Article Title: Criteria | Structured Finance | General: Incorporating Sovereign Risk In Rating Structured Finance Securities: Methodology And Assumptions Data: (EDITOR'S NOTE: —On March 8, 2023, we republished this criteria article to make nonmaterial changes. See the "Revisions And Updates" section for details.) OVERVIEW AND SCOPE 1. These criteria represent S&P; Global Ratings' global approach to rating structured finance securities above the foreign currency rating of the sovereign. The criteria only apply if the potential rating on a structured finance security is higher than the rating of the respective sovereign. The criteria therefore act to limit or cap ratings that have been determined using asset class or sector-specific criteria. The intent of these criteria is to provide a framework to assess when single- and multi-jurisdictional structured finance and covered bond securities may be rated at a higher level than that of the applicable sovereign. The analytical framework consequently assesses the ability of a security to withstand a sovereign default scenario. 2. We acknowledge that our underlying asset-specific criteria already incorporate increasing levels of country risk, which are usually associated with deteriorating sovereign creditworthiness. In consequence, the stresses that are set out in this framework are an addition to our underlying asset-specific analysis and are intended to address event risk and support our ability to adjust our ratings in a timely fashion in the event of a crisis. 3. This paragraph has been deleted. 4. The criteria in this article apply to all structured finance transactions, including securitizations and covered bonds supported by assets in a single jurisdiction or multiple jurisdictions. The criteria also apply to U.S. public finance single-family and multifamily housing bonds and municipal pools. METHODOLOGY Criteria overview 5. These criteria explain how we address three related but separate risks, namely sovereign default risk, country risk, and transfer and convertibility (T&C;) risk. 6. Sovereign default risk represents the disruption risk of a sovereign default. When we assign ratings above that of the sovereign, we have to be comfortable that even when the sovereign defaults, a structured finance tranche with underlying assets domiciled in that jurisdiction is unlikely to default. When a sovereign defaults, we have observed that this is typically accompanied with a severe economic scenario. In addition, sovereign defaults are often associated with certain other events that may have a low probability of occurring, but typically have a high impact, such as deposit withdrawal restrictions, forbearance measures, emergency taxation, currency redenomination, etc. 7. In order to address sovereign default tail risk, we employ a notching framework that caps the maximum achievable rating. The number of notches achievable depends on the sensitivity of the transaction's assets and structure to a sovereign default. The notching framework is applicable for all sovereign rating levels. Therefore, the use of caps is intended to reduce the potential large rating transitions that could occur from a rapid deterioration in transaction credit quality that may result from a sovereign default. In addition, to account for the severe level of economic stress we expect to accompany a sovereign default, when rating above sovereigns that are rated 'A+' or lower, we also assess whether the tranche can withstand a sovereign default stress. 8. Country risk is defined in the criteria article "Country Risk Assessment Methodology And Assumptions," Nov. 19, 2013. There are four pillars to country risk: economic risk, institutional risk, financial system risk, and payment culture rule of law risk. We account for country risk in different ways according to specific asset class criteria. 9. Country risk is an ongoing risk, while sovereign default risk speaks to event risk; however, the two overlap and there is usually correlation between sovereign defaults and elevated levels of country risk. As a result, when we consider the impact of a sovereign default scenario alone, we typically discount the impact of incremental country risk that is already factored into our underlying asset-class-specific analysis (see Appendix I). 10. T&C; stress caps foreign-currency ratings of the liability at the T&C; assessment of the country, unless there are structural mitigants for T&C; risks. The tail risk we anticipate following a sovereign default is similar to, but not the same, as T&C; risk. T&C; risk speaks explicitly to the likelihood that a sovereign will limit the ability of a nonsovereign to exchange local currency for another currency or gold and to remit it to any resident or nonresident in order to meet the nonsovereign's debt service obligations. 11. For transactions with underlying assets from multiple jurisdictions ("multijurisdictional transactions"), the criteria give credit for diversification in portfolios where the possible concentration levels in any given sovereign are limited. The analysis considers the same impact of a sovereign default scenario as for single-jurisdiction transactions, but typically only when the asset balance for a country (by sovereign rating) exceeds a predetermined threshold. Therefore, where relevant, we consider the impact of a sovereign default scenario on a portion of the assets in the

country that includes the excess beyond the diversification threshold. Further, when the potential liability rating is above the maximum rating differential for that country, we give no credit to the portion of the pool in the country that exceeds the threshold multiplied by a stress factor. 12. For multijurisdictional transactions, we apply a separate T&C; stress scenario when the potential rating on the security is higher than the T&C; assessment of a sovereign in the pool and when the country's asset balance (by T&C; assessment) is above a diversification threshold. This test gives no credit to the portion of the pool that exceeds the diversification threshold for that country, multiplied by a stress factor. 13. Charts 1 and 2 below depict criteria steps for rating securitizations above the rating of the sovereign that are backed by single-jurisdiction and multijurisdictional portfolios. Note that the diversification threshold approach mentioned in chart 2 does not apply to covered bonds or to nondiversified portfolios (see the "Further considerations for structured finance transactions with multijurisdictional portfolios – Diversification thresholds" section.) Chart 1 Chart 2 14. To the extent that external credit support, such as a guarantee, mitigates tail risk associated with a sovereign default, we may rate a security above the maximum differential specified by these criteria. The sovereign default scenario 15. In order to rate a structured finance tranche above a sovereign that is rated 'A+' and below, we account for the impact of a sovereign default to determine if under such stress, the security continues to meet its obligations. For most asset types, we typically use asset-class specific assumptions from our standard 'A' run to replicate the impact of the sovereign default scenario (see Appendix I for further explanation). Such an approach ensures consistency and transparency; it also produces a stress that is increasingly higher as sovereign creditworthiness deteriorates. 16. The cash flow assumptions that are used to assess the sovereign default scenario vary by asset class and country. For example, for residential mortgage-backed securities (RMBS) and asset-backed securities (ABS), we generally apply 'A' scenario assumptions, but we may apply alternative assumptions (e.g., where we believe that the 'A' assumptions could layer on a level of stress that is not warranted). We may also apply a more front-loaded curve to stress the transaction in the first year when rating above a 'B' or 'B-' sovereign. In addition, certain cash flow stresses are addressed without the need for an additional sovereign default scenario. For example, for structured finance transactions, we account for unhedged foreign exchange risk via depreciation assumptions that are calibrated for given liability levels (see "Foreign Exchange Risk In Structured Finance--Methodology And Assumptions," April 21, 2017). 17. For sovereigns rated 'CCC' or below, where the impact of the sovereign default is arguably more foreseeable, the sovereign default scenario is generally fully accounted for in our underlying assumptions, so there may not be a need to factor in additional stress. 18. Typically, if a security is not expected to meet its obligations under a sovereign default stress, the rating is constrained to the sovereign rating level. However, in certain circumstances, we may still rate up to two notches above the sovereign where the tranche does not fully sustain our sovereign default scenario. For example, this could occur in RMBS, when applying the sovereign default stress ('A' scenario) where a sovereign is rated 'BBB-' or lower and the tranche passes at 'A-', or for higher-rated sovereigns where the tranche is close to passing the 'A' run (more details can be found in Appendix II). The notching framework 19. To address sovereign default tail risk, we apply a notching framework that limits the number of notches a security can be rated above the sovereign depending on the sensitivity of the security to a sovereign default. This framework is applied at all sovereign rating levels. Under the notching framework, a security can be rated up to two notches above the sovereign if we consider its sensitivity to the sovereign default scenario to be 'high'. We can notch up to four notches if 'moderate,' and up to six notches if 'low'. The sensitivity categories create an upper limit to the rating only, not a lower limit. Ratings below the cap typically result from consideration of relative creditworthiness, credit stability, the sovereign rating and outlook, and the application of other criteria. We always apply the lower of the standard asset class analysis output and the output of our analysis under these criteria (including the sovereign default scenario where relevant). 20. As a sovereign rating transitions closer toward default, the sovereign default scenario starts to become more foreseeable. When sovereigns are rated 'B-' or lower, we factor this in by applying absolute rating level caps (subject to the sovereign default risk sensitivity) (See table 1). Table 1 Rating Caps By Sovereign Default Risk SOVEREIGN DEFAULT RISK SENSITIVITY FOR SOVEREIGN RATINGS 'B' OR HIGHER, THE MAXIMUM DIFFERENTIAL ABOVE SOVEREIGN RATING (NOTCHES) FOR SOVEREIGN RATINGS OF 'B-' TO 'D', THE

MAXIMUM STRUCTURED FINANCE RATING High Two 'B+' Moderate Four 'BB' Low Six 'BB' 21. The sensitivity of structured finance ratings to a sovereign default scenario is affected by both the sensitivity of the underlying assets and the robustness of the structures that support the security. Depending on the structure and assets, instruments can fall into one of the three categories. (This is the case, for instance, with certain covered bonds--see below for further detail.) 'Low' sensitivity 22. The securities we consider to have 'low' sensitivity can be rated up to six notches above the sovereign rating. Examples include plain vanilla structured finance instruments like most ABS and RMBS. Unlike bonds issued by a corporate entity, structured finance bonds generally don't have exposure to ongoing business risks, nor do they rely upon the issuance of additional debt to meet their obligations at maturity. Therefore, while certain underlying consumer assets may themselves be moderately sensitive to a sovereign default scenario, when such assets are present in structured finance instruments, the securities' sensitivity is typically 'low'. Examples of differentiating features for low sensitivity include: Asset isolation from the insolvency of the originator/seller. Pools of financial obligations that are contractual in nature with limited exposure to business risk. Amortizing structures (absence of refinancing risk). Absence of direct market value risk (e.g., collateralized bond obligations (CBOs)/collateralized loan obligations (CLOs) that are generally backed by corporate loans with bullet maturities, covered bonds with unmitigated asset and liability mismatches, or commercial mortgage-backed securities (CMBS) transactions backed by loans with bullet maturities do not meet this requirement). Coverage of credit and liquidity risk. 23. Our qualitative assessment of relative creditworthiness and portfolio and structural features help determine the level of uplift (see Appendix II). 'Moderate' sensitivity 24. Certain structured finance instruments have assets and structural features that create more sensitivity to sovereign default risk than a plain vanilla diversified structured finance instrument, such as a lack of amortization or a concentration in the number of assets or obligors. These are typically categorized as having 'moderate' sensitivity to sovereign default risk and, therefore, uplift is limited to four notches. This is typically the case for most CMBS or most nonperforming loan (NPL) transactions. CMBS transactions usually feature large bullet amounts payable at the end of the loan term. Under our methodology, we assume that borrowers may fail to refinance. The issuer (or its representative) therefore needs to go through a country's judicial system to enforce their rights under the mortgage (or equivalent loan security). When that happens, repayment of the entire transaction (as opposed to just a portion of the debt in a diversified pool) may depend on this process. 'High' sensitivity 25. Securitizations that are backed solely or mostly by corporate and government assets in industries that are considered to have 'high' sensitivity to sovereign default risk (see "Ratings Above The Sovereign--Corporate And Government Ratings: Methodology And Assumptions," Nov. 19, 2013) are limited to two notches above the sovereign. The same generally applies to securitizations backed by sovereign exposures, such as securitizations related to government pension payments, unless the risk of sovereign default is fully mitigated or unless we assess the particular sovereign related non-debt obligation to have 'moderate' sensitivity, based on track record and our forward-looking view. In addition, we review whether the underlying assets have a direct exposure to sovereign obligations, including debt obligations and guarantees, which can lead to limiting the ratings on the securities to no higher than the rating on the sovereign. For example, we may cap our rating on a defeased bond secured 100% by sovereign local-currency obligations at the sovereign local-currency rating, depending on the term of the exposure. Alternatively, securitizations backed solely by debt or lease obligations of a single sovereign are capped at the rating of that sovereign. Other considerations for sensitivity classification Counterparty exposures in sovereigns rated 'BB' and lower 26. Usually there is an indirect linkage between sovereign risk and counterparty risk (see "Counterparty Risk Framework: Methodology And Assumptions"). When sovereign creditworthiness deteriorates, ratings on financial institutions domiciled in that country also usually deteriorate. This can constrain structured finance ratings. When nonderivative counterparties have an ICR of 'BB' or lower that is constrained by sovereign default risk, we can address the counterparty risk via our sensitivity assessment, as explained below. 27. Sometimes a counterparty ICR is the same or lower than the sovereign rating, but the stand-alone credit profile (SACP) of the counterparty is higher. This indicates that the counterparty's idiosyncratic default risk is less than that of the sovereign, but the ICR is limited as a result of the counterparty's exposure to sovereign default risk. In such circumstances, the counterparty exposure

can allow for a liability rating above a sovereign rated 'BB' (or lower) if we can account for the additional specific sovereign default scenario. If the bank is considered systemically important or the risk is covered by deposit insurance, we consider the risk mitigated and uplift can be provided. Alternatively, we can account for the risk in our cash flow analysis by applying deposit haircuts. In these instances, a maximum uplift of two notches above the sovereign rating applies, subject to a cap at the lower of 'BB+' and the maximum supported rating determined under our counterparty criteria for the relevant counterparty exposure. 28. Similar analysis is done to the temporary investments in which cash from accounts is invested between the time it is received and when it is needed to cover debt obligations. Government-sponsored deposit insurance 29. If we assess that a structured finance transaction has a material exposure (for instance an exposure classified as 'limited' in our counterparty criteria) to a government-sponsored deposit insurance scheme, this can have an impact on our assessment of the transaction's sensitivity to sovereign default. For example, if the government-sponsored deposit insurance covers material exposure to commingling risk, we may classify the sensitivity as 'moderate' and limit potential uplift to four notches above the sovereign. Examples of deposit insurance provided by government-sponsored entities include the Financial Deposit Insurance Corp. (FDIC) in the U.S., the Deposit Insurance Corp. of Japan (DIC), and the Financial Services Compensation Scheme (FSCS) in the U.K. Additional considerations Short-lived sovereign defaults of a technical nature 30. If we lowered a sovereign rating to 'SD' (selective default) because of a default event that we expect to be short-lived and technical in nature, or if we lowered the sovereign rating to 'CCC' or 'CC' in anticipation of such an event, securitizations may not be affected directly in terms of rating caps. In such a scenario, the reference point for securitization ratings is the expected post-default sovereign rating or the upper end of the range of the expected post-default sovereign rating, as indicated by S&P; Global Ratings. T&C; assessment 31. For securitizations, a country's T&C; assessment reflects S&P; Global Ratings' view of the likelihood of a sovereign restricting access to foreign exchange needed to satisfy the securitization's debt service obligations. A foreign-currency obligation backed by local- or foreign-currency assets in a single jurisdiction is capped at the T&C; for that jurisdiction, unless there are structural mitigants for T&C; risk, such as political risk insurance, third-party guarantees, or a future flow securitization structure that segregates foreign-currency receivables into offshore accounts. Redenomination risk 32. Ratings on securities in a country that we consider to have significant adverse currency redenomination risk are limited at 'B' (e.g., where a country is at risk of exiting its currency regime, such as leaving a monetary union, and when we expect the redenomination to have a negative credit effect on structured finance ratings). Assigning the final rating 33. The final rating assigned to the structured finance securities is the lower of (1) the rating derived by applying our asset-specific criteria and (2) the rating derived by applying the sovereign default scenario, notching framework, and T&C; analysis under the criteria outlined in this article. 34. The notching framework typically starts from the lower of the foreign and local currency rating. The consequences of a sovereign default may differ between a foreign or local currency default; the scenario we consider when rating above the sovereign needs to capture both. Covered bonds 35. For a covered bond to be rated above the sovereign, we consider: Credit enhancement to cover our assessment of credit risk in a sovereign default scenario; and The impact of refinancing risk on the covered bond's sensitivity to sovereign default. 36. For covered bonds that are not exposed to refinancing risk associated with bullet maturity payments (e.g., "pass-through" or "conditional pass-through" covered bonds), the maximum differential rating above the sovereign is aligned with that for a securitization of the same asset type as the assets in the cover pool. 37. In certain circumstances, we decrease the maximum differential above the sovereign rating for covered bonds that rely on the refinancing of cover pool assets to meet bullet maturity payments. We consider that such covered bonds may be more sensitive to sovereign default risk than a securitization of similar assets, because a cover pool administrator may not be able to access refinancing sources for a period of time in a sovereign default scenario. 38. For covered bonds where we consider that refinancing risk in a sovereign default scenario is not at least partially mitigated by either the presence of a monetary union or structural mitigants as described below, we assess the sensitivity to sovereign default risk as 'high'. We consider that the following factors may partially mitigate refinancing risk in a sovereign default scenario: For covered bonds issued in a country that is a member of a monetary union, where the central bank is a supranational institution (such as the European Central Bank) and rated higher

than the respective sovereign, we consider that a cover pool administrator may be able to access refinancing sources, such as central bank repo facilities. If this assumption is supported by our assessment that a cover pool includes sufficient credit enhancement to cover our assessment of credit risk in a sovereign default scenario, we consider that the sensitivity to sovereign default risk is reduced (relative to covered bonds issued in a country that is not a member of a monetary union) due to the greater potential access to refinancing sources. Some covered bond structures include a structural mechanism that mitigates short-term refinancing risk following the default of the issuing bank. Examples of such mechanisms include extendible maturities and reserves in which upcoming maturity payments are pre-funded. We consider that these mechanisms provide meaningful mitigation of refinancing risk in a sovereign default scenario if they are sized to cover refinancing needs over a 12-month period. 39. For covered bond programs where the issuer is based in the same jurisdiction as the cover pool, we calibrate the maximum differential above the sovereign rating based on our assessment of mitigating factors to refinancing risk, as shown in table 2. We apply the lower maximum differential above the sovereign rating from table 1 (which reflects the sensitivity of cover pool assets to sovereign default risk) and table 2 (which reflects the sensitivity of the covered bond structure due to refinancing risk). We employ a different approach for multijurisdiction analysis for covered bonds, which is set out further on. Table 2 Covered Bond Sensitivity To Sovereign Default Risk BASED ON OUR ASSESSMENT OF REFINANCING RISK SOVEREIGN DEFAULT RISK SENSITIVITY BASED ON OUR ASSESSMENT OF REFINANCING RISK MITIGATION OF REFINANCING RISK MAXIMUM DIFFERENTIAL ABOVE THE SOVEREIGN RATING (NOTCHES) High Covered bonds issued in a country that is not a member of a monetary union, that do not include structural coverage of refinancing needs over a 12-month period Two Moderate Covered bonds issued in a jurisdiction that is within a monetary union, that do not include structural coverage of refinancing needs over a 12-month period Four Moderate Covered bonds issued in a country that is not a member of a monetary union, that include structural coverage of refinancing needs over a 12-month period Four Low Covered bonds issued in a jurisdiction that is within a monetary union, that include structural coverage of refinancing needs over a 12-month period Five Low Pass-through or conditional pass-through covered bonds Six Further considerations for structured finance transactions with multijurisdictional portfolios Diversification thresholds 40. These criteria recognize that when the assets in the securitized pool are domiciled in different sovereign jurisdictions, it is realistic to assume that local factors and lags in economic and business cycles among different countries vary due to diversification. 41. When a portfolio is considered to be diversified, the criteria contain diversification thresholds to determine which portion of the assets is subject to the sovereign default and T&C; scenario. This threshold approach is not applied for covered bonds (see paragraph 60). For nondiversified pools, the threshold approach is also not applied. A European CMBS portfolio with 10 or fewer effective loans, for example, is typically not considered to be diversified. For such a nondiversified portfolio, we apply the sovereign default stress to all assets where the potential liability rating is higher than the sovereign rating. In addition, we typically do not give credit to assets in countries where the liability rating exceeds the rating on the country plus the maximum rating differential; as such, we do not apply the supplemental tests. 42. The jurisdictional diversification thresholds are country-specific; this means we do not aggregate the exposure of countries with the same ratings when calculating the exposure by sovereign ratings. Further, the diversification thresholds are dependent on the sovereign rating and the T&C; assessment, but not the liability rating. (See table 3.) Table 3 Diversification Thresholds SOVEREIGN RATING OR T&C; ASSESSMENT SOVEREIGN RATING (%) T&C; ASSESSMENT (%) AAA 100 100 AA 100 25 A 20 20 BBB 15 15 BB 10 10 B 5 5 CCC 0 0 Note: For CDO squared transactions, if the diversification thresholds listed above are less than 100%, the threshold shall be 0%. T&C--Transfer; and convertibility. 43. The sovereign and T&C; stress scenarios are typically applied to a pool after incorporating any expected changes in its composition over time (e.g., a transaction may be subject to reinvestments and the manager is expected to divest from certain assets, or the assets have short weighted average lives and are expected to imminently pay off). In completing this qualitative review, we consider the maximum concentrations in the transaction documents, the current ratings and outlooks on the sovereigns, and the T&C; assessments. For CLO transactions, pursuant to our criteria if the collateral manager is managing the portfolio to maintain the portfolio's original credit quality (the

stable quality approach), we run this test based as per the current portfolio (see "Global Methodology And Assumptions For CLOs And Corporate CDOs," June 21, 2019). The sovereign stress scenario 44. Like for single-jurisdiction transactions, in multijurisdictional transactions, the sovereign stress scenario is applied for all countries rated 'A+' or lower when considering liability ratings higher than the rating on the country. However, to give credit to diversification, when assets in a country exceed the threshold (excess exposure), we only apply the sovereign stress scenario to the excess exposure multiplied by a stress factor, as explained below. The diversification benefit derived from the thresholds means that under this approach, the balance of the assets in a country within the threshold can support any liability ratings, regardless of sensitivity caps. In addition, we give no credit to the stressed excess exposure when the liability rating exceeds the sovereign rating by more than the maximum rating differential (as per table 1). 45. To maintain consistency with single-jurisdiction transactions, the excess exposure is multiplied by a stress factor to produce a "stressed excess exposure." We derived this stress factor such that the resulting stressed excess exposure converges to 100% of the country if the portfolio becomes concentrated in a single jurisdiction. For example, if 15% of the assets in a pool are in a 'B' rated country, we apply the sovereign stress scenario to the stressed excess exposure, which is calculated as follows: (15%-5%=10%)*1.06=10.6%. (See table 4.) Table 4 Stress Factors By Sovereign Ratings STRESS FACTOR SOVEREIGN RATING OR T&C; ASSESSMENT SOVEREIGN RATING T&C; ASSESSMENT AAA 1.00 1.00 AA 1.00 1.35 A 1.25 1.25 BBB 1.20 1.20 BB 1.12 1.12 B 1.06 1.06 T&C--Transfer; and convertibility. T&C; stress scenario 46. To incorporate the risk of a sovereign restricting access to the foreign exchange needed to satisfy the securitization's debt service obligations, these criteria apply a T&C; stress scenario only to the stressed excess exposure when we rate a structured finance issuance one or more notches higher than the T&C; assessment. The stressed excess exposure is calculated using the same diversification thresholds and stressed factors described in tables 3 and 4. 47. The T&C; stress scenario consists of giving no credit to the portion of the pool equal to the stressed excess exposure when the rating on the liability is one or more notches higher than the T&C; assessment. 48. For multijurisdictional transactions, like for single-jurisdiction ones, the T&C; stress scenario is applied unless there are structural mitigating factors for T&C; risk. Supplemental tests 49. The criteria include supplemental largest sovereign and largest T&C; default tests ("supplemental tests") to address the event risk that may be present in securitizations of multijurisdictional portfolios. 50. The diversification thresholds are not considered when applying these tests; therefore, where relevant, both tests are applied to the entire sovereign exposure. The supplemental tests and the sovereign and T&C; stress scenarios are applied separately. 51. For transactions where the pool composition is expected to change over time, the analysis of the supplemental tests may include a forward-looking view of the potential pool composition. If, based on this forward-looking analysis, we determine that the issuer has no material single-country exposure, we may not apply the largest sovereign and T&C; default tests. 52. If we believe that the largest concentration by jurisdiction currently present in the pool may not be the largest in the near future, we may select a different jurisdiction to apply the supplemental tests. In making these determinations, we consider the maximum concentrations in the transaction documents and the current ratings and outlooks on the sovereigns, as well as our T&C; assessments. 53. Further, we may apply the supplemental tests on a case-by-case basis to more than one country at the same time if we believe that the correlation among certain countries in the pool is significant. Applying the supplemental tests to more than one sovereign concurrently limits the diversification credit given to different sovereigns in the pool. Supplemental largest sovereign default test 54. The largest sovereign default test is primarily designed to ensure consistency between our approach to single- and multi-jurisdiction underlying asset pools. As such, we typically only need to consider the output of this test when we are reviewing portfolios with concentrated sovereign exposures. Then we consider the output of this test as it relates to all of the assets within a sovereign jurisdiction rated 'A+' or lower. For each potential liability rating, the test defaults the largest exposure to a sovereign, with no recovery. The largest sovereign exposure is selected among those that have a rating lower than the liability's rating by more than the maximum rating differential, based on the sensitivity of the asset types included in the pool. For transactions where the recoveries are fixed in the documentation or are guaranteed by a rated third party in a different jurisdiction, the analysis may include credit for recovery rates. 55. The test is satisfied if the

transaction has enough credit enhancement to withstand the default rates (without recoveries) determined after applying this test. If the test is not satisfied at the liability's current rating, the test is repeated at a lower rating level until it is passed. To determine the cap, if the transaction's largest exposure is actually to several rated sovereigns of the same exposure, then among these we may select the sovereign with the lowest rating or the sovereign whose default has the most material effect on the liability's rating. Supplemental largest T&C; default test 56. This test applies to all the assets within a sovereign whose T&C; assessment is 'AA+' or lower. For each liability rating, the test defaults the highest exposure to a sovereign with a T&C; assessment lower than the liability rating and apply a zero recovery. For transactions where the recoveries are fixed in the documentation or are guaranteed by a rated third party in a different jurisdiction, the analysis may include credit for recovery rates. 57. The test is typically satisfied if the transaction has at least as much credit enhancement to withstand the default rates determined after applying this test. If the test is not satisfied, the test is repeated at a lower liability's rating level until it is passed. To determine the cap, if the transaction's largest exposure is actually to several sovereigns of similar exposure, then among these we may select the sovereign with the lowest T&C; assessment or the sovereign whose default has the most material effect on the liability's rating. Multijurisdiction for covered bonds 58. Given the dual-recourse nature of the product, our approach for incorporating multijurisdiction sovereign exposures is specific to covered bonds to capture the multiple sovereign risk exposures; this approach differs from the single-jurisdiction approach for covered bonds set out above. As with single-jurisdiction, we generally consider refinancing risk only in determining the maximum differential above the sovereign rating of the issuer's domicile; this creates a cap on the maximum potential rating (see table 2 above). We also consider the sovereign exposures of the cover pool, but primarily to determine on which assets to run the supplemental largest sovereign default test. The details of how to apply both of the supplemental tests are described in the sections immediately above. To apply the supplemental largest sovereign default test, we generally determine the maximum differential above other sovereign ratings based on the asset type's sensitivity to sovereign default risk (see table 1 above). If both of the supplemental tests are satisfied, the final liability rating would be capped by the refinancing risk assessment only. If one or both of the supplemental tests are not satisfied, the final liability rating would be subject to a lower cap. The lower cap would depend on which supplemental test was not satisfied. Such caps could only limit the liability rating down to the issuer-specific jurisdiction-supported rating level (JRL). 59. The analysis of covered bond collateral support considers to what extent the amount of collateral available to cover credit risk or refinancing costs enhances the ability of the cover pool to raise funds from a broader range of investors and so addresses its refinancing needs. Our analysis relies on the ability of the cover pool to service the covered bonds as they fall due. As a result, any uplift above the JRL and above the sovereign rating is subject to the analysis of the effect of a sovereign default stress on the pool. 60. Typically, we apply the sovereign default stress to the entirety of any exposure where the liability rating is higher than the sovereign rating, and diversification thresholds are therefore not applied, but, as noted, the supplemental tests are applied in the same way as they are for a collateralized debt obligation (CDO) portfolio. To account for the sovereign default scenario, we typically use the 'AAA' scenario default rates in place of correlation multipliers. APPENDIX Appendix I: Sovereign Default Stress Scenario 61. "S&P; Global Ratings Definitions" touches upon the impact of economic cycles and varying degrees of country risk. In practice, when we account for increased levels of country risk in our underlying asset class analysis, our default and loss assumptions increase not only because of the immediate economic cycle (i.e., moving away from the benign conditions), but also because of elevated country and industry risk. (For an example, see the mortgage market assessment framework set out in "Global Methodology And Assumptions: Assessing Pools Of Residential Loans," Jan. 25, 2019) Therefore, while the sovereign default scenario is severe from a benign starting point, this is not equivalent to a 'AA' when country risk is already elevated; in practice, this is closer to the standard run at the 'A' level. For CDOs, our correlation multipliers have been calibrated incorporating the severe stress. 62. This paragraph has been deleted. 63. This paragraph has been deleted. 64. This paragraph has been deleted. Appendix II: Detailed Application Considerations For Single-Jurisdiction Pools The notching framework (paragraphs 19-20 and table 1) 65. Paragraph 19 notes that the rating caps create an upper, but not a lower, limit. 66. There are a number of reasons why we may not assign the

maximum uplift, including rating stability considerations. When a sovereign is rated 'B', we take the sovereign rating outlook into consideration as a relevant factor when determining the appropriate number of notches. In the example of an RMBS transaction domiciled in a sovereign rated 'B' with a negative outlook, for which we have assessed the sensitivity of the transaction as 'low', the senior tranche passes the sovereign default scenario and, therefore, theoretically can support a rating of 'BBB'. However, a one-notch downgrade of such a sovereign would push the senior tranche rating to 'BB' from 'BBB'. Under these circumstances, we may choose to limit the senior tranche rating to 'BB+' or 'BBB-' in order to enhance rating stability. Considerations for limiting uplift (paragraph 23) 67. The criteria outline how we assess relative weaknesses of individual portfolios and structural features or other risks that could warrant a cap at less than six notches. This analysis is typically undertaken regardless of rating above the sovereign considerations; the example below shows an instance where we likely would not assign the available notches of uplift as a result of such considerations. Example: 68. XYZ Mortgage Finance is a prime RMBS transaction with assets in a country with a sovereign rating of 'A-'. The transaction has four tranches in place and, while it can pay pro rata, it is currently paying sequential due to the high level of arrears. This RMBS transaction is classified as 'low' sensitivity, so liability ratings can be capped at any level from the sovereign up to six notches depending on structural characteristics. Our credit and cash flow analysis indicates that we can rate the senior tranche at 'AAA', while the mezzanine tranche can only achieve a rating below the sovereign. The two junior tranches are currently rated 'D' as a result of a breach in interest deferral triggers two years ago. There is already a significant number of loans that have already defaulted in the pool (representing 20% of the pool by dollar amount). 69. On considering the structural features and historical and expected performance of the transaction, we note the following: There are high levels of periodic defaults in the asset pool, which have caused the reserve fund to be fully depleted, as well as breaches in interest deferral triggers in the junior tranches. As a result, the senior tranche is currently the only class with positive credit enhancement. 70. The results of our credit and cash flow analysis are very sensitive to the level of recoveries on defaulted assets, as shown in our sensitivity analysis. (By reducing the recoveries assumed on already defaulted loans by half [i.e., to 2.5% from 5.0% of the outstanding pool balance], we achieve only a 'AA-' rating in our cash flows.) 71. Considering the above, the risk profile of the senior tranche will likely not be considered commensurate with the 'AAA' category. Allowance of limited uplift in certain cases where the sovereign default scenario cannot be fully sustained (paragraph 18) 72. We may provide up to two notches uplift above the sovereign if the sovereign default scenario is not fully sustained. For example, to assess to what extent the sovereign default scenario stresses have been met, we consider the details of our cash flow scenarios. Generally, fully sustaining the sovereign default scenario will mean passing all cash flow runs at the 'A' rating level. To qualify for limited uplift for "not fully sustaining the sovereign default scenario," we do not expect material principal shortfalls at the 'A' level cash flow runs, but it may include interest short falls for some, but not all, runs. Under such circumstances, we expect, by definition, all 'A-' runs to have passed. If the cash flow runs indicate that we may provide limited uplift, we would then also consider the sensitivity classification of the security; for example, we are less likely to provide uplift for 'high' sensitivity securities. Example: 73. A prime RMBS transaction in a 'BB+' country with two tranches, class A and class B. The transaction has limited excess spread, and performance has been worse than expected. The transaction has been classified with a 'low' sensitivity to sovereign default. The reserve fund has been drawn and is not fully funded. There are no counterparty constraints. The class A note passes at 'AA' and the class B note passes at 'A-'. The class A note will be capped at six notches, at 'A+'. Given that the sovereign is rated lower than 'BBB', the class B note qualifies for up to two notches (i.e., up to 'BBB'). However, the committee will make a judgement as to the direction of performance. If we expect enhancement to the class B note to continue to come under pressure, we would likely rate the tranche 'BBB-' or 'BB+'. 74. Alternatively, if the country were rated 'BBB' and the mezzanine tranche passed all 'A-' runs and most 'A' runs, we would review our analysis to understand the extent of the principal and interest shortfalls in the 'A' runs. If, for example, there are no principal shortfalls at 'A', but it does show interest deferrals in 12 out of 60 runs, we would likely treat this as nearly passing and rate the tranche higher than the sovereign ('BBB') at either 'BBB+' or 'A-'. The sovereign default scenario cash flow assumptions (paragraph 16) 75. As noted, we typically apply all 'A' scenario cash flow assumptions for

RMBS and ABS when applying the sovereign default scenario. The sovereign default scenario is primarily intended to address credit risk, but in some instances, applying the 'A' scenarios may layer on a significant additional level of stress, which may not be warranted. For example, in a jurisdiction rated 'BB' or lower, if current interest rates were particularly high, we may apply a stress that is closer to current conditions, but not lower than the liability rating level scenario. The analysis of direct sovereign-related counterparty exposure (paragraphs 26-29) 76. For most structured finance transactions where we rate above the sovereign, we do not need to size bank deposit haircuts to account for the sovereign default scenario because all aspects of counterparty risk are mitigated by replacement provisions. However, in limited circumstances, additional consideration of the sovereign default scenario specifically relating to the impact on bank deposits may be necessary. Where a sovereign is rated 'BB' or lower, and there is an exposure to a bank account provider rated 'BB' or lower, we typically cap the rating at the rating of the account provider (under our counterparty criteria). In a sovereign default scenario, we generally expect bank account deposits to be subject to a haircut of 10%, unless mitigated by deposit insurance or if the bank is considered systemically important. Therefore, for example, when a bank account provider has an SACP of 'bb+' and an ICR of 'BB-', where it is deemed of at least moderate systemic importance and where it is located in a sovereign rated at the same 'BB-' level, the criteria allow the transaction to be rated up to two notches higher than the sovereign (but capped at 'BB+') without applying any additional haircuts. This is because the systemic importance is considered a mitigating factor. Alternatively, assuming the same bank is assessed to have low systemic importance, we would typically apply a 10% haircut to bank deposits to test a sovereign default scenario. Upon these stresses, if the cash flows allow the transaction to reach a 'BB+', the security can be rated at this level. 77. Similarly, in the case of temporary investments for securities capped by sovereign ratings, we may assume that a percentage of the average exposure to temporary investments is lost at the beginning of the life of the transaction. Based on the haircuts defined under table 3 of "Ratings Above The Sovereign--Corporate And Government Ratings: Methodology And Assumptions," published Nov. 19, 2013, we envision two situations: (1) If the maximum exposure to each permitted investment is clearly defined in the transaction documents, we apply a weighted average haircut, and (2) if the maximum exposure is not defined for each temporary investment, we consider the riskiest exposure and apply a haircut accordingly. As an illustration, if only 50% of investments are permitted in short-term sovereign securities and the remainder 50% in bank senior debt, we apply a haircut of 47.5% (which is the weighted average between the haircut of 35% for short-term sovereign securities and 60% for bank senior debt). For a transaction where permitted investments include short-term sovereign securities and bank senior debt without a defined maximum exposure to each investment, we apply a haircut of 60% (which is the highest between 35% for short-term sovereign securities and 60% for bank senior debt). In all cases, sensitivity to sovereign default risk is also be deemed as 'high'; thus, the security rating can be up to two notches above the sovereign ('BB+'), if cash flows show that the transaction can withstand these stresses. 78. A reliance on government deposit insurance schemes can have an impact on our assessment of a transaction's sensitivity to sovereign default risk (paragraph 29). If a transaction is exposed to commingling and set-off risk, both of which are covered by the relevant government deposit insurance, and we rely on the insurance at ratings higher than the sovereign, we need to consider the extent of such an exposure. 79. For example, if the combined exposure is assessed to be 7% of the original balance, we need to consider how much of that exposure relies on deposit insurance at any given liability level in order to assign ratings higher than the sovereign rating (of, for example, 'A'). If the combined exposure is less than 5%, we typically consider this to be 'minimal' (under our counterparty criteria), and such a level of exposure to the sovereign has no impact on our sensitivity assessment. In this example, a 'AAA' rating would represent five notches, which is achievable under the 'low' sensitivity category. To achieve an assessment of 'low', we can typically rely on the insurance covering 5% or less. For example, if a 'AAA' rating can be achieved with a commingling and deposit set-off modeled in the cash flows as a credit loss of 4% of the original balance, then the 'AAA' rating would be exposed to a 3% residual reliance on the government insurer. In the context of set-off and commingling risk, this allows for a 'low' sensitivity assessment. Alternatively, if the 'AAA' rating can only be achieved with a residual reliance of more than 5%, then we would typically limit the rating to 'AA+', which is four notches of uplift under a 'moderate'

sensitivity. Asset-type-specific considerations (paragraphs 15-18) ABS 80. For certain asset types, it may not be appropriate to apply all of our standard run 'A' assumptions. Such is the case for ABS, if the underlying collateral consists of movable assets where the recovery proceeds can be realized across borders. Depending on available data, we may adjust our sovereign default scenario and provide more credit to recoveries. For example, for a Spanish auto loan transaction, if the vehicles can be liquidated in another country that has not defaulted, it would not be appropriate to subject the recovery assumptions to the sovereign default stress for Spain. CDOs 81. For CDOs, when rating above the sovereign, additional stress is applied to the portfolio by increasing the asset correlation when the rating on the security is above the sovereign rating. When a sovereign defaults, deterioration of macroeconomic conditions tends to negatively affect the creditworthiness of the corporate assets in that country, increasing the likelihood of high portfolio default rates. Individual asset credit ratings incorporate relevant country- and sovereign-related risks. Increasing correlation captures the clustering of defaults, which tends to occur when the sovereign credit rating deteriorates. This is achieved by applying asset correlation multipliers that depend on the rating of the sovereign where the CDO portfolio is domiciled. For sovereigns with weaker credit ratings, the increased default risk of the sovereign implies that the corporate assets have comparatively more systemic risk, which increases their interdependency. Therefore, correlation multipliers are higher for a lower-rated sovereign than for a higher-rated sovereign. For the cash flow analysis, the recovery levels are commensurate with a severe level of stress for the tranches rated above the sovereign. (The applicable correlation multipliers are shown in table 5.) Table 5 Correlation Multipliers SOVEREIGN RATING MULTIPLIER AAA 1.00 AA+ 1.00 AA 1.00 AA- 1.00 A+ 1.05 A 1.05 A- 1.05 BBB+ 1.10 BBB 1.10 BBB- 1.10 BB+ 1.20 BB 1.20 BB- 1.20 B+ 1.30 B 1.30 B- 1.30 Note: These multipliers assume a relatively diversified pool by industry. 82. For CDOs, two sets of scenario default rates (SDRs) are computed using our CDO Evaluator model. In the first set of SDRs, no additional sovereign stress is applied. In the second set of SDRs, sovereign stress is applied by increasing the asset correlation for each pair of assets by a correlation multiplier. The correlation multiplier is applied for securities rated above the sovereign rating. The correlation multiplier is based on the sovereign rating of the country of domicile of the portfolio. The pairwise adjusted correlation is capped at the greater of 90% and the original correlation. The SDRs for rating the CDO at or below the sovereign rating are taken from the first set of SDRs. The SDRs used to rate the CDO above the sovereign rating are the maximum of the SDRs from the first and second sets. Small and medium-size enterprises (SMEs) 83. For SMEs, we take the same approach as ABS and RMBS, and the sovereign default stress typically equates to the current SME standard run 'A' stress. Multicedulas 84. Our ratings on multicedulas bonds are driven by the credit quality of the weakest asset in a given pool (see "Methodology And Assumptions For Rating Spanish Multicedulas," March 31, 2015). We assess the ability of each underlying asset to withstand a sovereign default as part of our analysis. If any asset in the pool is unable to withstand this stress, then the multicedulas bonds rating is no higher than the sovereign rating. Conversely, for the multicedulas bonds to be rated above the sovereign, all of the assets in the pool must be able to withstand a sovereign default scenario. Asset-backed commercial paper (ABCP) 85. For ABCP programs that are not exposed to credit risk on the underlying assets (typically full-support programs), we do not apply these criteria at the conduit level on the basis that the ABCP program rating is limited to no higher than that of the liquidity provider, for which a separate analysis of sovereign risk applies. For ABCP programs that are exposed to credit risk on the underlying assets (typically partial-support programs), these criteria apply when conducting the credit analysis on the underlying assets or other credit-related opinion on the assets, but are not applied at the conduit level. Future-flow securitizations 86. If a majority of the assets backing the future-flow securitization are considered to have high sensitivity to country risk (e.g., foreign direct investment), we apply the higher of (1) our projected losses after applying our country-specific criteria at each rating level up to the maximum rating differential above the sovereign and (2) our projected losses assuming a severe level of stress by applying these criteria. The security's rating is capped at two notches above the sovereign rating. If a majority of the assets backing the securitization are considered to have moderate sensitivity to country risk (for example, export flows or remittances, which we would expect to increase under a severe stress scenario), we apply our sector-specific criteria without applying any additional stress (see "Global Methodology And

Assumptions For Nonfinancial Future Flow Transactions," Jan. 16, 2020, and "Global Financial Future Flow Transaction Methodology And Assumptions," Nov. 14, 2011). Appendix III: Detailed Application Considerations For Multijurisdictional Pools 87. For multijurisdictional asset pools, the application of the criteria differs for diversified and nondiversified portfolios (paragraphs 40-60). Here we set out some examples of the application of the criteria. Example 1--CDOs 88. In a multijurisdictional pool, a portion of assets is domiciled in a country rated 'A' that has a T&C; assessment of 'AA'. The thresholds associated with the sovereign rating and T&C; assessment are 20% and 25%, respectively. We apply the 20% in our analysis. Table 3 shows the diversification thresholds. 89. If the pool has a 20% exposure to the 'A' rated country, no additional stress is applied to that exposure because it is within the diversification threshold of 20%, at any liability rating (notwithstanding the supplemental tests). Only where assets in the country exceed the threshold ("excess exposure") do we apply the sovereign stress scenario to the excess exposure multiplied by a stress factor. 90. The stress factors associated with the sovereign rating and T&C; assessment in this example are 1.25 and 1.35, respectively. In this case, we apply 1.25 in the analysis. Table 4 shows the stress factors applied. 91. The application of the sovereign stress to the excess exposure is also dependent on the liability rating and the sensitivity of the transaction. In this example, assume the sensitivity has been deemed 'moderate'; we only apply the stress if the liability rating is between 'A+ and AA'. The liability rating can theoretically be 'AA+' or higher, but we give no credit to the excess exposure. 92. In this example, we can assign ratings higher than the sovereign T&C; assessment of 'AA'. Because the exposure is less than the 'AA' threshold, there is no T&C; excess stress. If the exposure had been more than 25% for any liability rating higher than 'AA', no credit would be given to the stressed excess exposure. Example 2--Aircraft ABS 93. A multijurisdictional aircraft lease pool includes a portion of 17% of lessees (by lease balance) domiciled in a country rated 'BB' that has a T&C; assessment of 'BBB'. The remaining 83% of lessees are domiciled in countries rated 'AA-' or higher with a T&C; assessment of 'AAA'; therefore, the sovereign stress scenario and supplemental tests only apply to the exposure to the 'BB' rated country. We assess the aircraft leases' sensitivity to sovereign default risk as 'moderate'. Therefore, the maximum differential above the sovereign rating is four notches. Table 6 illustrates how we determine the default rate assumption for each component of this analysis. In each case, and at all rating levels, recovery rates are not subject to sovereign stress assumptions because aircraft are movable assets and following a lessee default, the aircraft can be re-leased across borders. Table 6 Default Rate Assumptions SOVEREIGN STRESS SCENARIO We apply the sovereign stress scenario to a balance of 7.8% of the pool (the excess exposure of 7% above the diversification threshold of 10%, multiplied by a stress factor of 1.12--see tables 3 and 4 for a 'BB' sovereign rating). At liability ratings higher than the sovereign rating and up to the maximum differential, i.e. from 'BB+' up to 'BBB+', we apply the sovereign stress scenario by increasing the correlation factor assumed between assets, as described for single-jurisdiction CDOs in paragraphs 81 and 82. We scale the correlation multiplier from table 5 to capture the portion of the country exposure to which the stress scenario is applied. At liability ratings higher than the maximum differential (i.e. 'A-' and above), we assume in addition that the whole 7.8% balance defaults. T&C; STRESS SCENARIO We apply the T&C; stress scenario to a balance of 2.4% of the pool (the excess exposure of 2% above the diversification threshold of 15%, multiplied by a stress factor of 1.20--see tables 3 and 4 for a 'BBB' T&C; assessment). We apply standard assumptions for the remaining exposure to lessees in that country of 14.6%. At liability ratings higher than the sovereign T&C; assessment, i.e. at 'BBB+' and above, we assume that the whole 2.4% balance defaults. LARGEST SOVEREIGN DEFAULT TEST At liability ratings higher than the maximum differential (i.e. 'A-' and above), we assume that the whole 17% balance defaults. LARGEST T&C; TEST At liability ratings higher than the sovereign T&C; assessment, i.e. at 'BBB+' and above, we assume that the whole 17% balance defaults. Example 3--Covered Bond Program Backed By A Multijurisdictional Pool 94. A covered bond program is issued by a bank domiciled in a country (Country 1) rated 'AA-', and is backed by a cover pool of public sector assets. Eighty-five percent of these assets are located in Country 1, and the remaining 15% are located in Country 2, rated 'A+.' Both countries have a T&C; assessment of 'AAA' (therefore, the 'largest T&C; test' does not apply). In this example, there are no other rating constraints before considering sovereign default risk. 95. Our analysis of sovereign default risk in covered bonds considers both the impact on refinancing risk (based on the

issuer's country of domicile) and asset default risk (based on the location of the assets): In this example, the issuer's country of domicile (Country 1) is part of a monetary union and the covered bond program's refinancing risk is covered for less than 12 months. Therefore, under table 2 of these criteria, the refinancing risk assessment is 'moderate,' which leads to a maximum uplift of four notches above the 'AA-' rating on the sovereign of the issuer's domicile. This results in no constraint to the covered bond rating. Asset default risk is captured through the largest sovereign test. This test applies to sovereigns rated 'A+' and below, and therefore in this example only applies to Country 2. We assess the public sector assets' sensitivity to sovereign default risk as 'high.' Therefore, according to table 1, we apply the test for covered bond ratings of 'AA+' and 'AAA'. We assume that all assets located in Country 2 (i.e. 15% of the total pool) default, with no recoveries. If the covered bond program's available credit enhancement is sufficient to withstand this level of defaults, the covered bond program can support up to an 'AAA' rating. Otherwise, the covered bond rating can be no higher than 'AA'. REVISIONS AND UPDATES This article was originally published on Jan. 30, 2019. Changes introduced after original publication: On March 30, 2020, we republished this criteria article to make nonmaterial changes. We updated certain criteria references, removed a reference to the effective date, and removed the "Impact On Outstanding Ratings" section. On March 12, 2021, we republished this criteria article to make nonmaterial changes. Specifically, we made changes to add transparency to our analysis of sovereign risk in rating covered bonds. We clarified that the approach in paragraph 39 applies specifically to single-jurisdiction exposures where the issuer and cover pool assets have the same domicile. We clarified the approach to multijurisdiction covered bonds analysis in paragraph 58. In addition, we updated or removed out-of-date criteria references. On Jan. 26, 2022, we republished this criteria article to make nonmaterial changes by adding Appendix II and Appendix III. As announced in "Evolution Of The Methodologies Framework: Introducing Sector And Industry Variables Reports," published Oct. 1, 2021, we are phasing out guidance documents over time. As part of that process, we have archived "Guidance: Incorporating Sovereign Risk In Rating Structured Finance Securities: Methodology And Assumptions," published on Jan. 30, 2019. The guidance content now included in Appendix II and Appendix III of the criteria was moved without any substantive changes. In addition, we made editorial changes to improve readability and updated the "Related Publications" section. On March 8, 2023, we republished this criteria to make nonmaterial changes by adding further examples of the application of the criteria to multijurisdictional aircraft lease ABS and covered bonds in Appendix III. We also clarified that the diversification threshold approach does not apply to covered bonds (in paragraphs 13 and 41) or nondiversified portfolios (in paragraph 13) and clarified the language in paragraph 25 and chart 1 addressing situations where the rating is limited to no higher than the relevant sovereign rating. In addition, we updated criteria references and contact information. RELATED PUBLICATIONS Superseded Criteria The following criteria are fully superseded by the criteria outlined in this article: Ratings Above The Sovereign - Structured Finance: Methodology And Assumptions, Aug. 8, 2016 Weighing Country Risk In Our Criteria For Asset-Backed Securities, April 11, 2006 In addition, the commentary article "Credit FAQ: Questions And Answers About Rating Single-Jurisdiction Securitizations Above The Sovereign," published May 29, 2015, is no longer up to date. Related Criteria Global Methodology And Assumptions For CLOs And Corporate CDOs, June 21, 2019 Counterparty Risk Framework: Methodology And Assumptions, March 8, 2019 Global Methodology And Assumptions: Assessing Pools Of Residential Loans, Jan. 25, 2019 Foreign Exchange Risk In Structured Finance--Methodology And Assumptions, April 21, 2017 Guarantee Criteria, Oct. 21, 2016 Methodology And Assumptions For Rating Spanish Multicedulas, March 31, 2015 Covered Bonds Criteria, Dec. 9, 2014 Methodology And Assumptions For Assessing Portfolios Of International Public Sector And Other Debt Obligations Backing Covered Bonds And Structured Finance Securities, Dec. 9, 2014 Ratings Above The Sovereign--Corporate And Government Ratings: Methodology And Assumptions, Nov. 19, 2013 Country Risk Assessment Methodology And Assumptions, Nov. 19, 2013 Global Methodology And Assumptions For Calculating Programwide Credit Enhancement In Multiseller ABCP Conduits, Feb. 14, 2013 Global Financial Future Flow Transaction Methodology And Assumptions, Nov. 14, 2011 Principles Of Credit Ratings, Feb. 16, 2011 Criteria For Determining Transfer And Convertibility Assessments, May 18, 2009 Global Asset-Backed Commercial Paper Criteria, Sept. 29, 2005 Related Guidance ARCHIVE: Guidance: Incorporating Sovereign Risk In

Rating Structured Finance Securities: Methodology And Assumptions, Jan. 30, 2019 Related Research S&P; Global Ratings Definitions Evolution Of The Methodologies Framework: Introducing Sector And Industry Variables Reports, Oct. 1, 2021