

Article Title: General Criteria: Methodology Applied To Bank Branch-Supported Transactions Data: (EDITOR'S NOTE: —On Oct. 12, 2022, we republished this criteria article to make nonmaterial changes. See the "Revisions And Updates" section for details.)

1. S&P; Global Ratings is clarifying and supplementing its methodology for analyzing transactions where bank branches serve as counterparties. We are publishing this article to help market participants better understand our approach to reviewing counterparty credit risk, which we outlined in "Counterparty Risk Framework: Methodology And Assumptions," published March 8, 2019, "Methodology And Assumptions For Analyzing Letter of Credit-Supported Debt," Feb. 20, 2015, "Global Asset-Backed Commercial Paper Criteria," published Sept. 29, 2005, "Global Investment Criteria For Temporary Investments In Transaction Accounts," published May 31, 2012, and "Methodology And Assumptions For Rating Jointly Supported Financial Obligations," May 23, 2016 (collectively, the practice-specific criteria). This article is related to "Principles Of Credit Ratings," published Feb. 16, 2011.

SCOPE OF THE CRITERIA

2. These criteria are global and affect all securities whose creditworthiness depends on the creditworthiness of branches of rated banks, where the branches serve as counterparties for financial obligations.

3. This paragraph has been deleted.

4. This paragraph has been deleted.

METHODOLOGY

5. The practice-specific criteria applied when S&P; Global Ratings analyzes counterparty credit risk often consider the rating on a counterparty, and often call for the counterparty to have a minimum rating for S&P; Global Ratings to assign a specific rating to the counterparty-supported securities. Where the counterparty does not have sufficient credit quality, we assess whether other mitigating factors (e.g., additional credit enhancement) address exposure to the counterparty.

6. In many cases the counterparty is the branch of a rated bank. In such situations, provided the branch is considered to have the same credit quality as the bank itself under our criteria "Financial Institutions Rating Methodology" (the bank criteria), the rating on the bank will be applied to the branch for our analytical purposes when determining whether the branch meets the minimum rating outlined in the applicable practice-specific criteria. If the branch is not located in the same country as its parent bank, the rating applied to the branch for purposes of the practice-specific criteria may, as per the bank criteria, be lower than the bank's rating.

REVISIONS AND UPDATES

We originally published this criteria article on Oct. 14, 2013. The criteria became effective on Oct. 14, 2013. Changes introduced after original publication: Following our periodic review completed on Sept. 8, 2016, we updated related criteria references in paragraph 1 and the section "Related Criteria And Research." Additionally, we deleted paragraph 3 because it was no longer relevant (the paragraph was in the section "Impact On Outstanding Ratings," which indicated we did not expect the criteria to affect any outstanding ratings when the article was initially published on Oct. 14, 2013), and we moved paragraph 4, "Effective Date And Transition," to an appendix, where we also added a change history section. Following our periodic review completed on Sept. 8, 2017, we revised the contact information. On Oct. 31, 2019, we republished this criteria article to make nonmaterial changes to the "Related Publications" section, where we added a reference to a guidance article that provides detail on how we apply the "Assessing Bank Branch Creditworthiness" criteria. On Oct. 28, 2020, we republished this criteria article to make nonmaterial changes to the "Related Publications" section, where we updated the publication date of the "Counterparty Risk Framework: Methodology And Assumptions" criteria. On Dec. 14, 2021, we republished this criteria article to make nonmaterial changes to update criteria references. On Oct. 12, 2022, we republished this criteria article to make nonmaterial changes to remove a guidance reference and update the contact information.

RELATED PUBLICATIONS

Related Criteria Financial Institutions Rating Methodology, Dec. 9, 2021 Counterparty Risk Framework: Methodology And Assumptions, March 8, 2019 Methodology And Assumptions For Rating Jointly Supported Financial Obligations, May 23, 2016 Methodology And Assumptions For Analyzing Letter Of Credit-Supported Debt, Feb. 20, 2015 Global Investment Criteria For Temporary Investments In Transaction Accounts, May 31, 2012 Principles Of Credit Ratings, Feb. 16, 2011 Global Asset-Backed Commercial Paper Criteria, Sept. 29, 2005