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New Issue: Golden Bar (Synthetic)

€346.5 million unfunded synthetic credit default swaps

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Closing date: June 28, 2002

Transaction Summary

Reference portfolio: A portfolio of consumer loans in an aggregate principal amount up to but not more than €350 million, as amended from time to time upon the inclusion of obligations in accordance with replenishment provisions.

Reference obligation: Debt obligations arising out of consumer loans or single principal installments of consumer loans.

First-loss fixed component: €3.5 million.

Protection buyer: Finconsumo Banca SpA.

Calculation agent: Crédit Agricole Indosuez S.A.

Arranger: Crédit Agricole Indosuez S.A.

Rationale

The credit ratings assigned to the credit default swaps entered into by Golden Bar (Synthetic) address the likelihood of loss to, and hence claims on, the protection seller (which is also the floating-rate payer) under the terms of the swaps. The ratings do not address any payments made by the protection seller to the protection buyer in respect of the swap.

The ratings reflect Standard & Poor's analysis of the historical performance of Finconsumo Banca SpA's portfolio, information contained in the performance report on the reference portfolio, the review of the credit default swaps, and a letter detailing some specific terms of the credit default swaps by Finconsumo Banca dated Feb. 5, 2003.

In this transaction there are three credit default swaps, totaling €346.5 million, and a first-loss fixed component (€3.5 million).

Other key rating considerations include:

- The strong protection for the super protection seller provided by a combination of 6.5% subordination of the floating payments under the senior credit default swap, the 1.5% subordination of the floating payments under the junior credit default swap, the first-loss fixed component (€3.5 million), and the excess spread;
- The strong protection for the senior protection seller provided by a combination of 1.5% subordination of the floating payments under the junior credit default swap, the first-loss fixed component, and the excess spread;
- The strong protection for the junior protection seller provided by a combination of the first-loss fixed component and the excess spread; and
- The protection provided by various early amortization triggers.

Strengths, Concerns, and Mitigating Factors

Strengths

The transaction's strengths that influenced the preliminary rating decision are as follows:

- The quality of Finconsumo Banca's portfolio and, in particular, of the eligible reference portfolio is high.
- The performance of the reference pool since closing has been good, as reported in the investor reports for the first two interest payment dates.
- Upon the occurrence of an early redemption event and thereafter, excess spread in excess of losses during each reference period are synthetically trapped and used to cover losses until the scheduled termination date.
- When the loss amount calculated by the calculation agent exceeds 50% of the excess spread, a leading audit firm is mandated to verify that reference obligations comply with eligibility criteria, that a credit event has occurred, and it also verifies losses and recovery amount for each case individually. This verification is a condition precedent to credit protection payment being made.

Concerns

Concerns that were highlighted during the preliminary rating process are:

- The ability to replenish the reference portfolio;
- The possibility of termination of the agreement between Finconsumo Banca and FC Factor SpA (the factoring company that purchases defaulted loans from Finconsumo Banca), under which a minimum recovery amount equal to 30% of the principal outstanding of defaulted loans is guaranteed; and
- Credit events not being reported in a timely manner.

Mitigants

The concerns were mitigated by the following factors:

- Credit event assumptions were made on the worst composition possible allowed by the documentation.
- The sound credit policies adopted by Finconsumo Banca when approving these types of consumer loans were reviewed during an on-site visit to the originator.
- When the reference portfolio is lower than 70% of the initial reference portfolio in terms of outstanding, an early amortization is triggered.
- If losses exceed excess spread (i.e., 1% of the outstanding reference portfolio before an early amortization event has occurred) in any reference period or an early amortization event is triggered, the excess spread of each reference period from the date of the event to the scheduled termination date is trapped synthetically to cover losses.
- Cash flows were tested assuming a minimum excess spread (as a consequence of the reference portfolio being reduced to 70% of its initial outstanding principal amount) and a minimum recovery amount (i.e., 30% of the principal amount of the reference obligation in a credit event; see definition under "Credit Events" below).
- If the contract with FC Factor is terminated, Finconsumo Banca has undertaken to execute a substantially similar contract with another factoring company. Noncompliance by Finconsumo Banca with the recovery process and, in particular, with the obligation to execute a new contract with a replacement factoring company constitutes a

termination event of the swaps.

- Upon the occurrence of a credit event, the delivery of a notice to the relevant protection seller by Finconsumo Banca within two quarters from the event is a condition precedent to receipt of the protection payment.

Originator Details

In 1988, 10 midsize banks operating in the Piedmont, Liguria, and Aosta Valley areas and their subsidiary leasing company, Leasimpresa SpA, founded Finconsumo SpA in Turin to target the consumer credit market through a specialized company.

Finconsumo SpA's shareholders have varied significantly over the past decade. In 1993, Istituto Bancario S. Paolo di Torino SpA (now known as Banca San Paolo-Imi SpA) purchased a 20% stake in the company. By late 1993, Finconsumo SpA's shareholders were Banca di Credito del Piemonte SpA, Fincab SpA (CAB Group), Insel (Banca Sella Group) S.r.l., Reale Mutua Assicurazioni SpA, and Istituto Bancario S. Paolo di Torino.

Istituto Bancario S. Paolo di Torino increased its shareholding to 50% in 1997, while the other shareholders sold their shares to CC-Holding GmbH, a German holding company that is 60% owned by a Dutch holding company, Holneth B.V., and a Spanish holding company, Santusa Holding S.L. (40%). These two holding companies are both wholly owned by Banco Santander Central Hispano S.A. CC-Holding also controls CC-Bank AG, a German bank, which manages Santander Central Hispano's consumer finance business in Germany and several other European countries.

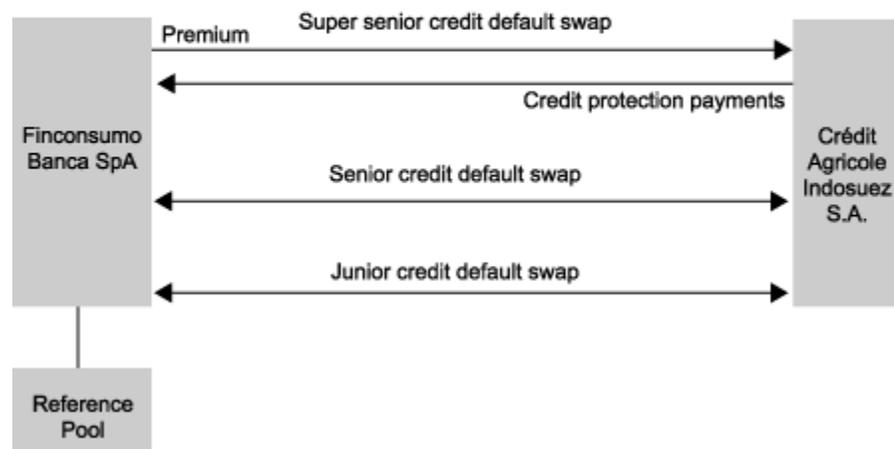
In October 2001, Finconsumo SpA converted to the status of a bank to enlarge its product and service range, enhance its service level through improved access to payment and collection systems and credit information, and broaden the scope of funding policies by accessing the interbank market and, more generally, a Europe-wide investor base.

Finconsumo Banca is Italy's eighth largest consumer lender, with 5% of the market.

Structure Overview

The structure of the transaction is shown in the following chart.

Golden Bar (Synthetic) Structure



On June 28, 2002, Finconsumo Banca entered into three different credit default swaps. Under these, it pays a quarterly premium to buy protection on a reference portfolio of about €350 million from Cr dit Agricole Indosuez S.A. For six years from closing, reference obligations of the reference portfolio can be replenished with other reference obligations that meet eligibility criteria.

Before an early amortization event, if a credit event occurs in respect of any reference obligation, the loss, net of the recovery amount, is allocated to excess spread up to 1% of the outstanding reference portfolio. If excess spread is insufficient to cover the losses, early amortization occurs and the excess spread of each reference period from the date of the event to the scheduled termination date is trapped synthetically. This excess spread is used to cover losses.

If synthetic excess spread is insufficient, losses are allocated to the €3.5 million first-loss fixed component. If losses are not covered by excess spread and the first-loss fixed component, the junior floating rate payer is called upon to make payments up to €9 million. If losses are not fully absorbed by the aforementioned layers of protection, the senior floating-rate payer is asked to make protection payments up to €22 million. Last to be called upon to make protection payments is the super senior floating-rate payer, which pays up to €315 million.

Reference Obligations

Reference obligations may consist of debt obligations arising out of consumer loans or single installments on consumer loans.

Finconsumo Banca has undertaken not to use any discretion in including single installments in the reference portfolio, but instead includes all installments due before June 30, 2008 for all consumer loans.

These consumer loans were granted in relation to the purchase of new vehicles, used vehicles, or other goods, or they were granted as personal loans.

The reference portfolio following any replenishment must comprise a minimum of 60% of reference obligations in the new vehicles pool. Reference

obligations related to used vehicles loans, other goods loans, and personal loans have been capped to a maximum of 15%, 18%, and 12% of the portfolio, respectively.

Reference obligations in the reference portfolio, including after replenishment, must meet certain eligibility criteria, which include the following:

- They provide for fixed installments.
- There are no unpaid installments.
- Even if payments under the reference obligation are up-to-date, the reference obligation must not have had more than three missed payments.
- No more than 5% of the replenishing reference obligations in terms of outstanding principal must arise from consumer loans that have had more than two unpaid installments.
- There must have been at least one paid installment.
- The loan must be granted to an individual resident in Italy who is not an employee, agent, or representative of Finconsumo Banca or its subsidiaries.
- Loans to borrowers that have failed to meet payments under another loan are excluded from the pool.
- Reference obligations must be governed by Italian law and enforceable under all applicable Italian consumer laws.
- No installments must be scheduled to become due and payable after June 30, 2008.
- Reference obligations must be originated according to Finconsumo Banca's credit policy, as described in the credit default swaps.

Credit Events

"Failure to pay" under a reference obligation is defined as one of the following:

- There are six unpaid installments.
- There is one or more unpaid installment that has remained unpaid for six months after the date of the last scheduled payment.
- A reference obligation with one or more installment due unpaid is classified as defaulted, according to the recovery policy definitions.

A credit event occurs when:

- There has been a failure to pay under a reference obligation before the scheduled termination date; or
- A reference obligation with at least one unpaid installment, which has not resulted in a failure to pay by scheduled termination, may become a failure to pay within six months from this date.

These definitions of credit events match the definitions Finconsumo Banca uses in its credit policies to default a loan.

A condition precedent to receive a protection payment is that Finconsumo Banca delivers a notice to the credit protection seller by the second quarterly report date after the credit event.

If losses calculated by the calculation agent in one calculation period exceed 50% of the excess spread, the swap counterparties mandate a leading international accountancy firm to verify losses and recovery for each case

individually. This verification is also a condition precedent to protection payments being made.

Excess Spread and Recoveries

The excess spread with reference to each quarterly reference period is synthetically defined as 1% of the principal outstanding of the reference portfolio at the beginning of the period.

If losses exceed 1% of the outstanding reference portfolio in any reference period or an early amortization event is triggered, the excess spread of each reference period from the date of the event to the scheduled termination date is trapped synthetically to cover losses.

The minimum recovery is 30% of the outstanding balance of the defaulted loans, which is the purchase price FC Factor, has agreed to pay under the terms of an agreement signed in November 1999.

All reference obligations are repaid monthly in installments on the first and the 15th day of each month. As of Dec. 31, 2002, 78% of the portfolio in terms of outstanding principal was being repaid by direct debit. The check for unpaid installments is carried out on the fifth and the 20th of the following month.

A request to pay is sent by post immediately after this check. If the installment is not paid within 30 days, the file is transferred to the bad debt department. A team of 21 people, part of the bad debt department, is responsible for telephoning clients to request payment.

Between the third unpaid installment and the fifth, the team calls the client from two to five times, depending on the size of the loan outstanding. A loan is finally classified as defaulted when there are six unpaid installments outstanding under that loan or, following the last scheduled payment, there is still one or more unpaid installment which has remained unpaid for six months or more, or the loan is classified as defaulted because of an acknowledged permanent incapacity of the borrower to repay the loan.

Under an agreement between Finconsumo Banca and FC Factor, defaulted loans are sold to FC Factor for a price equal to at least 30% of the loan outstanding balance, which is calculated as the aggregate of:

- All accrued and unpaid interest and principal installments;
- All principal installments scheduled to be paid after the date of assignment to FC Factor (or another authorized factoring company); and
- All accrued and unpaid penalties for default, charged to the customers under the terms of the relevant consumer loan contracts, calculated on the basis of the interest installments originally scheduled to be paid after the date of assignment to FC Factor.

Any recovery amount obtained by Finconsumo Banca through its recovery process that is not completely covered by the credit protection sold under the credit default swaps is distributed pro rata between Crédit Agricole Indosuez S.A. and Finconsumo Banca. Distribution is made on the basis of the relevant portion of the loan covered by protection under the credit default swaps as described in a letter from Finconsumo Banca to the floating-rate payer. Any portion of the loan that is due for repayment after the scheduled termination date is therefore not included in the calculation of the recovery amount.

If the contract with FC Factor is terminated, Finconsumo Banca has undertaken to execute a substantially similar contract with another factoring company. Noncompliance by Finconsumo Banca with the recovery process, and in particular with the obligation to execute a new contract with another factoring company, constitutes a termination event of the swaps.

If losses exceed 1% of the outstanding reference portfolio in any reference period or an early amortization event is triggered, the excess spread of each reference period from the date of the event to the scheduled termination date is trapped and used to cover losses.

Early Amortization Events

The following constitute early amortization events:

- The aggregate of loss amounts of any reference period is greater than the excess spread.
- If Finconsumo Banca fails to comply or perform any agreement or obligation undertaken in the transaction documents in a material way, and this failure does not constitute an event of default, a termination event, and/or an additional termination event of the credit default swap.
- If the portfolio outstanding amount is 70% or less of the outstanding amount of the initial reference portfolio.

Modeling

Standard & Poor's cash flow analysis simulated the terms of the transaction, assuming default stresses consistent with Standard & Poor's credit rating scenario.

To capture the revolving nature of the structure, the worst composition allowed under eligibility criteria was assumed in terms of asset type with the highest historical default rates.

Recoveries were modeled at their minimum (30% of the principal outstanding of defaulted loans).

Different scenarios were tested and defaults were applied to the reference portfolio, which was reduced to 70% of its initial value to reduce the excess spread available.

Reference Portfolio Details

Key information on the initial portfolio as of the closing date (June 28, 2002) compared to figures for Dec. 31, 2002, is shown in the following tables.

Table 1 Portfolio by Product Type						
Product	Number of loans	Percentage (%) of loans	Outstanding as of Dec. 31, 2002 (€)	Percentage (%) of outstanding	Original outstanding (€)	Percentage (%) of outstanding
New vehicles loans	48,495	44.4	216,396,168.79	61.8	276,390,899.15	60.3
Used vehicles loans	10,560	9.7	56,141,461.92	16.0	61,616,979.55	13.4
Other purpose loans	41,777	38.2	34,401,465.72	9.8	72,046,913.17	15.7
Personal loans	8,494	7.8	43,039,010.34	12.3	48,316,994.51	10.5
Total	109,326	100.0	349,978,106.78	100.0	458,371,786.38	100.0

Table 2 Portfolio by Outstanding Amount						
Original outstanding range (Euros)	Number of loans	Percentage (%) of loans	Outstanding as of Dec. 31, 2002 (€)	Percentage (%) of outstanding	Original outstanding (€)	Percentage (%) of outstanding
0 < 516,46	703	0.6	121,538.91	0.03	338,294.71	0.1
516,46 < 1.291,14	17,223	15.8	3,923,767.73	1.1	15,789,010.67	3.4
1.291,14 < 2.065,83	14,318	13.1	7,885,715.95	2.3	23,149,044.14	5.1
2.065,83 < 3.098,74	11,811	10.8	13,023,148.09	3.7	26,746,617.45	5.8
3.098,74 < 4.131,66	8,933	8.2	16,192,611.68	4.6	29,347,198.89	6.4
4.131,66 < 5.164,57	8,870	8.1	24,454,163.17	7.0	38,029,376.94	8.3
5.164,57 < 7.746,85	24,870	22.7	89,142,570.44	25.5	146,725,225.01	32.0
7.746,85 < 10.329,14	11,388	10.4	67,722,063.33	19.4	75,743,652.73	16.5
>= 10.329,14	11,209	10.3	127,512,527.48	36.4	102,503,365.84	22.4
Total	109,326	100.0	349,978,106.78	100.0	458,371,786.38	100.0

Table 3 Portfolio by Current Maturity						
Current maturity range (months)	Number of loans	Percentage (%) of loans	Outstanding as of Dec. 31, 2002 (€)	Percentage (%) of outstanding	Original outstanding (€)	Percentage (%) of outstanding
0 <= maturity <= 12	22,391	20.5	7,731,214.06	2.2	26,177,071.14	5.7
12 < maturity <= 18	15,128	13.8	13,634,530.22	3.9	61,588,792.74	13.4
18 < maturity <= 24	22,066	20.2	43,751,249.72	12.5	56,484,344.32	12.3
24 < maturity <= 30	6,995	6.4	21,966,088.95	6.3	65,961,537.40	14.4
30 < maturity <= 36	18,738	17.1	77,089,549.39	22.0	53,340,404.34	11.6
36 < maturity <= 42	2,501	2.3	12,616,688.77	3.6	52,998,446.96	11.6
42 < maturity <= 48	10,863	9.9	64,750,486.97	18.5	25,847,987.98	5.6
48 < maturity <= 60	7,395	6.8	66,959,551.76	19.1	38,338,532.37	8.4
Maturity > 60	3,250	3.0	41,478,746.95	11.9	77,634,669.13	16.9
Total	109,326	100.0	349,978,106.78	100.0	458,371,786.38	100.0

Table 4 Portfolio by Origination Year						
Origination Year	Number of loans	Percentage (%) of loans	Outstanding as of Dec. 31, 2002 (€)	Percentage (%) of outstanding	Original outstanding (€)	Percentage (%) of outstanding
1997	0	0.00	0.00	0.00	10,845.59	0.00
1998	90	0.10	63,892.46	0.02	793,820.10	0.20
1999	805	0.70	946,650.11	0.30	6,451,116.09	1.4
2000	2,245	2.10	6,029,506.41	1.70	18,945,843.44	4.1
2001	50,361	46.10	109,105,548.72	31.20	228,654,072.04	49.9
2002	55,826	51.10	233,832,509.08	66.80	203,516,089.12	44.4
Total	109,326	100.00	349,978,106.78	100.00	458,371,786.38	100.0

Table 5 Portfolio by Geographic Distribution						
Geographical area	Number of loans	Percentage (%) of loans	Outstanding as of Dec. 31, 2002 (€)	Percentage (%) of outstanding	Original outstanding (€)	Percentage (%) of outstanding
Center	52,544	48.1	160,325,336.79	45.8	102,602,677.85	22.4
North	25,048	22.9	83,402,741.33	23.8	223,128,159.65	48.7
South	31,734	29.0	106,250,028.65	30.4	132,640,948.88	28.9
Total	109,326	100.0	349,978,106.78	100.0	458,371,786.38	100.0

Surveillance Details

Continual surveillance is maintained on the transaction until the scheduled termination date. To do this, regular reports detailing the performance of the underlying collateral are analyzed, and regular contact is made with the calculation agent to ensure the performance of the reference portfolio is monitored in terms of principal redeemed amounts, loss amounts, recovery amounts, replenishments, and credit events. The calculation agent provides a report to Standard & Poor's quarterly. The first report issued in each calendar year is sent to an international audit firm for verification.

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