR** – 50% of 1YR average performance.
 - **CDR** – A multiple of two times 1YR average performance
 - **Delinquencies** – An increase of severe delinquencies by 20% of current performance
 - **Loss Severity** – 75%
 - **Lag** – 24 months

Outline of Standard Pro-Rata Triggers

A typical pro-rata trigger contains four or five criteria to be met before the amortisation of the bonds switches from sequential to pro-rata. All of the criteria must be met before the pro-rata payment trigger is switched on. The different criteria are outlined as follows:

- **Credit Support Trigger.** Credit Support triggers can range from a formulaic approach, using a multiple of original credit support to the specific requirement of the full amortisations of a particular senior tranche. The majority of transactions use the formulaic approach in determining an appropriate credit support level.
- **Delinquency Trigger.** Delinquency triggers are all based on severe delinquency levels of 90D+ and can range from 17–25% for nonconforming transactions. Buy-to-let transactions have lower trigger levels, ranging from 2.5–10.0%.
- **Reserve Fund Balance Trigger.** A reserve fund balance trigger is simple, containing a set reserve fund balance. Any decline in the reserve balance will cause this trigger to switch pro-rata payment off.

- **Liquidity Fund Trigger.** Liquidity fund draws have to be fully repaid before this trigger can switch pro-rata payment on.
- **Principal Deficiency Ledger Trigger.** Any principal deficiency ledger must be fully repaid before this trigger can be passed.
- **Cumulative Loss Trigger.** There are a number of transactions that contain a cumulative loss trigger to shut off pro-rata payment. Some transactions use this as a trigger to change the calculation of delinquency levels. For example, ESAIL uses this to include foreclosures in the 90D+ delinquency trigger calculation.
- **Gross Foreclosure Trigger.** Foreclosure triggers cause a permanent shut off for pro-rata payment once it reaches a defined level of foreclosures.
- **Collateral Balance Trigger.** The collateral balance trigger allows senior tranches to receive priority of payment from a low collateral balance. Once the balance of the trust falls below a certain level (typically 10% of original balance) the trigger shuts off pro-rata payment.

Summary – Few Certain, Some Potential with Performance Improvement

Our analysis reveals 12 points of price appreciation potential for certain UK NCRMBS subordinate classes and up to one point for select senior bonds. Filtering a universe of 95 transactions, we find only five transactions that are likely to switch to pro-rata during the next four years. A further eleven transactions have the potential to switch to pro-rata depending on performance improvement. Another nine transactions currently paying pro-rata are vulnerable to reverting back to sequential payment.

Appendix 1

Figure 8. Transactions with Potential for Pro-Rata Payment

Deal Name	Reason for No Pro-Rata Payment
ALBA 2007-1 PLC	Credit Support
EMF-UK 2008-1	Credit Support + Reserve Fund
EuroMASTR Series 2007-1V	Credit Support + Reserve Fund
Eurosail PRIME-UK 2007-A	Credit Support + Reserve Fund
Farringdon Mortgages No. 1	Reserve Fund
Farringdon Mortgages No. 2	Reserve Fund
Kensington Mortgage Securities Series 2007-1	5% off Delinquency Trigger
Landmark Mortgage Securities No. 1 PLC	2% off Delinquency Trigger
Landmark Mortgage Securities No. 2	2% off Delinquency Trigger + Credit Support
Ludgate Funding 2006-FF1	Reserve Fund
Ludgate Funding Series 2007-FF1	Credit Support
Mansard Mortgages 2007-1	Credit Support
Mansard Mortgages 2007-2	Credit Support
Marble Arch Residential Securitisation No. 3	3% off Delinquency Trigger
Marble Arch Residential Securitisation No. 4	Reserve but at Delinquency Trigger
Mortgages No. 6 PLC	At Delinquency Trigger
Mortgages No. 7 PLC	3% off Delinquency Trigger
Newgate Funding Series 2006-2	5% off Delinquency Trigger
Newgate Funding Series 2007-3	Credit Support
Paragon Mortgages No. 12 PLC	Credit Support
Paragon Mortgages No. 13 PLC	Credit Support
RMAC 2005-NS1	1% off Delinquency Trigger
RMAC 2005-NSP2	3% off Delinquency Trigger
RMAC 2005-NS3	0.4% off Delinquency Trigger
RMAC Securities No. 1 Series 2006-NS2	0.8% off Delinquency Trigger
RMAC Securities No. 1 Series 2006-NS3	1% off Delinquency Trigger
RMAC Securities No. 1 Series 2006-NS4	2% off Delinquency Trigger + Credit Support
RMAC Securities No. 1 Series 2007-NS1	3% off Delinquency Trigger + Credit Support
Residential Mortgage Securities 25	Credit Support
Uropa Securities Series 2007-1B	Credit Support
Uropa Securities Series 2008-1	Credit Support

Source: Intex and Citi Research

The Week Ahead

The market will be watching for the following releases:

- **UK House Price Data.** On 29 October, Hometrack will release its October house price data. Nationwide will release its October house price data sometime between 29 and 31 October.
- **UK Lending Data.** On 29 October, Bank of England will release its September mortgage approvals and net lending secured on dwellings data.
- **Spanish GDP Data.** On 30 October, Spain will release its 3Q 2012 GDP data. Citi economists forecast Spanish GDP to shrink 3.2% year-over-year in 2013.

Critical Events Calendar

Figure 9. Critical Events Calendar, Week of 29 Oct

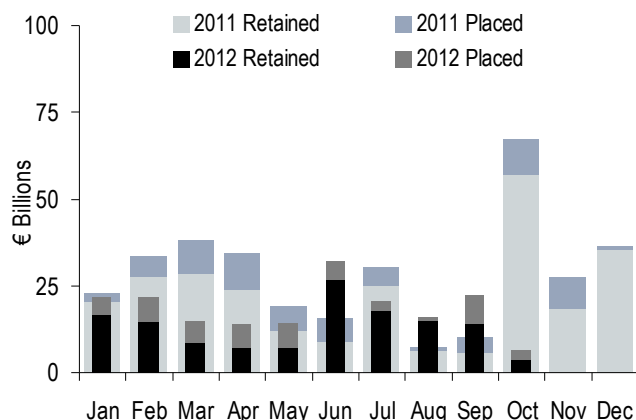
Date	Region	Description	Period	Prior	Estimate ^a
29-Oct	UK	Hometrack Housing Survey (MoM)	Oct	-0.1%	--
		Hometrack Housing Survey (YoY)	Oct	-0.5%	--
	Spain	Adjusted Real Retail Sales (YoY)	Sep	-2.1%	--
		Retail Sales (YoY)	Sep	-2.1%	--
	UK	Net Consumer Credit	Sep	-0.1B	--
		Net Lending Secured on Dwellings	Sep	-0.3B	--
	Germany	Mortgage Approvals	Sep	47.7K	--
		CPI (MoM)	Oct P	0.0%	--
29-31 OCT	UK	CPI (YoY)	Oct P	2.1%	--
		Nationwide House prices (MoM)	Oct	-0.4%	--
30-Oct	Spain	Nationwide House prices (YoY)	Oct	-1.4%	--
		CPI (YoY)	Oct P	3.5%	--
	Germany	GDP (QoQ)	3Q P	-0.4%	--
		GDP (YoY)	3Q P	-1.3%	--
	US	Unemployment Change (000's)	Oct	9K	--
		Unemployment Rate	Oct	6.8%	--
	US	S&P/CS 20 City (MoM)	Aug	0.4%	0.5%
		S&P/CS Composite-20 (YoY)	Aug	1.2%	2.1%
31-Oct	Spain	S&P/CaseShiller Home Price Index	Aug	144.6	--
		Total Housing Permits (MoM)	Aug	10.6%	--
	Italy	Total Housing Permits (YoY)	Aug	-37.1%	--
		Unemployment Rate	Sep P	10.7%	--
	US	CPI (MoM)	Oct P	2.1%	--
		CPI (YoY)	Oct P	3.4%	--
	US	MBA Mortgage Applications	Oct	-12.0%	--
		Unemployment Rate	Oct	14.8%	--
01-Nov	Ireland	Unemployment Rate	Oct	14.8%	--
02-Nov	US	Change in Nonfarm Payrolls	Oct	114K	118K
		Unemployment Rate	Oct	7.8%	7.9%
	Italy	New Car Registrations (YoY)	Oct	-25.7%	--

Source: a Bloomberg Survey Estimate

Source: Bloomberg and Citi Research

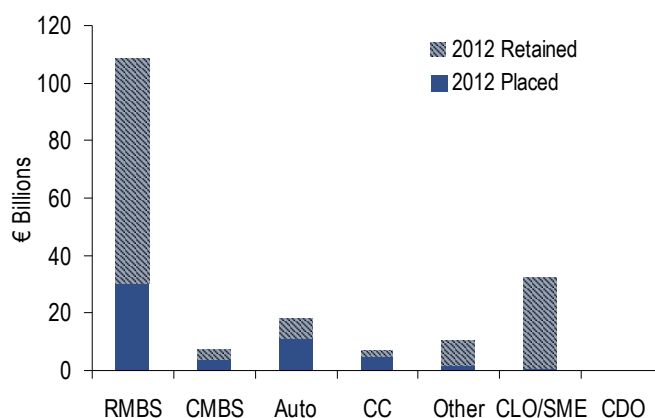
New Issuance

Figure 10. Placed and Retained Issuance by Month, 2011–2012 YTD (€ billions)



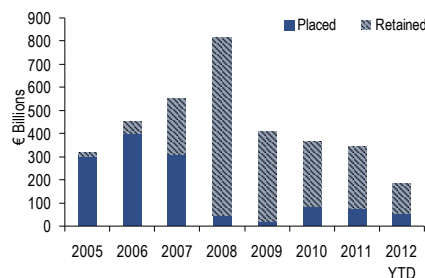
Source: Concept ABS, IFR, Informa and Citi Research

Figure 11. Placed and Retained Issuance by Sector, 2012 YTD (€ billions)



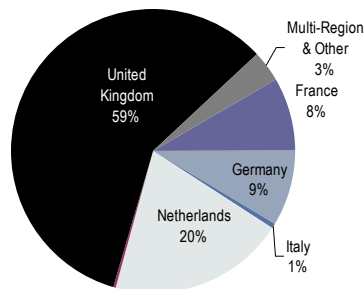
Source: Concept ABS, IFR, Informa and Citi Research

Figure 12. Annual Historical Placed and Retained Issuance, 2005–2012 YTD (€ billions)



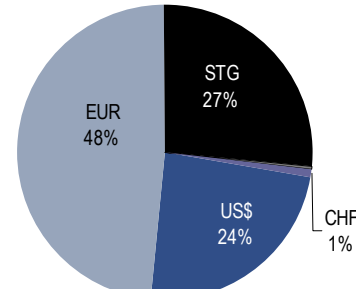
Source: Concept ABS, IFR, Informa and Citi Research

Figure 13. Placed Issuance by Region, 2012 YTD (% of Total, € Equivalent)



Source: Concept ABS, IFR, Informa and Citi Research

Figure 14. Placed Issuance by Currency, 2012 YTD (% of Total, € Equivalent)



Source: Concept ABS, IFR, Informa and Citi Research

Figure 15. Placed and Retained Issuance by Sector, 2012 YTD

	RMBS(MM)	CMBS(MM)	Auto(MM)	Credit Card ABS(MM)	CLO/SME(MM)	Other(MM)	Total(MM)
Placed(MM)	30,544.8	3,668.1	11,002.2	5,094.8	990.0	1,654.2	52,954.1
Retained(MM)	77,974.2	3,657.6	6,878.3	2,067.3	31,574.7	8,772.2	130,924.2
Total(MM)	108,519.0	7,325.7	17,880.5	7,162.1	32,564.7	10,426.3	183,878.3

Source: Concept ABS, IFR, Informa and Citi Research

Figure 16. Recent New Issuance, 19 Oct – 25 Oct

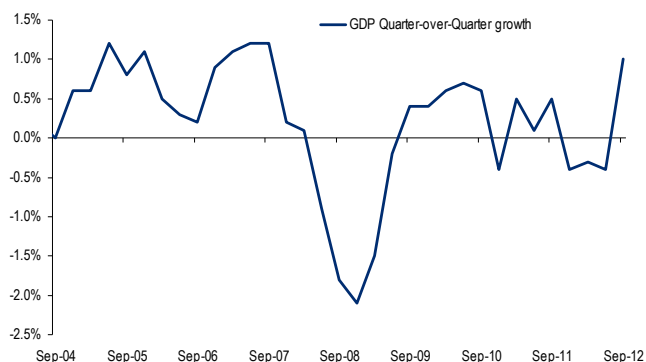
Deal Name	Transaction Type	Tranche	Currency	Size(MM)	Fitch/Moodys/S&P/DBRS	WAL	Index	Margin	CE	Closing Date
FCT Cars Alliance Auto Loans	Auto ABS	A	EUR	700	-/-Aaa AAA/-	2.1YR	1mE	54bp	14.5%	23-Oct
France V 2012-1	France	B	EUR	109.2	-/-NR NR/-	3.8YR	3%	Fixed	0.0%	
Sandown 2012-2 plc	CLO - Balance Sheet	A	GBP	825	-/-Aaa/-/-		3mL	120bp	45.4%	22-Oct
	UK	B	GBP	220	-/-A1/-/-		3mL	125bp	30.8%	
		C	GBP	100	-/-Baa1/-/-		3mL	130bp	24.2%	
		D	GBP	110	-/-NR/-/-		3mL	N/A	16.9%	
		S	GBP	255.6	-/-NR/-/-		3mL	N/A	0.0%	

Source: Concept ABS, IFR, Informa and Citi Research

Collateral Summary

UK

Figure 17. GDP Quarter-over-Quarter Growth, Sep 04 – Sep 12

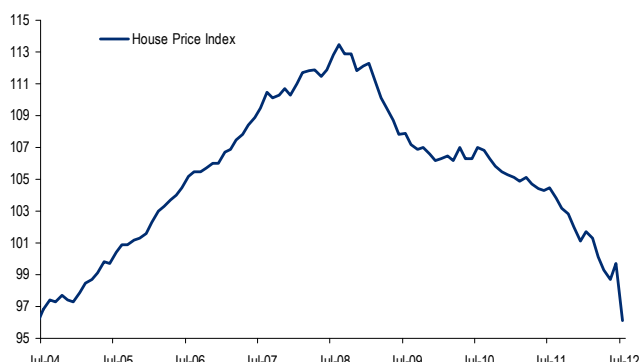


Source: Bank of England

- UK Q3 2012 GDP quarter-over-quarter growth increased to 1.0% from -0.4% in the previous quarter
- Citi Economists forecast UK year-over-year growth to average 0.3% in 2013

Netherlands

Figure 18. House Price Index, Jul 04 – Jul 12



Source: Dutch Statistics Office

- Dutch house price index declined to 96.1 in July from 99.7 in the previous month
- Dutch house prices have declined 15% since the pre crisis peak and continue in a very strong downward trend

UK

Figure 19. BBA Loans for House Purchase, Sep 04 – Sep 12

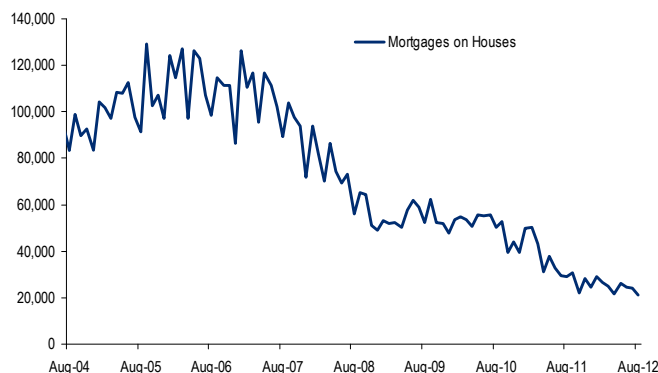


Source: British Bankers' Association

- BBA Loans for house purchase increased to 31,175 in September from 30,683 in the previous month
- Loans for house purchase have increased 80% since the post crisis low of November 2008

Spain

Figure 20. Number of Mortgages on Houses, Aug 04 – Aug 12

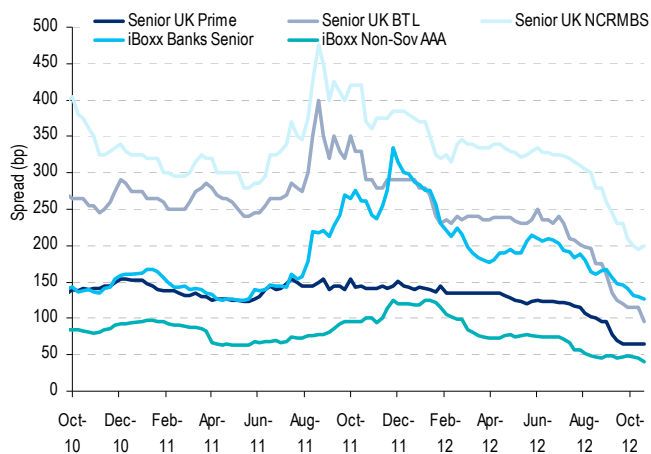


Source: INE

- Mortgages on houses declined to 21,106 in August from 24,291 in the previous month
- Mortgages on houses reached a new low in August and remain 84% below the pre crisis peak levels

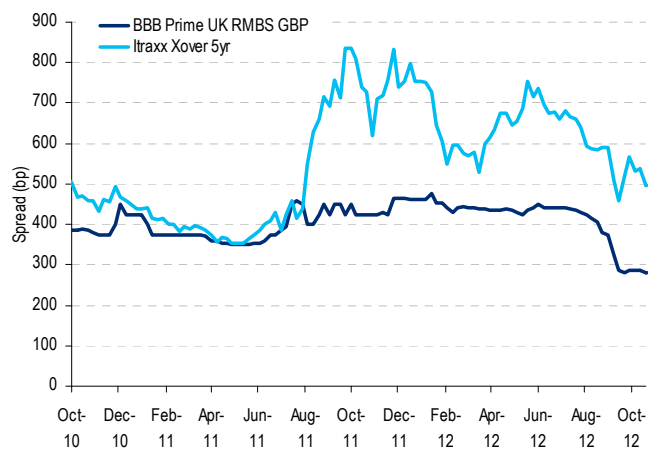
Relative Value Charts

Figure 21. UK RMBS Spreads Versus Indexes, Oct 10—Oct 12



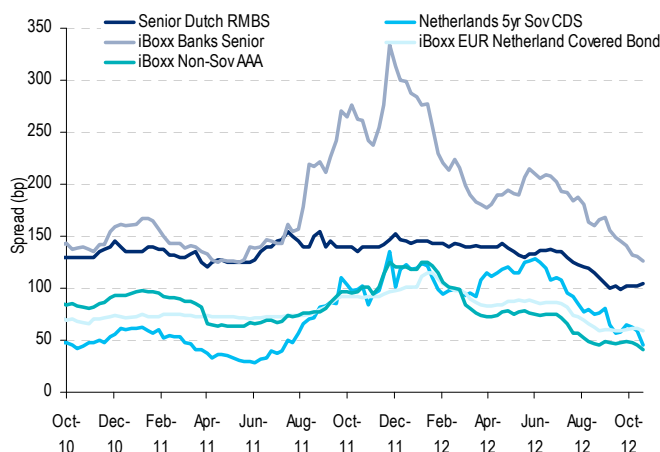
Source: Markit and Citi Research

Figure 22. UK BBB RMBS Spreads Versus Index, Oct 10—Oct 12



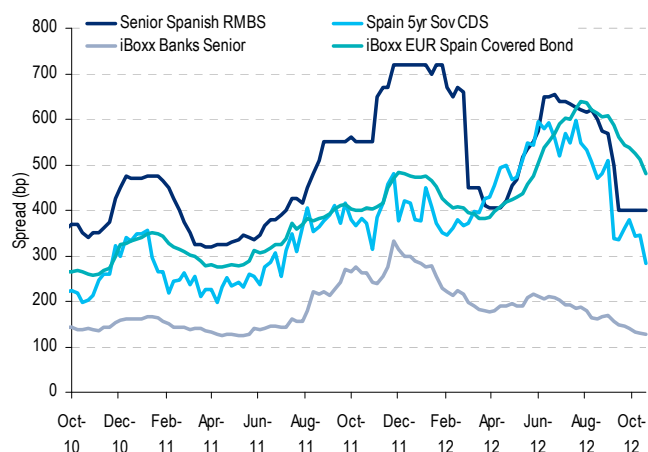
Source: Markit and Citi Research

Figure 23. Dutch RMBS Spreads Versus Indexes, Oct 10—Oct 12



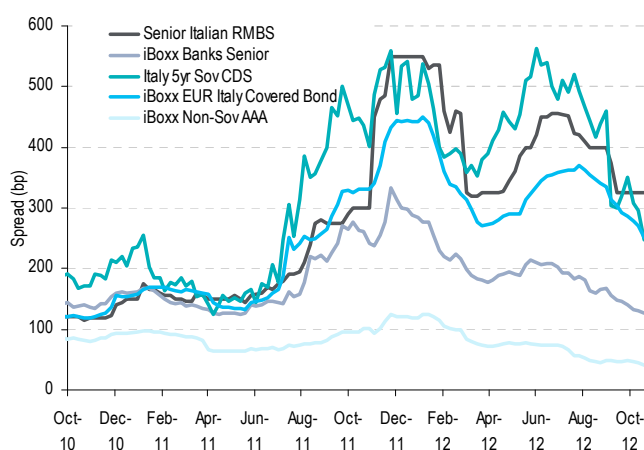
Source: Markit and Citi Research

Figure 24. Spain RMBS Spreads Versus Indexes, Oct 10—Oct 12



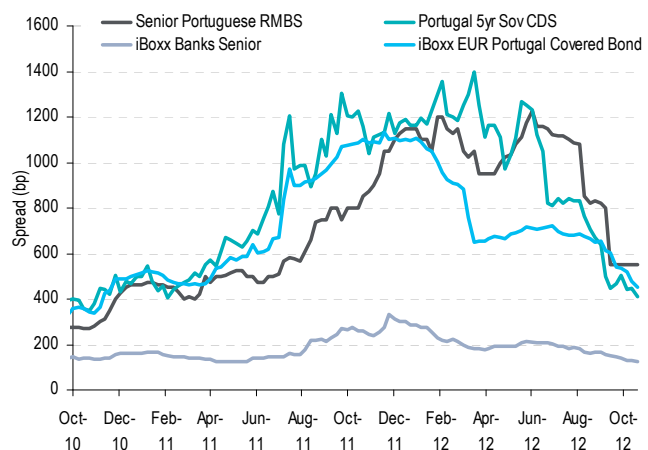
Source: Markit and Citi Research

Figure 25. Italy RMBS Spreads Versus Indexes, Oct 10—Oct 12



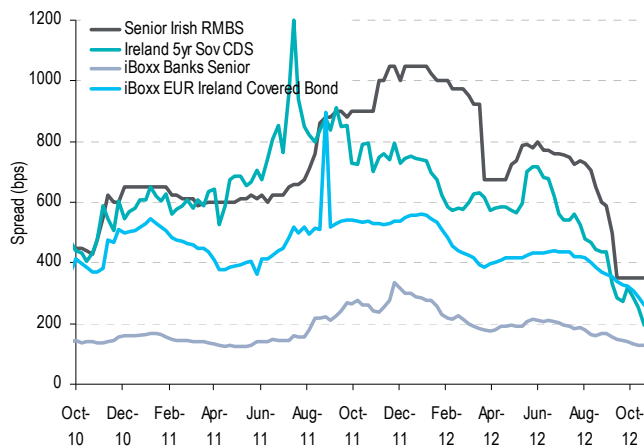
Source: Markit and Citi Research

Figure 26. Portugal Spreads Versus Indexes, Oct 10—Oct 12



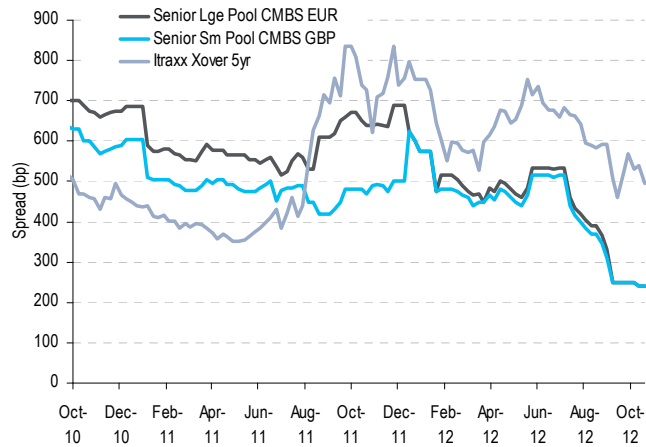
Source: Markit and Citi Research

Figure 27. Ireland RMBS Spreads Versus Index, Oct 10—Oct 12



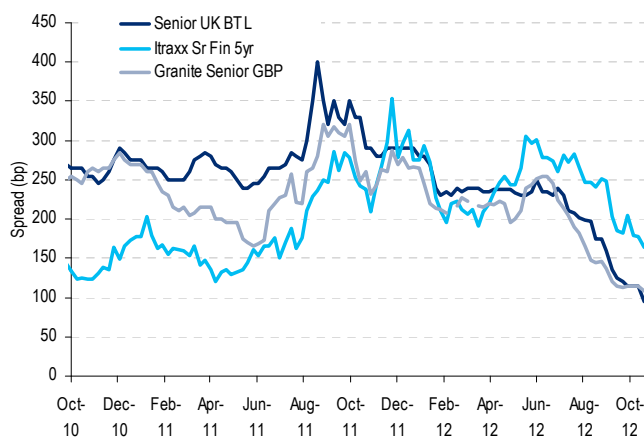
Source: Markit and Citi Research

Figure 28. CMBS Spreads Versus Indexes, Oct 10—Oct 12



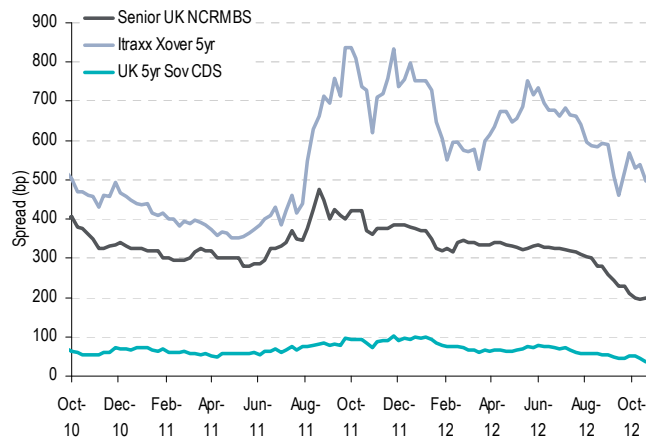
Source: Markit and Citi Research

Figure 29. UK BTL Spreads Versus Indexes, Oct 10—Oct 12



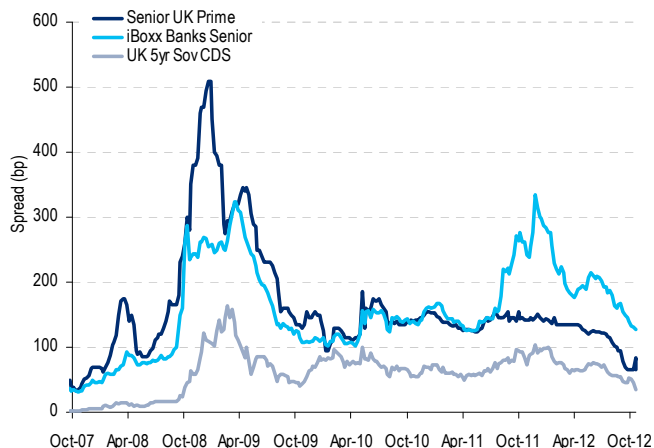
Source: Markit and Citi Research

Figure 30. UK Non-Conforming Spreads Versus Index, Oct 10—Oct 12



Source: Markit and Citi Research

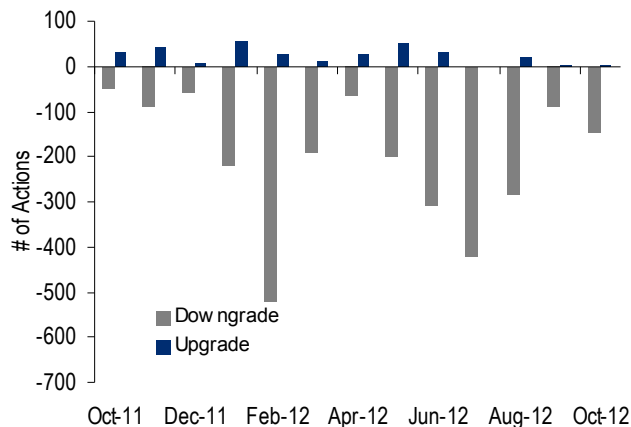
Figure 31. UK RMBS Spreads Versus Indexes, Oct 07—Oct 12



Source: Markit and Citi Research

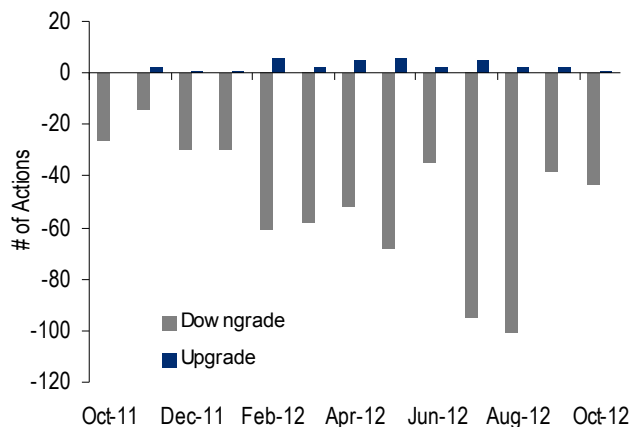
Rating Actions and Trends

Figure 32. European RMBS Rating Actions, Oct 11—Oct 12



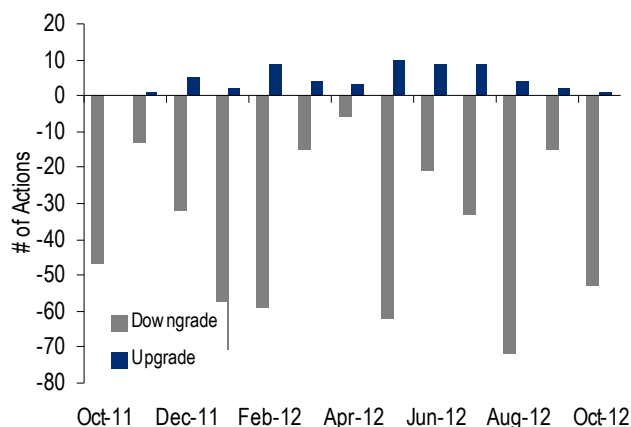
Source: Moody's, S&P and Fitch

Figure 33. European CMBS Rating Actions, Oct 11—Oct 12



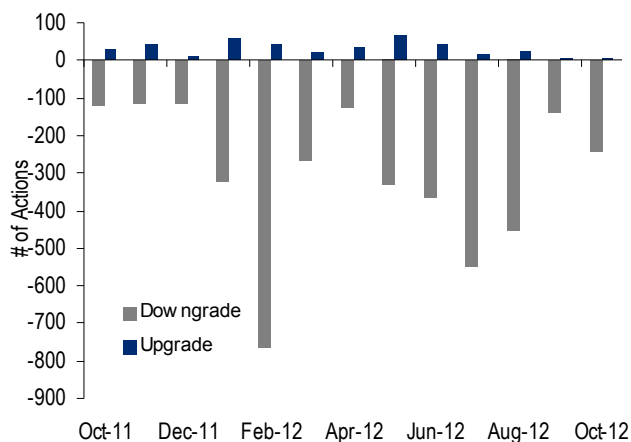
Source: Moody's, S&P and Fitch

Figure 34. European ABS Rating Actions, Oct 11—Oct 12



Source: Moody's, S&P and Fitch

Figure 35. European Total Securitized Products Rating Actions, Oct 11—Oct 12



Source: Moody's, S&P and Fitch

Appendix A-1

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