

Friday, 23 February 2007

EUROPEAN STRUCTURED FINANCE MONITOR

- Bristol & West announces GBP 5bln UK RMBS
- Permanent beats guidance to price EUR Triple A at 9bp
- Deutsche Bank to debut in UK non-conforming, joins Landmark and Newgate programmes in pipeline
- Italease prices heavily covered at 12bp, moves tighter still in secondary

Primary round-up for week of February 19

The underlying tone in the market is one of strength and the feel of being well placed to cope with whatever comes its way. And this sentiment stood a number of originators in good stead this week as tight pricing was achieved on a number of tranches.

In the UK market a selection of deals are trading inside 10bp in the secondary market at the 4-5-year area, and while a few recent new RMBS got close to breaking through the 10bp barrier it proved a push too far. Although it has to be said that the positive reception afforded to the likes of Granite and Kildare has pushed them inside 10bp in the secondary market.

HBOS on Thursday became the first originator in recent times to breach the 10bp threshold when **Permanent Master Issuer 2007-1** priced its EUR 1.5bln 4.75-year Triple A note at 9bp having been talked at 10bp area. Deutsche Bank, Lehman Brothers and UBS managed the process.

At the start of the year a lack of supply meant that the secondary market was the main focus, but as the pipeline begins to build the onus is once again on the primary market to provide some impetus to secondary trading.

And with deals being so heavily oversubscribed the follow trading in secondary is inevitable. As mentioned above Kildare has tightened post launch, as have AyT Kutxa and Storm 2007-1 RMBS to name but a few.

Whether there is room for Permanent to move much tighter in secondary is debatable given that it priced at 9bp where some market players had expected it, but all parties involved in the deal will no doubt be pleased at having managed to price at the tight end, or through guidance, while upsizing the deal by almost 20% to GBP 4.45bln simultaneously.

Nonetheless, the EUR tranche has ticked higher and was said to have traded at 100.01 on Thursday afternoon. The longer GBP bonds, which had a 5.76-year average life and were upsized to GBP 650mm from GBP 500mm, enjoyed a similar process as the EUR notes by pricing tight – talked at 11bp area, the notes came at 10bp, which was a basis point inside where Granite 2007-1 priced in January.

The transaction was flagged a couple of weeks in advance, but once it was formally announced the turnaround was relatively quick, which is a reflection of the comfort that issuers feel when approaching the market. In fact, despite record volumes being posted year-to-date, market participants are still expecting a lot more.

And while several investors were reported to be upset by the unavailability of mezzanine paper from the Permanent structure, this may be something they will have to get used to.

Although Permanent deals have long included regulatory calls in anticipation of Basel 2 implementation, HBOS had previously indicated to the market that Triple A notes would not be called, and that no call would be exercised on mezzanine paper before 2009 or 2010.

The bank is still working out its post-Basel 2 position in respect of securitisations, but may well conclude that it no longer makes sense to have lower-rated bonds outstanding.

And it has preplaced the 2.88-year and 4.88-year mezzanine bonds from the latest Permanent with a single investor, on the basis that they may well be called next year. If they are not called, the coupons will step up to levels more in line with market pricing for longer-dated paper.

The two mezzanine tranches that were on offer – short-dated 0.88-year USD pieces rated Aa3/AA/AA and Triple B, priced at 5bp and 17bp respectively.

The preplaced bonds are two GBP 83.6mm 2.88-year tranches which came at 11bp for the Aa3/AA/AA layer and 35bp for the Triple Bs, and two 27.4mm 4.88-year tranches, at 13bp and 40bp for the Aa3/AA/AA and Triple B levels respectively.

At the same time as Permanent pricing a GBP 5bln trade was announced for Bank of Ireland subsidiary Bristol & West.

But despite the deals crossing paths there were no signs of the kind of negative effect that would have been anticipated at the end of last year from a GBP 5bln deal being announced just before a another GBP 4.45bln deal had priced.

Bristol & West's deal, **Brunel Residential Mortgage Securitisation No.1**, follows on another RMBS from a BOI subsidiary (the Kildare Irish RMBS) and will be brought to market via the same lead manager panel of Barclays Capital, Citigroup and Deutsche Bank.

Unlike the established UK issuers such as Permanent, Holmes, Granite the new Brunel deal has a less typical prime feel to it as it securitises a combination of prime (36%), buy-to-let (35%) and prime self-certified mortgages (29%).

Mammoth capital structures are commonplace in the UK RMBS market and Brunel follows suit with 16 tranches disclosed. Half are rated Triple A or equivalent (Class A3 is a F1+/P1/A1+ rated remarketable note) and the average lives range from 0.78-years at the short end down to 4.4-years.

As with Permanent, the marketing process is expected to be fairly swift as it is expected to launch next week.

CAM will keep the Spanish RMBS market ticking over following the pricing of **BBVA RMBS 1 FTA**. The new deal is the EUR

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1.7128bln **TDA CAM 8** that will market via CAM, Calyon, Dexia and Merrill Lynch.

TDA CAM 8 includes a EUR 1.635bln 5.13-year Triple A class, followed by a split rated Aa3/A/A tranche and a Baa1/BBB/BBB tranche.

BBVA priced its EUR 2.5bln RMBS **BBVA RMBS 1 FTA** via itself, HSBC, RBS and SG. On the back of a strong investor response lead revised price guidance tighter before pricing on Tuesday.

The final levels may not have been at the tight end of the new range, the Triple As priced at 5bp and 13bp after talk of 12-13bp for the latter for example, but it is nonetheless in line with AyT Kutxa Hipo II from two weeks ago and reflects the continued progress of the Spanish market in terms of shedding a few of the basis points it widened by in Q406.

One deal that priced easily within guidance was the EUR 1.7bln Italian lease ABS from Banca Italease and Mercantile Leasing.

Italfinance 2007-1 included a decent sized EUR 1.44bln 4.5-year Triple A that was 2.75 times covered at initial guidance of 13bp area.

And having priced at 12bp, the tranche was still 1.75 times done. The EUR 125mm Single A tranche was 4.5 times covered at guidance of low 30s and shaved a few basis points off that to price at 28bp, and was still 3.25 times done at the final level.

Lead manager BNP Paribas cited a lack of competing supply as a factor for this deal's success, saying it had received optimum focus from investors, in conjunction with investor familiarity with the Italease name and track record in the lease securitisation market.

By Thursday afternoon, the Triple A note had moved tighter still and was quoted around a basis point tighter at 100.03/04.

In early December Locat, another benchmark issuer in the lease market, priced its Locat 4 Triple As at 16bp with a 4.93-year average life, and comparing this to where Italfinance has priced is a reflection of how far the market has moved the last few weeks.

Italfinance also knocked 7bp off Locat's Single A print and 5bp off the Triple B level by pricing at 55bp.

Non-conforming RMBS paper has also performed well in the secondary market since the turn of the year and supply is also picking up.

Two deals priced only to be replaced by three new additions to the pipeline. Lehman Brothers and JP Morgan priced **Eurosail-UK 2007-1** and **Great Hall Mortgages 2007-1** respectively. Despite the tumult in the US sub-prime market at present, these deals progressed with little fuss.

In the case of Eurosail Southern Pacific, the mortgages are originated by Preferred Mortgages and the London Mortgage Company provided the collateral and in Great Hall Mortgages, it was Platform Funding that originated the mortgages.

With only 35.4% of the portfolio characterised as non-conforming, Great Hall priced tighter than Eurosail across the mezzanine tranches as well as the shortest Triple A note.

Eurosail priced its 0.93-year Triple A note at 7bp, followed by 13bp for its 1.92-year and 16bp for its 4.17-year. Great Hall on the other hand came at 5bp with a 0.67-year average life and 13bp with a 3.29-year average life.

There was a differential between the EUR and GBP mezz bonds, for example Eurosail's EUR Baa1/BBB note priced at 84bp while the GBP came at 89bp. Great Hall's Baa3/BBB EUR-denominated bond achieved a spread of 72bp while the comparable GBP tranche was 6bp back at 78bp.

Two of the three new non-conforming deals in the pipeline also pool mortgages not originated by the investment bank that had established the platform.

Newgate Funding 2007-1 via Merrill Lynch, for example, securitises mortgages lent by Mortgages plc. And **Landmark Mortgage Securities 2**, via Barclays Capital, is a deal for Investec Bank that pools mortgages bought by Unity Homeloans and Infinity Mortgages from Amber Homeloans.

The former is GBP 575mm in size and includes freehold and leasehold owner occupied, right-to-buy and buy-to-let properties. The latter is GBP 350mm in size, and includes owner occupied and buy-to-let mortgages.

The third and final deal to be announced from this sector this week marks the debut from Deutsche Bank as an originator in the UK non-conforming market.

Through **Eurohome UK 07-1**, DBUK Bank is securitising a pool of near prime and prime owner occupied and buy-to-let mortgages.

Activity in the commercial sector also picked up this week as one deal priced, another was announced and guidance released on a third.

Hypo Real Estate Bank International returned to the synthetic CMBS arena to price **Estate UK-3**, a deal referencing 13 loans on 110 properties, via bookrunner Calyon and joint lead Hypo International.

The portfolio totals GBP 596.1mm and the majority of the risk transfer is achieved through a GBP 482.45mm super senior swap. The split rated Aa1/AAA 5.1-year tranche priced wide of 20bp area guidance at 22bp, although all remaining tranches hit price talk. The main property types are retail (36%), office (20%) and car showrooms (11%).

Also from the UK, Deutsche Bank released guidance on its GBP 672mm **Deco 12-UK4** CMBS, which is backed by 10 loans on 41 properties.

The three times Triple A rated GBP 475mm Class A1 note is talked at a punchy 17bp area, while the remaining tranches (all rated by S&P and Fitch only) are talked at 20-21bp for the Triple A, 27-28bp for the Double A, 45-48bp for the Single A and 80-85bp for the Triple B.

The new announcement came from regular commercial mortgage securitiser Morgan Stanley. **PanEU ELoC 25** is a EUR 1.2bln pan-European deal encompassing assets from France (40%), Germany (35%) and Italy (25%). Unusually for CMBS, the Triple A tranche tops EUR 1bln, EUR 1.035bln to be precise, with a 5.9-year average life. Roadshows end today, and it is expected to launch next week.

CDOs are also gathering momentum as five deals joined the pipeline, guidance was released on one and another priced. Four of the five new deals are leveraged loan CLOs - **Avoca CLO VII** via Deutsche Bank, **Bacchus 2007-1** and **RMF Euro CDO V** both via BNP Paribas and **Kintyre CLO I** via RBS for a total of just under EUR 2bln.

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The other deal is **Amalie 1**, a securitisation of Danish bank loans via JP Morgan. The deal has similarities with the German mezzanine capital CLOs such as Preps and HEAT, although those loans are originated to SMEs and not banks.

EUR 259.3mm of notes are expected to be sold in mid-March, and the proceeds used to originate the loans to 17 banks, whole small size make it difficult to access the capital markets.

Omicron Investment Management priced its EUR 1bn **Carnuntum High Grade I** high grade ABS CDO via West LB and in the SME CLO sector, Credit Suisse released price talk on its CHF 4.8bn **Clock Finance 1** partially funded synthetic – the Triple A notes are not offered but the Double As are talked at 20-low 20s.

RMBS

* Marketing is underway for **Brunel Residential Mortgages Securitisation No.1**, the GBP 5bn UK RMBS from the Bank of Ireland-owned **Bristol & West** via joint leads Barclays Capital, Citigroup and Deutsche Bank. Bank of Ireland and Davy are co-managers. The structure comprises 16 tranches, one of which is a 2a-7 remarketable note. Launch is expected next week. The capital structure is as follows:

CL	CCY	SIZE	F/M/S	WAL	LEGAL	INDEX
A1a	EUR	/	AAA/Aaa/AAA	0.78Y	01/39	3mEUR
A1b	GBP	-GBP1.5bln	AAA/Aaa/AAA	0.78Y	01/39	3mGBP
A1c	USD	\	AAA/Aaa/AAA	0.78Y	01/39	3mUSD
A2	USD	USD 1.05bln	AAA/Aaa/AAA	2.14Y	01/39	3mUSD
A3**	USD	USD 1.015bln	F1+/P1/A1+	0.76Y	01/39	1mUSD
A4a*	EUR	EUR 1.015bln	AAA/Aaa/AAA	4.29Y	01/39	3mEUR
A4c*	USD	USD 1.33bln	AAA/Aaa/AAA	4.29Y	01/39	3mUSD
A4b	GBP	GBP 675mm	AAA/Aaa/AAA	5.01Y	01/39	3mGBP
B4a	EUR	/	AA/Aa3/AA	4.40Y	01/39	3mEUR
B4b	GBP	-GBP 100mm	AA/Aa3/AA	4.40Y	01/39	3mGBP
C4a	EUR	/	A/A2/A	4.40Y	01/39	3mEUR
C4b	GBP	-GBP 165mm	A/A2/A	4.40Y	01/39	3mGBP
C4c	USD	\	A/A2/A	4.40Y	01/39	3mUSD
D4a	EUR	/	BBB/Baa2/BBB	4.40Y	01/39	3mEUR
D4b	GBP	-GBP 135mm	BBB/Baa2/BBB	4.40Y	01/39	3mGBP
D4c	USD	\	BBB/Baa2/BBB	4.40Y	01/39	3mUSD

* Class A4a/A4c ccy breakdown indicative, final tranching subject to demand.

** A3 is a 2a-7 remarketable note.

- Collateral: 36% prime, 35% buy-to-let and 29% prime self-cert.

* **Newgate Funding 2007-1**, the new GBP 575mm UK RMBS originated by **Mortgages plc** via Merrill Lynch, is backed by a pool of freehold and leasehold owner occupied, right-to-buy and buy-to-let mortgages and is available in multi-currency format. The capital structure is as follows:

CI	Size	M/S/F	Final	Index
A1	GBP 183.1mm	Aaa/AAA/AAA	Dec-50	3ML/E
A2	GBP 168.65mm	Aaa/AAA/AAA	Dec-50	3ML/E
A3	GBP 130.1mm	Aaa/AAA/AAA	Dec-50	3ML/E
M	GBP 14.4mm	Aa1/AAA/AAA	Dec-50	3ML/E
B	GBP 36.65mm	Aa3/AA/AA-	Dec-50	3ML/E
C	GBP 21.85mm	A3/A/A-	Dec-50	3ML/E
D	GBP 14.4mm	Baa3/BBB/BBB-	Dec-50	3ML/E
E	GBP 2.95mm	Ba2/BB/BB	Dec-50	3ML/E
F	GBP 2.9mm	Ba3/B/B	Dec-50	3ML/E

- Pools 5,329 mortgages with a 79.32% WAOLTV and 2.08-months seasoning according to pre-sale reports. 54.57% remortgage and 45.43% purchase.

* **Landmark Mortgages Securities 2**, a GBP 350mm UK RMBS, is readying for **Investec Bank**. The deal pools mortgages bought by Unity Homeloans and Infinity Mortgages from Amber

Homeloans. Barclays Capital is the arranger. The capital structure according to the pre-sale report is as follows:

Class	Size equiv	S/F	Final	Index
Aa	GBP 299.95mm	AAA/AAA	Jun 2039	3ML/E
Ac		AAA	Jun 2039	3ML/E
B	GBP 32.05mm	A/A	Jun 2039	3ML/E
Bc		A	Jun 2039	3ML/E
Ca	GBP 11.9mm	BBB/BBB	Jun 2039	3ML/E
Cc		BBB	Jun 2039	3ML/E
D	GBP 6.1mm	BB/BB	Jun 2039	3ML
E		nr	Jun 2039	3ML

- Pools first charge mortgages secured by freehold and leasehold owner-occupied and buy-to-let properties, according to S&P.

* **TDA CAM 8 FTA**, a EUR 1.7128bln Spanish RMBS from **CAM**, is readying via joint lead managers CAM, Calyon, Dexia and Merrill Lynch. Roadshows take place next week. The capital structure as follows:

CI	Size	F/M/S	CE	WAL*
A	EUR 1,635.4mm	AAA/Aaa/AAA	4.55%	5.13yrs
B	EUR 45.9mm	A /Aa3/A	1.85%	8.59yrs
C	EUR 18.7mm	BBB/Baa1/BBB	0.75%	8.59yrs
D	EUR 12.8mm	CC/Ca /CCC-	0	RETAINED

* WAL assumes 13% CPR and 10% clean-up call. Legal final Feb 2049.

- Pools 19,491 mortgages with 28.7-months seasoning and a 68.4% WA LTV.

* **Deutsche Bank** has announced the first RMBS from its UK subsidiary **DBUK Bank**. The GBP 350mm transaction, **Eurohome UK 07-1**, pools buy-to-let and owner-occupied residential mortgages. Deutsche Bank is sole lead.

CI	Size	WAL	Prin win	S/F	Index
A	GBP 299.425mm	2.6 YRS	06/07-06/13	AAA/AAA	3ML
M1	GBP 19.425mm	3.2 YRS	06/09-06/13	AA/AA	3ML
M2	GBP 13.650mm	4.3 YRS	09/09-06/13	A/A	3ML
B1	GBP 15.750mm	4.3 YRS	09/09-06/13	BBB/BBB	3ML
B2	GBP 1.750mm	4.3 YRS	09/09-06/13	BB/BB	3ML
C	GBP 4.725mm	2.4 YRS	09/08-12/09	BB/BB	3ML

- Portfolio comprises 91% "near prime" and "prime+" mortgages, and 9% mortgages to borrowers with one or more CCJ.

- 53% buy-to-let, 47% owner occupied.

- Priced to 15% CPR for 12 months and 35% CPR thereafter and 10% clean up call.- MERCS and residual also offered.

* RBS and Standard Bank have been mandated as joint bookrunners for the repackaging of a South African RMBS from **Standard Bank**. This will be the fourth issue from the programme, but the first South African RMBS to be repackaged and issued in EUR. The EUR 250mm issue, **Blue Granite International**, roadshows next week.

On February 26 the roadshows visits London, London and Dublin on the 27th, Germany and Austria on the 28th, France and the Netherlands on March 1st and as yet unspecified centres on the 2nd.

* **Fitch** has announced two new tools which it says will increase transparency in the UK non-conforming RMBS sector. **Deal Compare** is a reporting tool providing users with the ability to compare asset and liability characteristics of the UK non-conforming market more easily, says the agency.

Fitch's **Presale Model** allows users to interact with the UK RMBS Default model that Fitch uses in its analysis and which reflects data contained in the presale report for each non-conforming RMBS.

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"Deal Compare allows quick analysis and comparison of the metrics that drive the ratings for numerous transactions at one time," said Gregg Kohansky, Senior Director, Fitch Ratings. "It provides an efficient means to benchmark new transactions and helps to improve investor internal committee processes. Deal Compare also makes possible the comparison of all issuances from one originator over a specified time period."

"The Presale Model allows investor interaction with the loan pool data and provides access to Fitch's assumptions. Users can flex Fitch's assumptions to test gross credit enhancement levels at all rating categories on a deal by deal basis," added Alastair Bigley, Director, Fitch Ratings.

CMBS

* Price guidance has been released on **Deutsche Bank's** GBP 672mm UK CMBS from its Deco programme. **Deco 12-UK4** is backed by 10 loans primarily on retail properties, and is expected to price the end of this week or early next. The capital structure is as follows:

Class	Size	M/S/F	WAL	Guidance
A1	GBP 475mm	Aaa/AAA/AAA	6.8y	3ML+17bp area
A2	GBP 115mm	nr/AAA/AAA	9.6y	3ML+20-21bp
B	GBP 35mm	nr/AA/AA	9.6y	3ML+27-28bp
C	GBP 28mm	nr/A/A	9.6y	3ML+45-48bp
D	GBP 16mm	nr/BBB/BBB	9.6y	3ML+80-85bp
E	GBP 2.75mm	nr/BBB-/BBB-	9.6y	n/a
F	GBP 1.13mm	nr/BB/BB	7.1y	n/a

* **Morgan Stanley** has announced a EUR 1.2bn pan-European CMBS from its ELoC programme. **PanEU ELoC 25** is expected to price next week. Capital structure as follows:

CI	Size	S/M	C/E	WAL	Exp	Legal	Bmk
A	EUR 1.035bln	AAA/Aaa	16.9%	5.9y	Aug-16	Aug-19	3ME+
X	EUR 0.05mm	AAA/Aaa	n/a	n/a	Aug-16	Aug-19	VRN
B	EUR 60mm	AA/Aa2	12.1%	5.7y	Aug-16	Aug-19	3ME+
C	EUR 63mm	A/A2	7.0%	6.2y	Aug-16	Aug-19	3ME+
D	EUR 46mm	BBB/Baa	33.3%	8.2y	Aug-16	Aug-19	3ME+
E	EUR 20mm	BBB/-	1.7%	8.2y	Aug-16	Aug-19	3ME+
F	EUR 14.6mm	BBB/-	0.6%	8.2y	Aug-16	Aug-19	3ME+
G	EUR 7.0mm	BB/-		8.2y	Aug-16	Aug-19	3ME+

- Pools 16 loans on 216 properties in France (40%), Germany (35%) and Italy (25%). Over 400 tenants. 50% IG by rent including EDF, GE, State Street, Gucci and VW. 50% office, 28% retail, 13.2% office/retail, 6.4% multifamily and 1.8% leisure. 98% occupancy, 66.1% Day 1 LTV. 1.9x Day 1 ICR.

CDOs

* **Avoca Capital Holdings** is readying a EUR 700mm leveraged loan CLO via Deutsche Bank. **Avoca CLO VII** is targeting a minimum 85% senior secured loans. The preliminary capital structure is as follows:

CL	SIZE	Fitch	CE	Final	Index
A-1	EUR 405.5mm	AAA	42.07%	2024	Euribor
A-2	EUR 86.0mm	AAA	29.79%	2024	Euribor
B	EUR 48.5mm	AA	22.86%	2024	Euribor
C	EUR 46.5mm	A	16.21%	2024	Euribor
D	EUR 31.5mm	BBB	11.71%	2024	Euribor
E	EUR 31.0mm	BB	7.29%	2024	Euribor
F	EUR 14.0mm	B	5.29%	2024	Euribor
G	EUR 48.0mm	nr			

- Up to 15% mezzanine loans and high yield bonds (max 5%) according to the presale report.

* JP Morgan has announced **Amalie 1 Ltd**, an innovative securitisation of loans to 17 small Danish banks. The deal has some similarities with the mezzanine capital style securitisations pioneered by CEG's Preps series, although those deals provide funding to SMEs rather than banks. Amalie will provide loans to 17 Danish banks, whose small size might otherwise make capital markets access difficult. Pricing for the EUR 259.3mm deal is expected early to mid March.

CI	Size	Moody's	WAL	Legal	Index
A	EUR 94mm	Aaa	5.0yr	2015	6ME
B	EUR 38mm	Aa2	5.0yr	2015	6ME
C	EUR 33mm	A2	5.0yr	2015	6ME
Jnr	EUR 94.3mm	NR			PREPLACED

- Portfolio notional: EUR 255mm.
 - 17 obligors, all regulated by the Danish FSA. All bank names and summary details are available to investors.
 - Average obligor concentration 5.9%, maximum 15.7%.

* **Kintyre CLO I**, a EUR 350mm leveraged loan CLO managed by **Plemont Portfolio Managers**, is readying via RBS. RBS CDO Fund and Investment Group also acts as collateral advisor. The capital structure is as follows:

Class	Size	S&P	Final	Index
A	EUR 239.75mm	AAA	2023	6ME
B	EUR 20.3mm	AA	2023	6ME
C	EUR 21.7mm	A	2023	6ME
D	EUR 19.95mm	BBB-	2023	6ME
E	EUR 11.55mm	BB-	2023	6ME
Sub	EUR 36.75mm	nr	2023	6ME

- Portfolio weighted average rating B. 258bp minimum spread. 6-month ramp-up. Up to 25% of the portfolio may be non-EUR assets. Minimum 90% senior secured loans. Three largest concentrations are France (30.69%), Spain (22.81%) and UK (21.55%) according to S&P.

* **Bacchus 2007-1**, a EUR 400mm leveraged loan CLO from **IKB**, is readying via BNP Paribas. The capital structure is as follows:

Class	Size	M/S	CE	WAL
A-1(R)	EUR 80mm	Aaa/AAA	31.9%	9.4yrs
A-2	EUR 197.4mm	Aaa/AAA	31.9%	9.4yrs
B	EUR 32mm	Aa2/AA	24%	10.5yrs
C	EUR 23mm	A2/A	18.4%	10.5yrs
D	EUR 22.6mm	Baa3/BBB-	12.9%	10.5yrs
E	EUR 11mm	Ba3/BB-	10.16%	10.5yrs
Sub	EUR 41.4mm	NR/NR		

-Mid cap lev loan CLO.

* Price talk is out for **Preps 2007-1**, the sixth mezzanine capital CDO from **Capital Efficiency Group**. UniCredit and JP Morgan are joint leads. The deal is worth EUR 251mm and pools mezzanine capital debt to 53 companies in seven countries. Pricing is expected next week.

The capital structure is as follows:

CI	Size	M/F	WAL	Index
A1	EUR 188mm	Aaa/AAA	6.8 yrs	6ME+33-35bp
B1	EUR 36mm	A2/A	7.0 yrs	6ME+mid 80s
Jnr	EUR 27mm	nr/nr	n/a	Preplaced

- Average pool rating Baa3.edf based on Moody's KMV RiskCalc.
 - Obligors from Germany, Italy, Switzerland, Belgium, Austria, UK, Luxembourg and the Netherlands.
 - Single obligor concentration: 3.8%.

* Price guidance has been released on **Clock Finance 1**, the CHF 4.8bln synthetic SME CLO from **Credit Suisse**. CHF 388.8mm of

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funded notes will be sold from the structure, which includes a CHF 4.1256bln super senior swap and CHF 153.6mm unrated notes that are not offered. Pricing is expected this Friday. The capital structure is as follows:

CI	Size eqiv	S/M/F	WAL	Index
Sen	CHF 4,125.6bln	AAA/Aaa/AAA	6.0y	Not Offered
A	CHF 132.0mm	AAA/Aaa/AAA	6.0y	Not Offered
B	CHF 93.6mm	AA/Aa2/AA	6.0y	3mL/E+20-low 20s
C	CHF 98.4mm	A/A2/A	6.0y	3mL/E+40-low 40s
D	CHF 91.2mm	BBB/Baa3/BBB+	6.0y	3mL/E+70-low 70s
E	CHF 65.3mm	BB/Ba3/BB+	6.0y	3mL/E+275-300bp
F	CHF 40.3mm	B/B3/B	6.0y	3mL/E+575-600bp
G	CHF 153.6mm	- Unrated		Not Offered

- Classes B, C, D, E and F expected to be issued in EUR and CHF.

ABS

* Price guidance has been released for the USD 400mm equivalent Turkish diversified payment rights securitisation from **Yapi Kredi Bankasi**. The deal, **Yapi Kredi DPR Finance Co**, is led by joint books Standard Chartered and UniCredit Group. The deal is split into two tranches, denominated in EUR and USD, wrapped to Triple A by FGIC and XLCA respectively. Pricing is expected today or Monday .

Class	Size	M/S	Wrap	WAL	Guidance
2007-A	EUR 115mm	Aaa/AAA	FGIC	5.6y	3ME+20-21bp
2007-B	USD 250mm	Aaa/AAA	XLCA	5.6y	3ML+20-21bp

- Reg S only. Final maturity Feb 2015.
- Moody's says the underlying rating on the two tranches is Baa2.
- On 2 October 2006 Yapi Kredi merged with Kocbank A.S., making it the fourth largest privately owned bank in Turkey in terms of assets.

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Primary market pricing details

RMBS						
22 Feb	RMS Series 2007-1HE (RAMS) via RBS					
Class	Size	S/M	WAL	Final	Coupon	Notes
A	EUR 260mm	AAA/Aaa	3.1y	Apr-39	3ME+13bp	Australian RMBS.
AB	EUR 15mm	AAA/Aa1	4.63y	Apr-39	3ME+19bp	
B	EUR 24mm	AA/Aa2	4.63y	Apr-39	3ME+26bp	
21 Feb	Permanent Master Issuer 2007-1 (HBOS) via Deutsche Bank/Lehman Brothers/UBS					
Class	Size	S/M/F	WAL	Guidance	Coupon	Notes
1A	USD 1bln	A-1+/P-1/F1+	0.88y	1ML-2bp area	1ML-2bp	Pools 100% first lien UK
1B	USD 43mm	AA/Aa3/AA	0.88y	3ML+6bp area	3ML+5bp	mortgages.
1C	USD 43mm	BBB/Baa2/BBB	0.88y	3ML+20-22bp	3ML+17bp	
2A1	USD 1.5bln	AAA/Aaa/AAA	2.88y	3ML+5bp area	3ML+5bp	
2A2	USD 1bln	AAA/Aaa/AAA	2.88y	PREPLACED	3ML+5bp	
2B	GBP 83.6mm	AA/Aa3/AA	2.88y	PREPLACED	3ML+11bp	
2C	GBP 83.6mm	BBB/Baa2/BBB	2.88y	PREPLACED	3ML+35bp	
3A	EUR 1.5bln	AAA/Aaa/AAA	4.75y	3ME+10bp area	3ME+9bp	
4A	USD 1.35bln	AAA/Aaa/AAA	4.75y	3ML+9bp area	3ML+8bp	
4B	GBP 27.4mm	AA/Aa3/AA	4.88y	PREPLACED	3ML+13bp	
4C	GBP 27.4mm	BBB/Baa2/BBB	4.88y	PREPLACED	3ML+40bp	
5A	GBP 500mm	AAA/Aaa/AAA	5.76y	3ML+11bp area	3ML+10bp	
21 Feb	Eurosail-UK 2007-1 (SPML/PML/LMC) via Lehman Brothers					
Class	Size	M/S/F	WAL	Guidance	Coupon	Notes
A1a	EUR 102.6mm	Aaa/AAA/AAA	0.93y	6-7bp	3ME+7bp	Pools non-conforming UK
A1c	GBP 148.0mm	Aaa/AAA/AAA	0.93y	6-7bp	3ML+7bp	mortgages originated by
A2a	EUR 152.5mm	Aaa/AAA/AAA	1.92y	12-13bp	3ME+13bp	SPML (45.7%), PML (37.8%)
A2c	GBP 50.0mm	Aaa/AAA/AAA	1.92y	12-13bp	3ML+13bp	and LMC (16.5%).
A3a	EUR 194.8mm	Aaa/AAA/AAA	4.17y	16-17bp	3ME+16bp	
A3c	GBP 100.0mm	Aaa/AAA/AAA	4.17y	16-17bp	3ML+16bp	
B1a	EUR 36.9mm	Aa2/AA/AA	4.21y	mid 20s	3ME+24bp	
B1c	GBP 20.0mm	Aa2/AA/AA	4.21y	mid 20s	3ML+24bp	
C1a	EUR 42.1mm	A1/A/A	4.21y	mid 40s	3ME+44bp	
D1a	EUR 23.25mm	Baa1/BBB/BBB	4.21y	mid-high 80s	3ME+84bp	
D1c	GBP 5.0mm	Baa1/BBB/BBB	4.21y	mid-high 80s	3ML+89bp	
DTc	GBP 16.10mm	NR/BBB+/BBB	0.59y	low-mid 80s	3ML+83bp	
E1c	GBP 5.60mm	Baa3/BB/BB	4.21y	NOT OFFERED	3ML+295bp	
ETc	GBP 9.10mm	NR/BB-/BB	1.18y	NOT OFFERED	3ML+295bp	
FTc	GBP 3.50mm	NR/B/B	2.37y	NOT OFFERED	3ML+600bp	
20 Feb	BBVA RMBS 1 (BBVA) via BBVA/HSBC/RBS/SG					
Class	Size	F/M	WAL	Revised	Coupon	Notes
A1	EUR 400mm	AAA/Aaa	0.86y	E+5bp	3ME+5bp	Pools prime Spanish residential
A2	EUR 1,400mm	AAA/Aaa	5.23y	E+12-13bp	3ME+13bp	mortgages with LTVs over 80%.
A3	EUR 495mm	AAA/Aaa	14.78y	PREPLACED	PREPLACED	Original WA LTV 95.5%. 20.9-months
B	EUR 120mm	A/Aa3	11.22y	E+28-30bp	3ME+30bp	seasoning.
C	EUR 85mm	BBB/Baa2	11.22y	E+52-54bp	3ME+54bp	
20 Feb	Great Hall Mortgages 2007-1 (Platform Funding) via JP Morgan					
Class	Size	F/M/S	WAL	Guidance	Coupon	Notes
A1a	GBP 55mm	AAA/Aaa/AAA	0.67y	3ML+6bp area	3ML+5bp	Backed by mixed pool of conforming,
A1b	EUR 139mm	AAA/Aaa/AAA	0.67y	3ME+6bp area	3ME+5bp	(24.2%) non-conforming (35.4%) and
A2a	GBP 264mm	AAA/Aaa/AAA	3.29y	3ML+14-15bp	3ML+13bp	buy-to-let loans (40.4%) originated
A2b	EUR 396mm	AAA/Aaa/AAA	3.29y	3ME+14-15bp	3ME+13bp	by Platform Funding. Current LTV
Ba	GBP 47.1mm	AA/Aa2/AA	4.87y	3ML+mid 20s	3ML+24bp	83.54%. 5.4-months seasoning.
Bb	EUR 55.6mm	AA/Aa2/AA	4.87y	3ME+mid 20s	3ME+22bp	47.75% London.
Ca	GBP 14mm	A/A2/A-	4.87y	3ML+mid 40s	3ML+43bp	
Cb	EUR 33.4mm	A/A2/A-	4.87y	3ME+mid 40s	3ME+40bp	
Da	GBP 19mm	BBB/Baa3/BBB-	4.87y	3ML+80bp area	3ML+78bp	
Db	EUR 22.9mm	BBB/Baa3/BBB-	4.87y	3ME+80bp area	3ME+72bp	
Ea	GBP 14.5mm	BB/Ba2/BB	4.87y	3ML+280-300bp	3ML+280bp	
CMBS						
22 Feb	Estate UK- 3 (Hypo Real Estate Bank International) via Calyon					
Class	Size	M/S	WAL	Guidance	Coupon	Notes
CDS	GBP 482.45mm					Partially-funded CMBS referencing a

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European Structured Finance Monitor

Friday, 23 February 2007

A1+	GBP 0.4mm	Aaa/AAA	4.7yr			portfolio of 13 loans on 110 UK
A2	GBP 29.8mm	Aa1/AAA	5.1yr	3ML+20bp area	3ML+22bp	properties.
B	GBP 35.76mm	Aa2/AA	5.1yr	3ML+30bp area	3ML+30bp	
C	GBP 24.56mm	A1/A	5.1yr	3ML+50-55bp	3ML+50bp	
D	GBP 8.24mm	A3/BBB	5.1yr	3ML+80-85bp	3ML+80bp	
E	GBP 14.92mm	Baa3/BBB-	5.1yr	3ML+90-95bp	3ML+92bp	

ABS

22 Feb Italfinance 07-1 (Banca Italease, Mercantile Leasing) via BNPP

Class	Size	F/M	WAL	Guidance	Coupon	Notes
A	EUR 1,442.4mm	AAA/Aaa	4.5y	3ME+13bp area	3ME+12bp	Pools 14,625 performing lease (27%).
B	EUR 125.0mm	A/A2	6.8y	3ME+low 30s	3ME+28bp	contracts originated by Banca Italease
C	EUR 84.3mm	BBB/Baa2	6.8y	3ME+55-60bp	3ME+55bp	(73% by value) and Mercantile Leasing
D	EUR 27.9mm	BBB-/Baa3	6.8y	3ME+75-80bp	3ME+75bp	(27%).
E	EUR 16.3mm	nr/nr				

21 Feb Discovery Education plc (Discovery) via RBS

Class	Size	M/S	WAL	Coupon	Spread	Notes
A	GBP 108.3mm	Aaa/AAA	18.2y	1.948% s/a	2.5% 2024+53bp	UK PFI to build six primary and two secondary schools in Dundee. Discovery is 49.2% owned by PFI Investors Ltd, 49.2% by Robertson Capital Projects and 1.6% by Dundee City Council.

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Near-term ABS/MBS/CDO pipeline

Type	Deal description
ABS	ADI (Ferrovial) BAA debt refinancing through whole business-style ABS – Citi/RBS
ABS	Raiffeisenbank Russia auto ABS planned
ABS	Yapi Kredi DPR Finance USD 400mm Turkish DPR ABS via StChart/UniCredit
CMBS	Cornerstone Titan 2007-1 EUR 1.32bln pan-Europe Credit Suisse conduit CMBS
CMBS	DECO 12-UK4 GBP 672mm UK CMBS via Deutsche Bank
CMBS	PanEU ELoC 25 EUR 1.2bln pan-Europe Morgan Stanley conduit CMBS
RMBS	Blue Granite Intl EUR 250mm Standard Bank South African RMBS repack
RMBS	Brunel Resi Mortgages Secn 1 GBP 5bln RMBS from Bristol & West – BC/Citi/DB
RMBS	BTA Ipoteka Kazakh RMBS via ABN Amro
RMBS	Crusade 2007-1G Global Australian RMBS for St George Bank
RMBS	Eurohome UK 07-1 GBP 350mm UK MBS from DBUK via DB
RMBS	Hermes XIII Dutch RMBS from SNS Bank mandated to BNPP and DB
RMBS	Landmark Mortgages Secs 2 GBP 350mm UK RMBS from Investec via Barclays
RMBS	Newgate 2007-1 GBP 575mm UK MBS from Mortgages Plc via Merrill
RMBS	Provide Bricks 2007-1 EUR 4bln synthetic Danish RMBS for Danske Bank via Barc
RMBS	TDA CAM FTA 8 EUR 1.7bln Spanish RMBS for CAM via CAM/Calyon/Dexia/ML
CDO	Ares planning European leveraged loan CLO via Deutsche Bank
CDO	Amalie 1 EUR 259mm CLO backed by loans to small Danish banks via JPM
CDO	Avoca CLO VII EUR 700mm leveraged loan CLO from Avoca via Deutsche Bank
CDO	Bacchus 2007-1 EUR 400mm leveraged loan CLO from IKB via BNPP
CDO	Clock Finance 1 CHF 4.8bln synthetic SME CLO from Credit Suisse
CDO	Dalradian European CLO III EUR 400mm lev loan CLO for Elgin Capital via GS
CDO	Dryden XV EUR 450mm leveraged loan CLO for Prudential Financial via Lehman
CDO	Eaton Vance CDO X USD 400mm leveraged loan CLO from Eaton Vance via Citi
CDO	Harvest CLO V EUR 550mm leveraged loan CLO from Mizuho via Barclays Capital
CDO	Hudson CLO 1 EUR 360mm leveraged loan CLO for Aladdin via Bear Stearns
CDO	Investec GBP 200mm CRE CDO via Bear Stearns
CDO	Jubilee 1R EUR 900mm leveraged loan CLO for Alcentra via JP Morgan
CDO	Kintyre CLO 1 EUR 350mm leveraged loan CLO for Plemont Portfolio Mgrs – RBS
CDO	Merlin CDO I EUR 95mm part-funded synthetic CDO for Hannover Re via SG
CDO	Pangaea ABS 2007-1 EUR 309.2mm ABS CDO for Investec Principal Finance – Bear
CDO	Penta CLO 1 EUR 405mm leveraged loan CLO from Partners Group via ML
CDO	PREPS 2007-1 EUR 251mm German hybrid capital CLO via Unicredit/JPM
CDO	Proventus ABS CDO I EUR 115mm synthetic CDO for Mizuho via Mizuho/ML
CDO	Regent Street Finance CDO EUR 2.1bln synthetic ABS CDO for KBC FP via KBC
CDO	RMF Euro CDO V EUR 450mm leveraged loan CLO for RMF via BNPP

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