

## International Special Report

# Latin American Structured Finance 2007 Year in Review and 2008 Outlook

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### ■ Summary

While the Latin American structured finance markets have been affected by the global credit crisis, it has not been to the same degree as other markets. The markets' overall issuance levels and collateral performance remained healthy during 2007. Even though residential mortgage-backed securities (RMBS) transactions make up the largest asset class within the region, the markets were not overly exposed to the performance issues of collateralized debt obligations (CDOs), structured investment vehicles (SIVs) and subprime mortgages.

Overall issuance volume for 2007 was approximately flat compared with 2006. However, there were significant pockets of growth, including Mexican RMBS, Argentine consumer loans and cross-border issuance, across various asset classes. On the cross-border side, issuance levels were affected by the global credit crisis that began in the third quarter of 2007. While actual issuance increased to \$4.6 billion in 2007 compared with \$3.7 billion in 2006, there was a significant dropoff during the second half of the year. The local markets were less affected during the second half of the year, but total issuance of \$15 billion in 2007 was lower than the previous year.

While the cross-border markets benefited from a strong first-half 2007 and local markets remained fairly insulated from the global credit crisis for most of 2007, the effects are starting to become more apparent in 2008. If the opening months of 2008 are any indication, issuance in Latin America will be challenged to grow significantly during the year. However, collateral performance within the region should remain stable.

### ■ Credit Trends and Events

Despite upheaval in the global credit markets, Latin America saw no major negative credit events in 2007. Strong commodity prices continue to support high export volumes and increase the stability of both Latin American nations and issuers. There were two negative rating actions in 2007; both a downgrade to Ecuador and the assignment of a Negative Outlook to Venezuela were tied to political risks. Despite these outliers, Latin American sovereign indicators improved and/or remained stable throughout 2007. Upgrades were assigned to Brazil, Colombia, Mexico and Uruguay, while Outlooks were revised upward for Bolivia, Chile, the Dominican Republic, Costa Rica and Peru.

As a reflection of the generally positive macroeconomic credit conditions, Fitch did not have a single downgrade within our cross-border structured finance portfolio in 2007. There were 18 upgrades to

individual tranches within Fitch’s Latin American portfolio. Following the upgrades on sovereign ratings within the year, certain structured transactions within those countries were also revised upward. The future flow programs of Petr leos Mexicanos S.A. (Pemex) and BBVA Bancomer benefited from an upgrade to the issuer default rating of Mexico. Additionally, the upgrade on the Colombian sovereign resulted in an upgrade to the Colombia World Bank guaranteed notes, which are sovereign obligations that benefit from a rolling one-year guarantee on principal and interest provided by the World Bank. Petroleo Brasileiro S.A. (Petrobras), the state-owned oil conglomerate from Brazil, also had the rating on its future flow program revised upward within 2007. In conjunction with Fitch’s continued surveillance of structured finance issues, the following three future flow transactions were upgraded this past year: the ticket receivables program of LAN Airlines, S.A.; the diversified payments rights program of Banco Salvadoreno; and the credit card receivables program from Banco del Istmo. Finally, notes issued by Brasil Telecom S.A., which benefit from a political risk insurance policy, were upgraded.

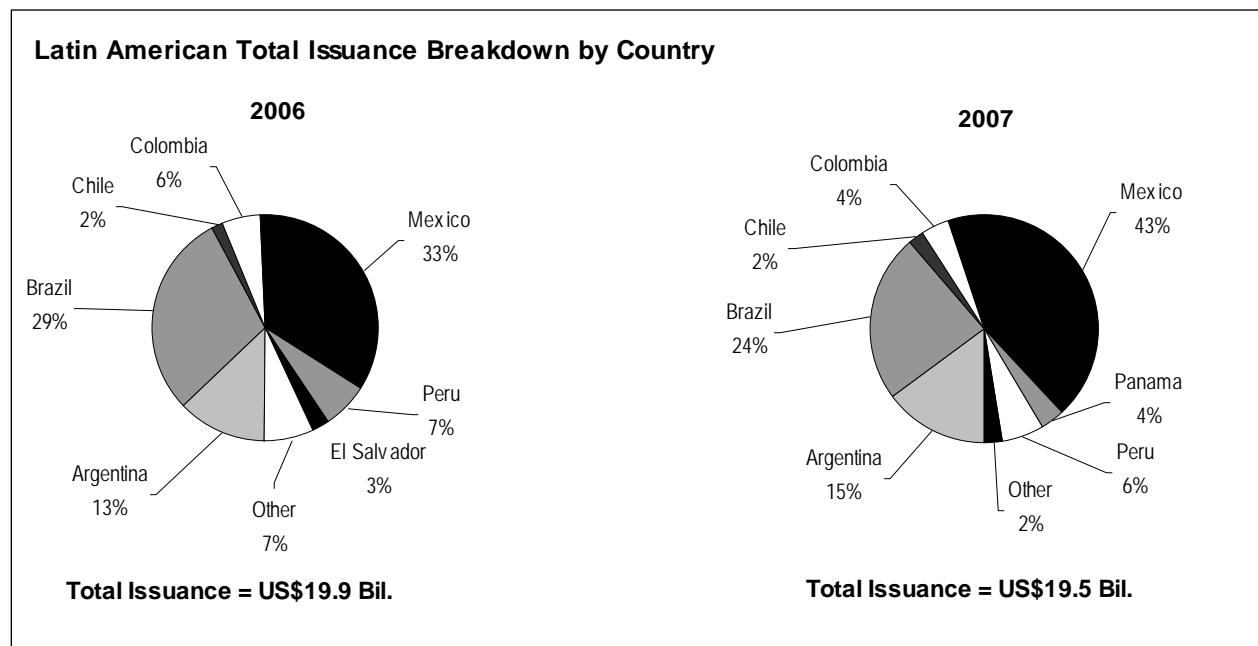
There were four transactions that paid down as scheduled in 2007. CVRD Finance Ltd. series 2000-1 and 2000-2 matured in 2007, along with the 1998 8.02% and 1999 8.45% notes from PEMEX Finance Ltd. Additionally, two future flow programs either were paid down early or refinanced within the year.

The future flow export program of Brazilian steel exporter Gerdau, S.A., consisting of series 2003-A and 2004-A was redeemed early. The existing DPR program from Guatemala’s Banco Industrial, series 2005-1 and 2005-2 was paid and refinanced in a private transaction.

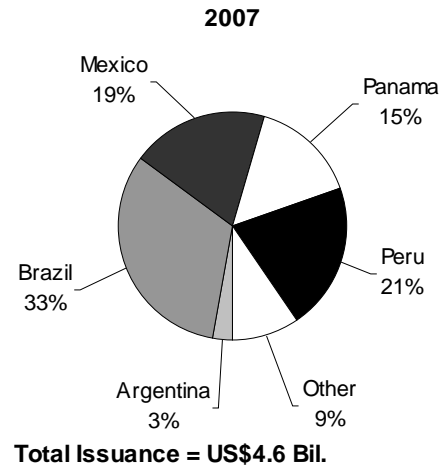
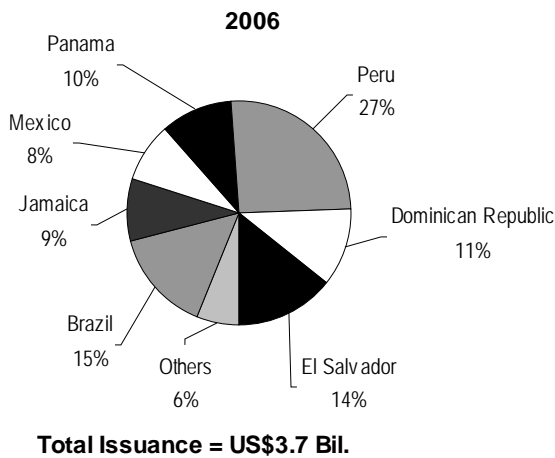
The performance within the local markets was generally good across the region. While there were some changes in credit quality among specific transactions in 2007, there was no major asset class showing any significant deterioration in its underlying collateral. With that said, Fitch will continue to monitor the ever-changing credit crisis and analyze its effects within these markets.

While GDP growth predictions may be downwardly adjusted in some cases, Fitch expects continued healthy performance within the sovereigns of Latin America in a base case during 2008. This will be an important lynchpin for continued performance within the cross-border and local securitization markets. However, we will continue to monitor the Latin American sovereigns in the context of the ongoing global credit crisis and the overall health of the US and global economies.

The local markets were relatively insulated during the early stages of the global liquidity crisis; however, recently, one can see signs that this crisis has “leaked” into the Latin local markets. There was noticeable repricing of risk during the latter part of



**Latin American Cross-Border Issuance Breakdown by Country**



2007, and there has been a pullback by many of the traditional investors, including monolines, institutional investors, hedge funds and even local investors. Finally, while the local investor base is deemed “local” in countries like Mexico, many of these entities are owned by foreign institutions, and the current crisis may have a greater effect on these types of local entities.

This tightening of liquidity will affect the Latin American securitization markets to varying degrees. Of particular interest will be the Mexican real estate sector, as it has been the largest beneficiary of high liquidity over the past several years. A severe pullback in RMBS transactions might affect mortgage lending, and this would impact the homebuilding sector in general. This risk is mitigated by the government support that has been traditionally offered within this segment. Through the Sociedad Hipotecaria Federal (SHF) and Instituto del Fondo Nacional de la Vivienda para los Trabajadores (INFONAVIT), the government has successfully injected capital to maintain healthy support within this sector.

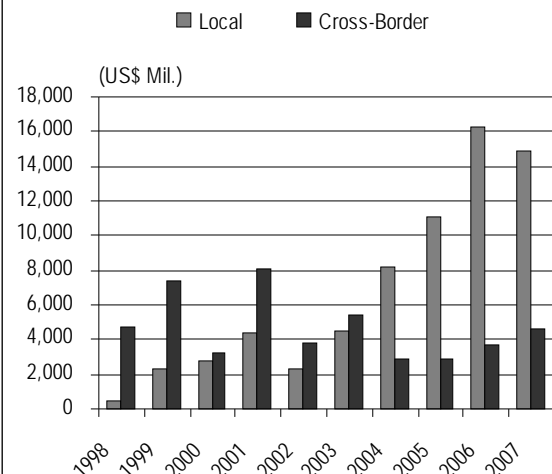
■ **2007 Cross-Border Issuance Levels and Breakdown**

For the first time since 2003, 2007 issuance volume surpassed \$4 billion of rated structured finance paper issued from Latin America into the cross-border market. Issuance volume increased approximately 25% from its 2006 levels continuing its stable to

upward trend. The number of deals held steady from 2006, as 19 distinct transactions were brought to market throughout 2007. However, the market can be described as a tale of two halves, as first-half issuance was four times greater than second-half issuance.

Following global securitization trends, 2007 began as a strong year in issuance for the cross-border markets. Through July 2007, 15 transactions representing approximately \$3.3 billion in issuance

**Latin American Total Issuance**

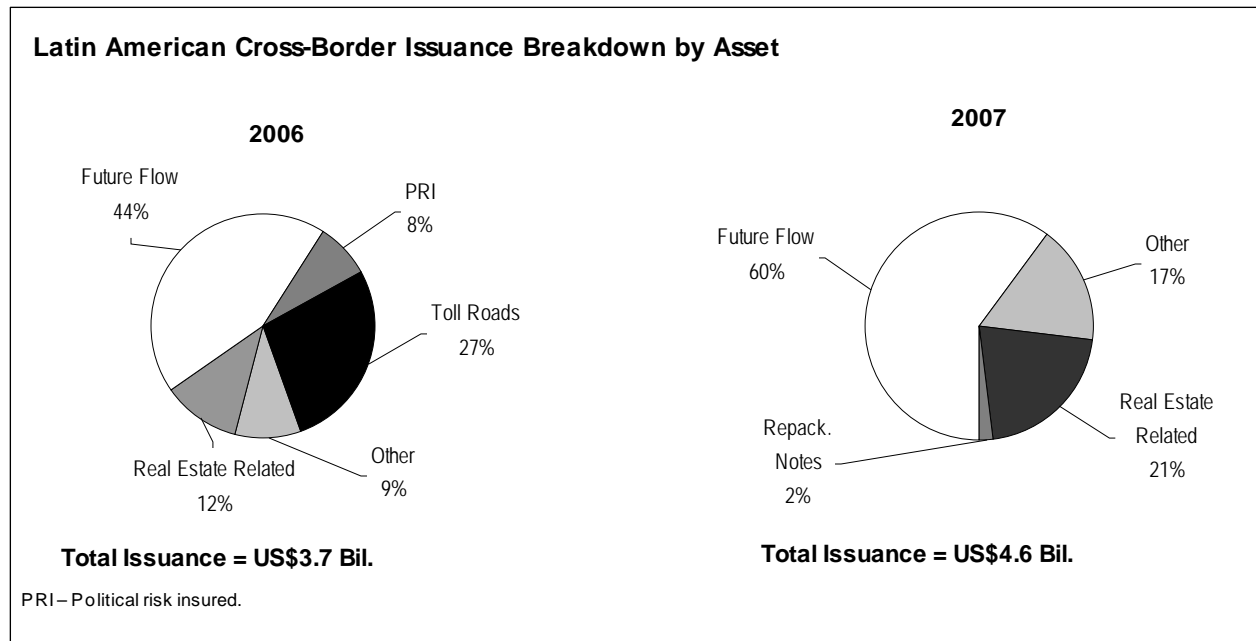


were placed in the cross-border market. These numbers, when compared with the six deals that amounted to approximately \$1 billion and closed through the same period of 2006, pointed to the potential for a break-through year. However, beginning in August 2007, global credit markets began to experience turmoil, and investor appetite for emerging-market cross-border issuance faded. From August 2007 through the rest of the year, only four transactions were placed. Approximately three-fourths of the 2007 transactions came from recognized names returning to market to add leverage to existing programs. However, many of these issuers have traditionally placed their transactions in their respective local markets and, for the first time in 2007, sought to broaden their investor bases through the international structured bond market.

Continuing the expansion theme, 2007 saw eight countries participate in the cross-border structured market: Belize, Panama, Mexico, Guatemala, Peru, Argentina, Jamaica and Brazil. Slightly more than 30% of total issuance originated from Brazilian corporations, making the nation the largest participant in this market. However, this dominance pales in comparison with years past, as, historically, Brazil has accounted for 75% of this total. The decline in the cross-border Brazilian structured market is a direct result of the decline in future flow issuance based on the improving credit conditions within Brazil. In fact, Peru, Mexico and Panama all had issuance shares larger than 15%, reflecting increasing parity.

2006 was filled with unique transactions and important milestones in the development of the Latin American cross-border structured market. 2007 continued this positive trend and expanded on many of the developments that were first introduced the previous year. Despite the global credit crunch, there were two speculative-grade transactions placed in 2007: a third IIRSA toll-road transaction from Peru (Interoceanica IV Finance Limited [Intersur]) and a transaction reminiscent of last year's Cap Cana issuance (Newland International Properties in Panama). The other main storyline continuing from 2006 was the shift away from future flow transactions into more traditional existing asset or asset-backed securitizations (ABS). Three deals secured by residential mortgages (RMBS) were closed in the cross-border market in 2007: La Hipotecaria in Panama and two deals from traditional local market issuers in Mexico, including Su Casita.

The Peruvian government-backed toll road transaction, Intersur, followed the placement in 2006 of two similarly structured deals. Investors rely on the support of the federal government to make payments upon the advancement of certain construction milestones. These government "promises to pay," referred to as certificados de reconocimiento de pago anual por obras (CRPAOs), are sold into a trust, and future payments on the CRPAOs are used to service debt on the notes. Newland International Properties, a multiuse high rise in Panama City, Panama, shares many



similarities with last year's unique Cap Cana transaction. The note proceeds were intended to facilitate the development and construction of a Trump-branded tower that would have residential condos, hotel-condo units, a casino, restaurants and high-end shops, along with various other luxury amenities. Bond proceeds would be held in escrow and withdrawn only upon the completion of certain construction milestones within the building. Collateral for the transaction came in the form of slightly improved raw land, the tower and associated real-estate space, and a significant portion of presale contracts where purchasers would have the obligation of providing payment in full upon delivery of their unit. Possible transactions utilizing similar structures have been under discussion, and additional real estate backed construction loan financings are anticipated in 2008.

2007 was notable for the long-discussed possibility of resurgence in Mexican activity in the cross-border market. Issuance volumes originating from Mexican corporations have been minimal in the past five years, mostly due to a dearth of future flow transactions. The investment-grade sovereign rating, coupled with a maturing local market, has contributed to companies considering domestic issuance to fund the debt portion of their balance sheets. However, in past years, Fitch Ratings noted that existing asset and/or ABS transactions had strong potential going forward to be placed internationally. In 2007, Mexican originators issued two of the three RMBS transactions that were successfully placed in the cross-border market. Additionally, two Mexican originators issued notes in the cross-border market that were backed by a portfolio of construction bridge loans (CBLs). Both CBL and RMBS transactions have been lynchpins of growth in the Mexican local market, as financing the development of low-income and middle-tier housing has facilitated the expansion of these two asset classes. While these issuances have been strong during previous years in Mexico's local market, 2007 marked their return to the international market. Perhaps even more impressive, the two bridge loan transactions, a Mexican RMBS deal and Aeroinvest, a securitization of various Mexican airport revenues, were all denominated and placed in local currency. The strength of the Mexican economy and the stability of the Mexican peso made transactions denominated in local currency attractive to international investors. While the global market demand remains subdued in the short run, Fitch expects some levels of continued international

issuance for CBL and RMBS transactions in 2008 and beyond.

As in past years, most of the issuers in 2007 had previously issued structured debt in the international market. Of the 19 aforementioned transactions, only four were first-time originators. In fact, many issuances were transactions from established programs, such as Su Casita, Unibanco, Metrofinanciera and NCB Jamaica. The four first-time issuers were the previously mentioned Intersur, Aeroinvest, Newland International Properties, Corp. and Lima Airport Partners S.R.L. (LAP, a transaction backed by airport revenues).

Despite consecutive years of declining future flow issuance, 2007 saw a return of the asset class with approximately 60% of total issuance. However, a majority of these issuances were to refinance existing future flow debt, and repeat originators issued all transactions. The improving credit quality of Latin American sovereigns has reduced the need for future flow products, which are designed primarily to mitigate sovereign risk. If, however, the global liquidity crunch persists throughout 2008, future flow transactions might once again be the option of choice for subinvestment-grade issuers that wish to gain access to international market.

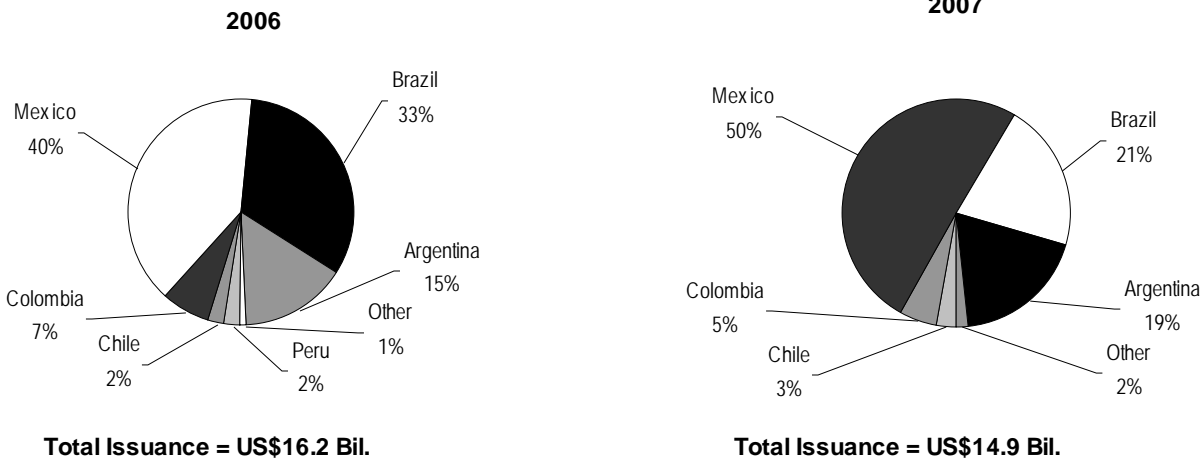
While monoline participants remained active in the Latin American markets, their involvement shifted away from cross-border and future flow transactions and into local market securitizations. Cross-border participation declined to only five transactions in 2007, but MBIA Insurance Corp., Ambac Assurance Corp., Financial Security Assurance Inc. (FSA) and Financial Guaranty Insurance Company (FGIC) all increased exposure within the Mexican RMBS market during 2007.

#### ■ 2008 Cross-Border Outlook

Structured finance issuance levels in Latin American markets have been relatively stable over the past four years. While this number fluctuates year to year, overall, Fitch expects a continuation of this trend in 2008. The cross-border future flow market will be challenged to grow in 2008, yet there is the potential for refinancings within existing programs. In addition, as previously mentioned, many issuers that have stopped participating in future flow issuance due to declining credit spreads and the ease of placing unsecured debt may gravitate back toward future flow issuance as global credit markets adjust in



**Latin American Local Issuance Breakdown by Country**



2008 to the turmoil of 2007. The biggest impediment to growth in the cross-border market will be the continued global credit crisis and the attractiveness of local market issuance.

Additional growth in 2008 may come in the form of existing asset securitizations. Fitch envisions additional issuances backed by residential mortgages, auto loans, consumer loans, trade receivables and credit cards. Other potential growth in 2008 could come from real estate related financings and hybrid securitizations involving infrastructure assets. In recent years, many traditional infrastructure financings related to airports, ports and toll roads have incorporated many technologies typical of a structured financing. These hybrid transactions increase the attractiveness of an issuance, as the transactions have been structured to eliminate certain risks inherent in these types of deals, such as construction, diversion, willingness to pay and the underlying credit of a project's sponsors. RMBS, bridge-loans, commercial mortgage-backed securities (CMBS) and uniquely structured real estate backed loans could also be featured prominently in 2008. Many of these deals have closed in 2006 and 2007 and investor appetite for high-quality real estate assets should remain strong in 2008.

As seen at the end of 2007, Fitch expects the market for cross-border issuance to open slowly in 2008; however, transaction performance has been positive and, thus, expectations are that market participants will remain active in this sector. However, some of

the larger results of the credit crunch are only now beginning to be felt. Certain investors are no longer present, spreads on many emerging-market transactions have widened and the monolines' ability to participate has been limited due to their own ongoing credit concerns. With the absence of the latter, the ability to fund through conduits and other specialized vehicles will be limited and other alternatives will have to be implemented.

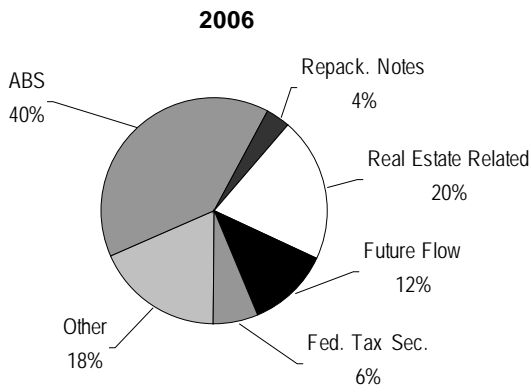
The historical performance of the Latin American cross-border market has been impressive, as these transactions have proven to be resilient in past emerging-market crises. Therefore, the effects of the global credit crisis should be less pronounced within these markets.

■ **Latin America's Local Markets**

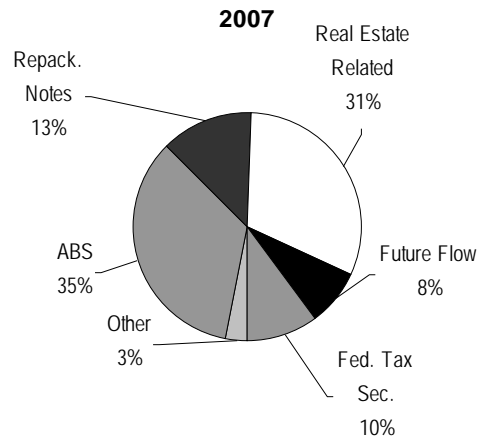
From the local market perspective, 2007 was another positive year, continuing the now five-year trend. Latin American local market issuance volumes are now established as multiples larger than their cross-border counterparts. In the region as a whole, 2007 local market structured finance issuance was approximately \$15 billion, about three times the size of the year's cross-border market. While placement levels were actually down in 2007 compared with the \$16 billion recorded in 2006, there were a variety of contributing factors besides global market conditions.

Local market issuance also did not suffer from the same intense second-half decline as the cross-border

**Latin American Local Issuance Breakdown by Asset**



**Total Issuance = US\$16.2 Bil.**



**Total Issuance = US\$14.9 Bil.**

ABS – Asset-backed securities.

market. While local credit spreads widened, local issuance levels continued to keep pace despite the challenges in the global credit markets. In fact, as mentioned, local market issuance totaled \$8 billion in the second half of 2007, a higher amount than the \$7 billion issued in the first half of the year.

In 2006, more than 400 transactions were issued in local markets; that number for 2007 was approximately 370. Similarly, issuance volume in 2007 was approximately \$15 billion, down about 6% from the \$16 billion level of 2006 but still well above the \$11 billion issued in 2005. Expectations for 2008 are somewhat tempered by the turbulence in global credit markets that could usher in a slow start to the year. However, a return to the growth path seen pre-2007 should materialize. Positive trends in Latin American local markets pointing to an encouraging future include maturing legal frameworks, increasing diversity among asset classes, growth in the local capital bases and a rising demand for lower risk investments.

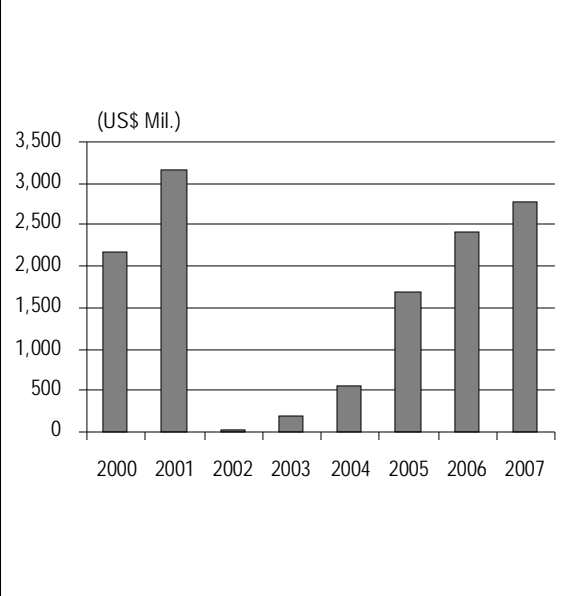
Despite the growing diversity of asset class securitization in Latin America, ABS and real estate related assets dominated issuance. Continuing its growth from years past, real estate related issuance in 2007 represented about 32% of total local issuance. These transactions securitize residential mortgages, commercial space or CBLs. Similarly, traditional ABS transactions, such as consumer credits, auto

loans, trade receivables and credit card receivables, represented 34% of issuance.

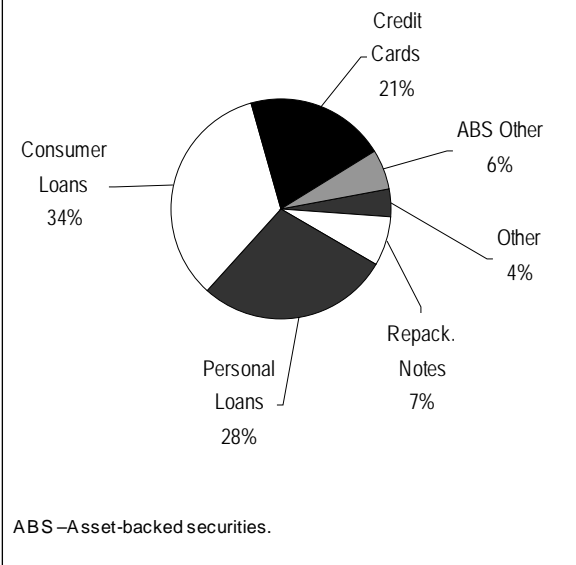
The largest domestic markets in 2007 were Mexico with \$7.5 billion in issuance, Brazil with \$3.1 billion, and Argentina and Colombia with \$2.8 billion and \$800 million, respectively. Prior to 2001, local issuance was dominated by Argentine placements. Since the sovereign default and peso crisis, however, issuance volumes have shifted. Domestic issuance now more closely reflects each country's economic size, with Mexico, Brazil and Argentina at the top.

The largest 2007 surprises were the declines in Brazilian structured finance, the continued growth in the Argentine market in the face of dramatically higher interest rates and the large increases in Mexican RMBS during the fourth quarter. The Brazilian declines were less affected by global market conditions and more by the glut of initial public offerings (IPOs) and consolidation in the mid-tier banking segment. The demonstrated success of RMBS in Mexico during the fourth quarter in spite of negative global market conditions is a direct reflection of the increasing maturation of local markets and the high levels of liquidity originating from local investors. Finally, the Mexican market was affected by the lack of mezzanine investors, as this was traditionally filled by the cross-border market.

**Argentina — Local Issuance**



**Argentina — Breakdown by Asset**  
(Local Issuance, 2007)



2008 may prove to be a challenging year, as there are a variety of open questions that might affect the overall Latin American markets. While there are many reasons to believe issuance levels and performance will be consistent with past years, it is impossible to fully decouple these markets from the global markets, and Latin American markets will have to adjust to the changing global environment that will be seen in 2008 and beyond.

**Argentina**

Argentina's local issuance in 2007 remained strong, with issuance volume of more than \$2.7 billion (ARP8.7 billion) representing 248 deals (of with Fitch Argentina rated 122). This volume represented a 16% increase from issuance in 2006. During the year, 31 new issuers entered the capital markets through the use of securitization. Most first-time issuances securitized personal and consumer loan assets. New issuers also structured transactions around auto loans and trade receivables.

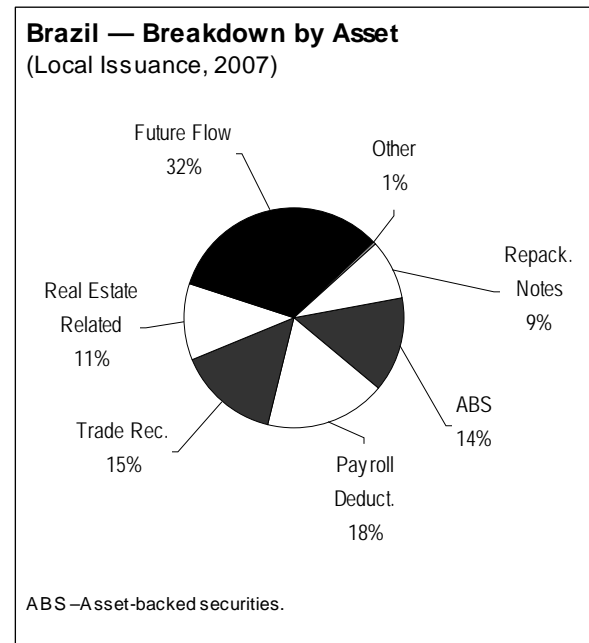
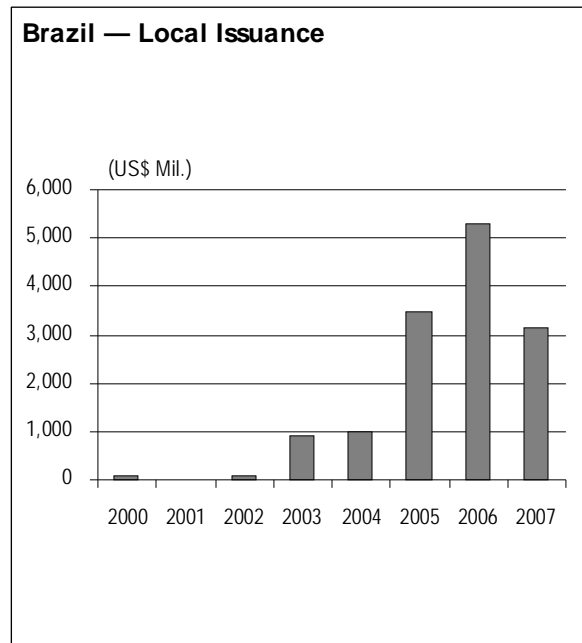
In 2007, personal and consumer loans made up a large portion of total issuance, 62% (\$1.7 billion) in 152 deals. The continued success of consumer loan securitization in Argentina could be a direct result of the positive performance exhibited by the asset class through the 2001 crisis. Transactions securitizing credit card receivables made up 20.7%, and repackaged notes relating to public debt represented approximately 4.6% of the total amount issued in the year. The majority (218 deals) of 2007 transactions

were denominated in pesos, an amount representing \$2.6 billion.

The building confidence in the local market has allowed increasing diversity in asset classes and a recent lengthening of maturities. Relative to past years, 2007 saw more transactions related to agricultural producers that were structured as guaranteed CDOs, along with higher numbers of trade receivables and leasing transactions. In terms of personal loans, many rated transactions in the year utilized a new underlying asset: credits with compulsory methods of repayment (through withholding from the salaries paid to the underlying borrowers). There was a major increase in interest rates beginning in the middle of the year. Many consumer loan transactions, which are structured with a heavy influence from excess spread, were affected, particularly those with longer tenors. Consequently, many ABS structures were changed in order to reduce the negative effect on the cost of financing for the companies. This was accomplished both by reducing the duration of the instruments and by offering instruments with variable rates of interest (generally based on the local interbank rate of deposits), instead of a fixed rate in pesos. Another shift was in the reduced use of the official inflation index (CER) as a reference for variable rates due to the lack of credibility of this index.

However, the increase in rates slowed new RMBS transactions due to the additional credit enhancement





that would be necessary to cover the potential negative carry that would be generated.

Fitch expects to see more transactions involving lease equipment, trade receivables and deals backed by diversified pools of corporate loans in 2008. Future flows and transactions for infrastructure financing are also expected. Similarly, pension funds may have a new mandate to invest in the “real economy,” although the regulatory framework is not yet well-defined.

Fitch believes a new important development in the legal framework is that, according to a new resolution (RG 522) issued by the Comision Nacional de Valores (CNV) (the Argentine equivalent of the Securities and Exchange Commission [SEC]), all types of instruments issued under a financial trust through a public offering must have, at minimum, one rating. This implies the rating agencies will have to rate subordinated certificates that generally are retained by the issuing trust and were not rated before the issuance of the RG 522.

Another important development is the existence of a project of law that is being discussed in the Argentine Congress that would imply the elimination of tax exemptions for financial trusts involving static pools. If this new law is actually approved, its effect on existing and future transactions would have to be considered, in that many structures may change in the future.

**Brazil**

After five years of consecutive double-digit volume growth, Brazil’s local structured finance issuance volume in 2007 was sharply down from that registered in the prior year. While the global credit crisis was not a conducive environment for growth, the decline is mainly attributed to favorable access to the equity market, banking sector consolidation and legislation requiring greater financial disclosure in specific transactions on the part of obligors. On a positive note, 2007 marked the first time a large retail bank accessed the local securitization market, introducing the first security issuance backed by residential mortgages originated by a large retail bank.

Fitch has sized the total securitization issuance volume in 2007 at \$3.1 billion, down 42% from 2006 (\$5.3 billion). This decline in dollar terms was softened by a steady 17% appreciation of the Brazilian *real* against the US dollar over the course of 2007. In local currency terms, volume declined by nearly 48%. Fitch considers the securitization market smaller than that presented by the Comissao Valores Mobiliarios (CVM). Fitch’s volume calculations differ from CVM, as we only include the total quotas/notes placed within the market and do not include Fundo de Investimento em Direitos Creditorios (FIDCs) that were used by companies as a cash management vehicle for tax benefit maximization or other purposes. In summary, only

transactions that are viewed as capital-market issuances were considered.

While the securitization market benefited from the liquidity crises that midsized banks suffered in 2004–2005 following the intervention of a peer bank, 2007 was marked by very favorable access to the local equity markets across all sectors of the economy. Public offerings in 2007 reached BRL33.1 billion, a 133% increase in total volume issued in 2006 and more than seven times the volume issued in 2005. Midsized banks, which have been the main sellers of assets in the local securitization market, were responsible for BRL5.7 billion.

Past portfolio sellers Banco Daycoval S.A., Banco Panamericano S.A., Parana Banco S.A., Banco Cruzeiro do Sul S.A. and Banco Pine S.A. raised BRL3.2 billion through IPOs in 2007 and have not engaged in securitization programs since. In addition, the sector has been going through consolidation, with Banco Societe Generale S.A. acquiring Banco Cacique S.A. and Banco Pecunia S.A., heavy players in the personal loan and auto loan markets, respectively. Additionally, common portfolio sellers Banco BMC S.A. and Banco BGN S.A. were sold to Banco Bradesco S.A. and Cetelem Brasil CFI S.A. (BNP Paribas Group), respectively.

Easier access to the local equity market and the consolidation of the midsized banking sector have reduced the dependency of these market participants to the securitization market. Once these capital injections have been allocated to the increasing overall asset base and liquidity ratios tighten, some of these banks will reassess the securitization market.

Also contributing to the downturn in local securitization volume were regulatory modifications instated in the beginning of the year, which require greater financial disclosure by obligors representing more than 20% of the total pool backing issuances. Such a requirement has closed the market for securitization of sale-leaseback type CMBS to private companies or multinational subsidiaries that do not disclose financial information. Past issues included important names such as Volkswagen, Nestle, Unilever and Carrefour. Aggregate CMBS volumes have been drastically reduced from \$574.4 million in 2005 to \$140 million in 2007.

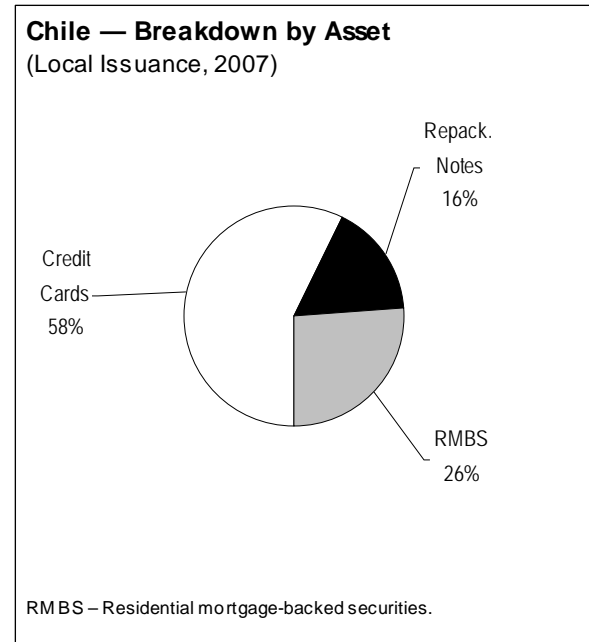
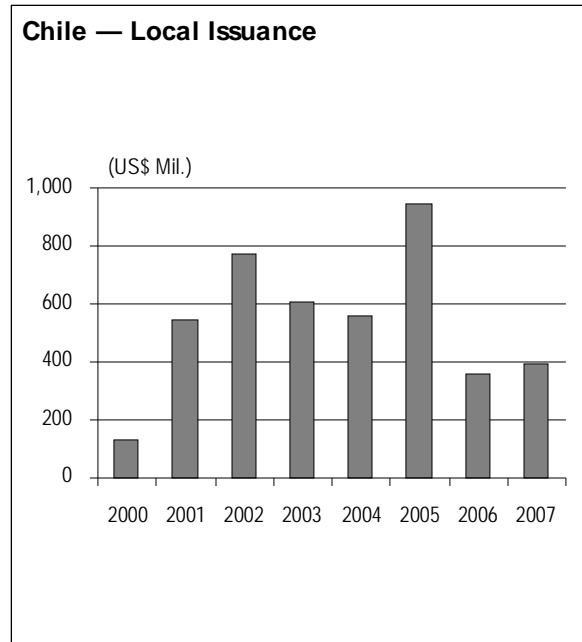
Future flow securitization led issuance volumes in 2007 with a total of just more than \$1 billion, equivalent to 33% of total volume issued. Of the

seven future flow deals placed in the market, six were originated from issuers of the energy sector. The local regulatory framework of the energy sector is favorable for the going concern assessment analysis of the companies, as it establishes clear procedures for intervention by the federal regulator of companies undergoing financial stress without disrupting service and, therefore, cash flows sold to the transaction. This enables the securitization programs to receive ratings at significant levels above the seller's underlying rating and has become an interesting financing alternative for these companies. Such volumes should continue to be significant in the following years, since investments in the energy sector and infrastructure overall will be needed to support the country's economic growth.

Within consumer ABS, auto loans, which led issuance volumes in 2006, were cut by 81%. Only three originators accessed the securitization market in 2007, compared with a total of eight in the prior year. Furthermore, 2006 issuance volumes included BV Financeira's two programs totaling \$1.89 billion. BV Financeira, which is part of the Votorantim Group, sought other financing alternatives in 2007. Payroll-deductible loan issuance volumes decreased by 42%. Consumer ABS issuance volume reduction overall is explained by the other funding sources past issuers used in 2007, such as the equity market.

RMBS issuance volumes are still low compared with the Mexican market and closed 2007 at a total of \$208 million. Issues in the past year include the traditional mortgages originated by construction companies and Banco ABN Amro Real S.A.'s (ABN) \$50 million issuance. Despite the low issuance volume, ABN's deal is important because it was the first time a large retail bank accessed the local securitization market.

Fitch expects 2008 issuance volumes to be between 2006 and 2007 volumes. Other retail banks should tap the local securitization market in 2008 in order to support the overall growth in their auto loan portfolios and consumer finance overall. Furthermore, with the disruption in the global markets, unsecured dollar-denominated bonds are expensive for Brazilian midsized banks, making the potential for local securitization a reality in 2008. On the RMBS side, ABN's deal has attracted other major mortgage originators. Current regulatory framework on the mortgage market continues to be unfavorable for RMBS. However, if the recent growth in the overall mortgage portfolios of the retail banks is kept



at the same pace and interest rates continue to fall, the local market should see other major mortgage players use securitization as a funding source.

**Chile**

2007 was a year of asset consolidation in the Chilean market, especially for credit cards, which contributed more than 60% issuance volume. Securitized residential mortgage loans represented 22% of issuance, a share that increased from 2006. In total, the nine new issuances of the year represented a deal volume of \$395 million. This amount was a slight increase from the 2006 issuance amount while the number of deals placed remained steady. Notably, assets such as auto loans, receivables, consumer loans and future flows were not securitized in 2007.

Fitch projects flat growth in deal placement for 2008 compared with 2007. The development of other asset types in the financial market, such as future flows, machinery leasing, student loans, etc., will remain at a standstill. In terms of issuance volume, certain transactions that were rated in 2007 but unable to close are expected to be placed in 2008. This should substantially increase 2008 issuance volume compared with 2007.

Fitch expects the Chilean market will begin to develop alternative structures, such as repackaged notes, that encompass tranches from other structures issued abroad, repackaged into underlying assets backing issuance in the local market. Regarding the home mortgage segment, Fitch estimates this

segment will continue to decrease its relative share in the securitization market. The potential development of new products, as well as increases in other existing products, along with the reduction in the rate spread generated in RMBS transactions could explain this drop in their share of the market. Fitch estimates growth will be seen in the nonsecured segments of the market, such as credit cards, consumer loans and receivables. In the case of credit cards, the use of securitization as a financing mechanism by current originators that have enjoyed the benefits from this structure, as well as the diversification of financing sources, will continue to be the drivers of growth seen in securitized issues during the year. Finally, the rating of primary servicers has started to consolidate as a fundamental tool for issuers and investors to measure the effect management has on the portfolio, as well as for credit provision levels required in different structures.

**Central America**

There continues to be little activity in the Central American structured finance market; notwithstanding, in 2007 the region showed some advances in this area. Panama and El Salvador were still driving market issuance with mortgage-backed, auto and consumer loans, as well as future flow deals.

In 2007, there were four structured transactions issued out of Central American countries. The first transaction was an approximately \$76.05 million RMBS cross-border deal placed by La Hipotecaria (Panama), which had also made eight previous local

securitizations in Panama. The second transaction (\$220 million) also tapped into international markets and was issued by Newland International Properties, a Panamanian entity established for the development of Trump Ocean Club International Hotel & Tower in Panama. The third deal was a repeat issuer: Global Bank Corporation (Panama) issued bonds guaranteed, through a trust, by payroll deductible loans to Panamanian public employees in a deal sized at \$35 million. Finally, there was an auto loan securitization in El Salvador for \$30 million made by CrediQ Inversiones II, S.A., an entity related to CrediQ, S.A. de C.V., a Salvadoran auto financing company.

Although the Central American market remains in an early development stage, Fitch believes potential exists for increased use of securitization in the future, particularly in asset classes like RMBS and consumer and auto loans. This is to some extent supported by countries passing securitization laws. For instance, El Salvador approved a securitization law in late 2007. This is the first law regarding this matter in the region that may drive securitizations as a different form of financing. Currently, only Honduras, Nicaragua and El Salvador have implemented legal initiatives regarding securitizations. However, both Honduras and Nicaragua are not treating securitization as a law. Meanwhile, Costa Rica and Panama have trust laws that have permitted the use of the trusts as special-purpose-vehicles. It is expected that, in the medium term, the countries in the region will establish asset and future flow securitizations in a more particular legal framework (i.e., as an explicit law).

Some relevant issues in the Salvadoran securitization law include the institution of a *titularizadora*, a company purposely established to create and manage *fondos de titularización* (*fondo*, or a securitization fund) through a *contrato de titularización* (securitization agreement) and issue securities on behalf of the *fondo*. Moreover, there is a segregation of assets and liabilities between the *titularizadora* and the *fondo*. Each structured issuance must be rated by a locally registered rating agency. The law also considers a real estate securitization section in order to promote the development of construction projects; in the short term, it is expected the Superintendencia de Valores (Superintendency) will issue the respective regulation.

It is likely that the Panamanian and Salvadoran markets will grow further in 2008 as a result of

specific legal framework (in the case of El Salvador); a deepening in the financial sophistication by market participants, given the new internationally recognized players; and a better understanding of the diverse benefits of securitization. In addition, it is likely an increasing utilization of partial guarantees will be seen, mostly by financial institutions, in order to reach higher ratings for the respective issuance. From an investor perspective, issuances based on structures will provide a wider investment universe, contributing to the progress and maturity of the local capital markets.

## Colombia

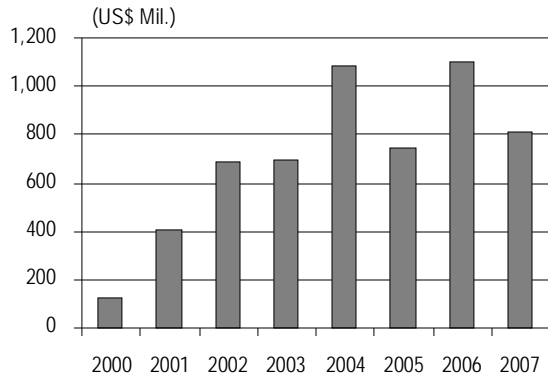
Structured finance transactions in the Colombian market during 2007 were not as dynamic as in previous years. Macroeconomic variables and, in some cases, legal issues had an adverse and almost paralyzing effect on the Colombian market.

In 2007, Colombia's central bank continued with a contracting monetary policy and increased interest rates with the objective of controlling inflation, as well as consumption/spending levels. These actions, combined with new laws for the operation and transaction of securities, changed market conditions, causing many transactions to be postponed or canceled. For 2008, it is expected that the central bank will continue its current policies in order to achieve the objective of 4% inflation by the end of 2008.

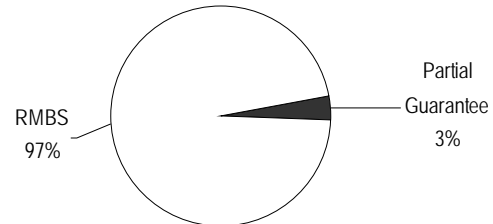
RMBS transactions were the most representative during 2007, with four deals placed in the market for approximately \$800 million. The structure of these deals is similar to previous RMBS transactions featuring senior tranches enhanced by subordinate tranches and, in some cases, excess spread. Given 2007 interest rates, prepayment levels showed a slight improvement, placing them in the expected range. The mortgage market has shown a favorable trend in recent years, and it is expected to remain stable for 2008. Titularizadora Colombia continues with its objective to securitize the majority of its portfolio. Therefore, Fitch expects RMBS transactions to be placed at a local level. In addition, international transactions show great potential.

The past two years have shown a substantial increase in consumption/spending levels, reflected in the growth of loans granted by financial and nonfinancial institutions. During 2007, Duff & Phelps of Colombia S.A., the Colombian affiliate of Fitch, rated a consumer loan transaction from Banco Bilbao

**Colombia — Local Issuance**



**Colombia — Breakdown by Asset**  
(Local Issuance, 2007)



RMBS – Residential mortgage-backed securities.

Vizcaya Argentaria (BBVA). Although the transaction has not been placed, it is expected to be in the market in early 2008, making it the first of its kind from BBVA in Colombia, following the company’s Latin American development strategy to issue these types of structures. These transactions have not only gained interest from other banks but also from utility companies, since they finance household appliances through their billing systems.

Infrastructure is another sector that Fitch considers to have a positive trend. Under national development plans, projects including highways, airports, thermoelectric plants and refineries are being considered. This will allow local and international investors to utilize financial structures that consider some kind of guarantee to help mitigate risks related to these projects.

**Mexico**

Similar to previous years, the Mexican structured finance market remains the largest in Latin America. Its 2007 contribution totaled 43%, which is higher than any previous year. The local securitization market was approximately \$7.5 billion, which was above the 2006 levels. Additionally, cross-border issuance increased, making the total issuance roughly \$8.4 billion, which is higher than 2006 levels.

The development of the Mexican market remains concentrated in the unprecedented growth in the RMBS sector. After the inaugural RMBS transaction launched in 2003, there was only marginal issuance

in 2004 and 2005. However, 2006 issuance of \$1.8 billion was more than double the previous years combined. In 2007, there were 21 transactions totaling \$3.1 billion, of which \$2.7 billion was placed locally and \$400 million was in cross-border securities.

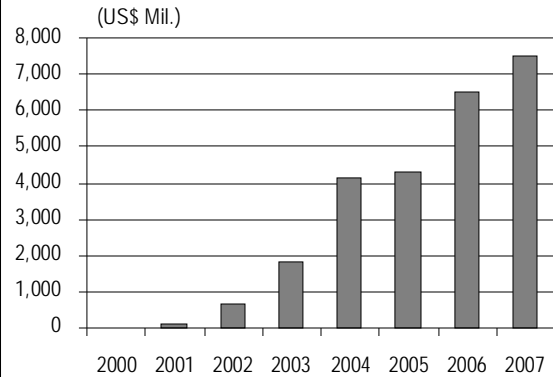
The large growth in this sector was driven by continued issuance from the Sociedades Financieras de Objeto Limitado (SOFOLÉS) and the increased participation of banks, with HSBC and BBVA securitizing their first portfolios, which totaled approximately \$775 million in 2007. Finally, INFONAVIT increased its overall issuance to more than \$840 million during this same period. Of the 21 transactions, 14 were issued by SOFOLÉS/Sociedades Financieras de Objeto Múltiple (SOFOMES), three by banks and four by INFONAVIT.

Despite the overall markets being virtually halted during August and September, largely due to the subprime crisis in the United States, Mexican RMBS issuance rebounded in the fourth quarter. Although spreads widened significantly during this quarter, a total of \$1.4 billion closed of which \$1 billion was issued in October alone. Overall capital structures and collateral compositions were adjusted to adapt to the changing market spreads and the limited participation of the mezzanine market.

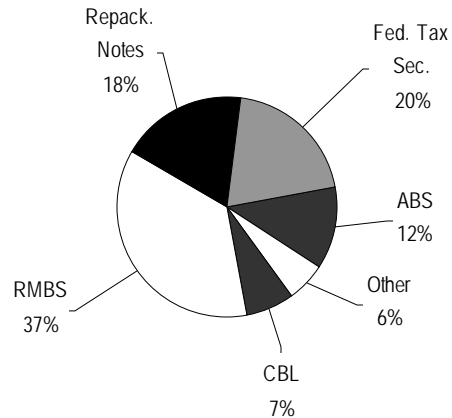
Despite the global market conditions and a continued disruption within the Mexican markets, Fitch believes



**Mexico — Local Issuance**



**Mexico — Breakdown by Asset**  
(Local Issuance, 2007)



RMBS – Residential mortgage-backed securities. ABS – Asset-backed securities. CBL – Construction bridge loans.

RMBS issuance can continue to grow. Growth will come not only from continued issuance from INFONAVIT and the SOFOLES, but Fitch expects new and existing players to increase utilization of securitization within the banking sector. Additionally, INFONAVIT's equivalent for state employees, Fondo de la Vivienda del Instituto de Seguridad y Servicios Sociales de los Trabajadores del Estado (FOVISSSTE) plans to make its first RMBS transaction in 2008. These two factors, combined with Hipotecaria Total (HiTo), a project aimed at making securitizations a faster and more efficient process, have the potential to make 2008 a very active year for RMBS-type transactions.

However, significant issuance in 2008 will only be attainable through strong support from local investors as international investor participation will be limited. There have been recent signs that the local markets have been pulling back from this sector, and a further repricing of risk will continue during 2008.

*Other Asset Classes*

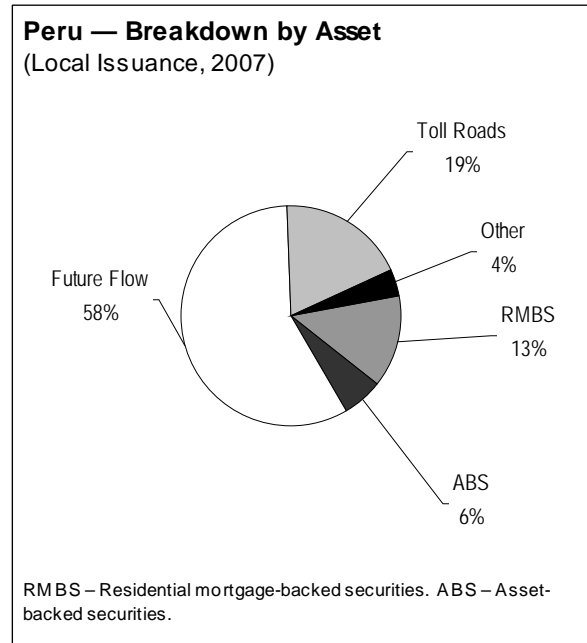
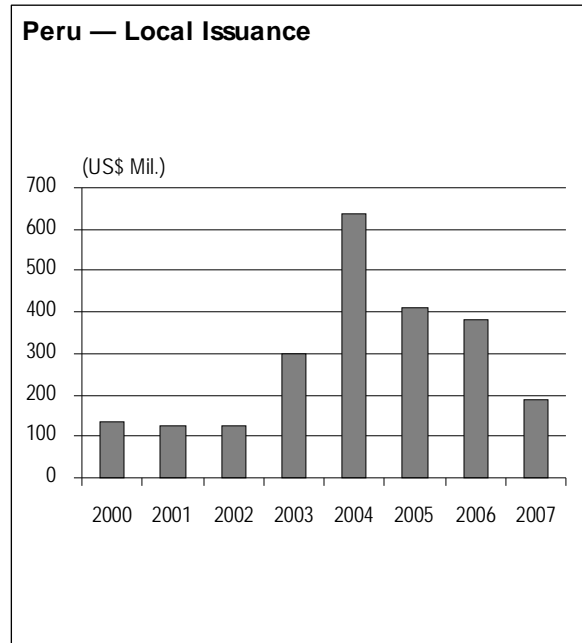
Other real estate related transactions in Mexico included bridge loans and commercial real estate. Bridge loans totaled \$800 million, of which two-thirds was placed locally. Acosta Verde completed a MXP1.13 billion transaction, which was one of the first commercial real estate deals backed by rental income related to the retail sector. Fitch believes there will be additional issuance in this area over the next 1–2 years.

Consumer loan securitization related to unsecured loans, auto loans and credit cards will also contribute to Mexican growth during 2008. Fondo Nacional para el Consumo de los Trabajadores (Fonacot), which issued four transactions totaling \$465 million during 2007, will continue to be an active player for the foreseeable future. In addition, a variety of banks and private-label companies are exploring the possibilities of credit card and unsecured consumer loan securitizations. Finally, there continues to be interest in auto loan securitization within Mexico and this should be an active asset class during 2008 and beyond.

2007 also introduced a new vehicle for funding in the Mexican securitization market. Deutsche Bank AG received regulatory approval to launch the first asset-backed commercial paper (ABCP) program. The conduit received regulatory approval in late 2007, making it the first of its kind in Latin America. The proposed peso-denominated multiseller conduit, Aztlán, is expected to finance various types of receivable pools and financial assets from multiple parties. To fund itself, Aztlán is expected to issue commercial paper with varying maturities.

Given the government's infrastructure plan for 2007–2012, sizeable investments in highways, airports, railroads, ports and telecommunications are expected in coming years. This will ensure that securitization issuance in toll roads and other areas will rebound in 2008 and beyond.





Mexico’s improving economic development over the past several years has positioned it to weather the current global credit crisis. However, the climate for securitization has not been immune to these effects. Spreads have widened, the monolines and other foreign investors have pulled back and the development of the mezzanine market has been muted. All of these factors stunted 2007 growth and will continue to affect 2008 issuance. However, Fitch believes the progress seen in the Mexican securitization market over the past several years will enable it to grow during 2008 and beyond.

**Peru**

Total structured issuance placed locally in Peru in 2007 amounted to approximately \$190 million. Despite continuous growth in the Peruvian economy, this volume is lower than 2006 (\$382.5 million). This drop can be attributed mainly to the lower presence of significant infrastructure projects compared with previous years and to the excess of liquidity in the Peruvian capital and financial markets, which is driving corporations toward unstructured financing, traditional bank loans and leasings. It is worth mentioning that Peruvian capital market demand exceeds more than twice its supply and is a reason why the current yields offered for Peruvian ‘AAA’-rated securities are no more than 100–150 bps above Federal Reserve rates.

The main asset utilized in securitizations continues to be future flows combined with some sort of credit

enhancement. The biggest issuer in 2007, Red de Energía del Perú (REP), issued \$60 million backed mainly by a trust of future flows. REP is using these funds to improve Peru’s electric transmission system.

Notably, an RMBS transaction was placed for the first time in the Peruvian capital market. These securities were issued by Continental Sociedad Titulizadora (BBVA Banco Continental) and backed by an Interamerican Development Bank (IDB) partial guaranty equal to 5% of the outstanding amount of the debt. The total amount issued rose to \$25 million with a 6.75% yield (18.2-year tenure).

With respect to new issuers, in addition to the aforementioned RMBS transaction, there were two newcomers this year. Inmuebles Panamericana S.A., a shopping center administrator, issued \$30 million, which was supported mainly by a future flow trust and a trust with real estate assets. The second new issuer, Edpyme Edyficar, is a microfinance entity that issued \$8.4 million with a partial guaranty from the International Finance Corp. (IFC) covering up to 40% of the outstanding of its first issue.

Utilizing structured finance is the only way to achieve the higher ratings required by institutional investors in the local capital market. Most placed issuances are concentrated in the ‘AA+’(per) to ‘AAA’(per) range. However, during the year, investor appetite for lower rated transactions emerged (but was focused mostly on corporate issuances.

Average tenures reached 10.5 years, due mostly to longer term issuances by Red de Energia del Peru (REP) and Inversiones Pacasmayo, S.A. (IPSA), as well as the RMBS transaction. For comparison, in 2006 only one issuer surpassed the 10-year term issuance (Pluspetrol Camisea S.A.).

Favorable macroeconomic developments, coupled with a pipeline of project-related deals, should continue to have a positive effect on capital market activity in 2008. Fitch's affiliate in Peru, Apoyo & Asociados Internacionales Clasificadora de Riesgo (Apoyo), continues to expect that the Peruvian country ceiling upgrade (to 'BBB-' in August 2006) will generate more opportunities in the local and cross-border markets.

Additionally, persistent interest from multilateral organizations, such as IFC, IDB and Corporación Andina de Fomento (CAF), to provide partial guarantees and promote the Peruvian capital markets should allow even more midsized companies to access the capital markets.

Finally, the increasing development of new products, such as RMBS, ABCP and microloan securitizations, continues to take shape, given the positive experiences of these structures in other Latin American markets and also the important size of the Peruvian market.

## Uruguay

The Uruguayan capital market is not very developed yet; notwithstanding, there were some hybrid transactions before and after the issuance of the Trust Law (in December 2003). These transactions consisted mainly in future flows to finance or restructure the debt of some critical sector of the economy. All of these transactions have as a common denominator that the sectors involved are totally regulated by the government. There was also a toll road securitization, and other trusts are expected to finance infrastructure projects.

The pension funds (Administradora de Fondos de Ahorro Previsional, AFAPs), the most important local investors, are searching for instruments in which to invest their liquidity, which is denominated in US dollars, or in an indexed currency (UI, pesos adjusted by inflation). However, there are few opportunities in the market, and most of the pension funds' assets are composed of public debt.

For the near future, Fitch expects some traditional asset types, such as ABS with personal loans related to financial companies. Some banks may proceed with RMBS financing when they have achieved a minimum critical mass within their loan portfolio.

Deal List

Name of Transaction	Asset Type	Amount (US\$ Mil.)
Local Issuance		
<b>Argentina</b>		
Agrícola AGD 1	Agricultural Fund	20.00
Grobo Creditos I	Agricultural Fund	3.31
Decréditos I VDA	Auto loans	3.21
Finansur Autos III	Auto Loans	10.05
Mila II	Auto Loans	6.34
San Cristóbal Caja Mutual III Prendarios	Auto Loans	3.98
Supervielle Prendas I	Auto Loans	5.71
Agrofederal IV	CDO	3.04
Agrofederal V	CDO	3.00
Agrofederal VI	CDO	1.98
Aval Rural IV	CLOs (Loans to farmers)	11.64
Aval Rural V	CLOs (Loans to farmers)	7.04
Aval Rural VI	CLOs (Loans to farmers)	5.25
Aval Rural VII	CLOs (Loans to farmers)	4.46
Multipyme III	CLOs (Loans to farmers)	3.80
Multipyme IV	CLOs (Loans to farmers)	3.02
Secupyme Industria I	CLOs (Loans to farmers)	10.62
Secupyme XXIV	CLOs (Loans to farmers)	3.01
Secupyme XXIX	CLOs (Loans to farmers)	1.61
Secupyme XXV	CLOs (Loans to farmers)	3.23
Secupyme XXVI	CLOs (Loans to farmers)	4.52
Secupyme XXVII	CLOs (Loans to farmers)	3.68
Secupyme XXVIII	CLOs (Loans to farmers)	2.99
Secupyme XXX	CLOs (Loans to farmers)	2.96
Secupyme XXXI	CLOs (Loans to farmers)	3.96
Best Consumer Finance I	Consumer Loans	14.43
Best Consumer Finance II	Consumer Loans	14.60
Confibono XXIII	Consumer Loans	15.33
Confibono XXIX	Consumer Loans	13.54
Confibono XXV	Consumer Loans	14.57
Confibono XXVI	Consumer Loans	16.55
Confibono XXVII	Consumer Loans	19.76
Confibono XXVIII	Consumer Loans	16.48
Confibono XXX	Consumer Loans	14.51
Confibono XXXI	Consumer Loans	12.93
Consubond L	Consumer Loans	11.52
Consubond LI	Consumer Loans	9.56
Consubond LII	Consumer Loans	12.99
Consubond LIII	Consumer Loans	8.62
Consubond LIV	Consumer Loans	14.29
Consubond LV	Consumer Loans	15.70
Consubono X	Consumer Loans	10.92
Consubono XI	Consumer Loans	14.87
Consubono XII	Consumer Loans	12.49
Consubono XIII	Consumer Loans	10.27
Consubono XIV	Consumer Loans	11.62
Consubono XIX	Consumer Loans	5.89
Consubono XV	Consumer Loans	10.27
Consubono XVI	Consumer Loans	11.10
Consubono XVII	Consumer Loans	8.16
Consubono XVIII	Consumer Loans	7.59
Consubono XX	Consumer Loans	7.20
Consubono XXI	Consumer Loans	8.35
Consubono XXII	Consumer Loans	8.60
Garbarino Serie XL	Consumer Loans	26.49
Garbarino Serie XXXIX	Consumer Loans	29.08
Garbarino Serie XXXV	Consumer Loans	20.71
Garbarino Serie XXXVI	Consumer Loans	26.36
Garbarino Serie XXXVII	Consumer Loans	34.30

CDO – Collateralized debt obligation. CLO – Collateralized loan obligation. RMBS – Residential mortgage-backed securities. CMBS – Commercial mortgage-backed securities. CBL – Construction bridge loan. *Continued on next page.*

Deal List (Continued)

Name of Transaction	Asset Type	Amount (US\$ Mil.)
<b>Argentina (continued)</b>		
Garbarino Serie XXXVIII	Consumer Loans	38.71
Lombabono I	Consumer Loans	2.86
Lombabono II	Consumer Loans	1.60
Megabono XIX	Consumer Loans	20.13
Megabono XX	Consumer Loans	19.53
Megabono XXI	Consumer Loans	16.93
Megabono XXII	Consumer Loans	22.86
Megabono XXIII	Consumer Loans	16.54
Megabono XXIV	Consumer Loans	12.46
Megabono XXV	Consumer Loans	14.74
Megabono XXVI	Consumer Loans	15.87
Meroli IX	Consumer Loans	2.40
Meroli VII	Consumer Loans	2.11
Meroli VIII	Consumer Loans	5.33
Otero V	Consumer Loans	3.18
Otero VI	Consumer Loans	3.12
Ribeiro XIII	Consumer Loans	12.81
Ribeiro XIV	Consumer Loans	15.94
Ribeiro XV	Consumer Loans	12.73
Ribeiro XVI	Consumer Loans	14.63
Rizzibono I	Consumer Loans	1.38
Rizzibono II	Consumer Loans	2.07
Secubono XX	Consumer Loans	21.62
Secubono XXI	Consumer Loans	26.24
Secubono XXII	Consumer Loans	24.38
Secubono XXIII	Consumer Loans	24.69
Secubono XXIV	Consumer Loans	22.90
Secubono XXV	Consumer Loans	17.82
Secubono XXVI	Consumer Loans	15.97
Secubono XXVII	Consumer Loans	12.40
SMSV X CP	Consumer Loans	8.10
SMSV XI CP	Consumer Loans	8.16
SMSV XII CP	Consumer Loans	10.86
C&A Serie III	Credit Cards	4.13
C&A Serie IV	Credit Cards	7.33
C&A Serie V	Credit Cards	4.96
C&A Serie VI	Credit Cards	4.89
CMR Falabella IX	Credit Cards	19.05
CMR Falabella VII	Credit Cards	13.02
CMR Falabella VIII	Credit Cards	20.63
Columbia Tarjetas IX	Credit Cards	14.13
Columbia Tarjetas VII	Credit Cards	14.94
Columbia Tarjetas VIII	Credit Cards	22.24
Consumax IV	Credit Cards	6.36
Consumax V	Credit Cards	5.99
Coto II	Credit Cards	7.29
Credimas Serie III	Credit Cards	4.29
Credimas Serie IV	Credit Cards	6.54
Credimas Serie V	Credit Cards	6.92
Credimas Serie VI	Credit Cards	5.25
Credipaz Serie III	Credit Cards	5.40
Fava XIII C.P,	Credit Cards	5.02
Fava XIV C.P,	Credit Cards	5.66
Fava XV C.P,	Credit Cards	7.73
Fava XVI	Credit Cards	7.33
Italcred IV TD Senior	Credit Cards	9.56
Metroshop III	Credit Cards	5.87

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Deal List (Continued)

Name of Transaction	Asset Type	Amount (US\$ Mil.)
<b>Argentina (continued)</b>		
Metroshop IV	Credit Cards	8.18
Musimundo III	Credit Cards	1.89
Sucrédito I A	Credit Cards	6.35
Tarjeta Automática VI	Credit Cards	2.43
Tarjeta Automática VII	Credit Cards	5.82
Tarjeta Naranja Trust IV	Credit Cards	24.14
Tarjeta Naranja Trust V	Credit Cards	36.61
Tarjeta Naranja Trust VI	Credit Cards	47.62
Tarjeta Privada VI	Credit Cards	11.11
Tarjeta Privada VII	Credit Cards	11.11
Tarjeta Privada VIII	Credit Cards	11.11
Tarjeta Sáenz I	Credit Cards	9.52
Tarjeta Shopping XXIX	Credit Cards	18.39
Tarjeta Shopping XXX	Credit Cards	20.35
Tarjeta Shopping XXXI	Credit Cards	20.35
Tarjeta Shopping XXXII	Credit Cards	23.92
Tarjeta Shopping XXXIII	Credit Cards	20.39
Tarjeta Shopping XXXIV	Credit Cards	23.26
Tarjeta Shopping XXXV	Credit Cards	16.28
Tarjeta Shopping XXXVI	Credit Cards	19.54
Tarjeta Shopping XXXVII	Credit Cards	16.61
Tarjetas del Mar Serie III	Credit Cards	4.51
Cemppsa	Future Flow	12.14
CGM Leasing V	Lease Contracts	9.63
CGM Leasing VI	Lease Contracts	10.62
CGM Leasing VII	Lease Contracts	7.49
Supervielle Leasing III	Lease Equipments	35.01
Supervielle Leasing IV	Lease Equipments	13.01
Insuagro I	Loans to Farmers	1.31
Mainero I	Loans to Farmers	4.86
Novagro I	Loans to Farmers	2.82
Stoller I	Loans to Farmers	2.58
AMFAYS Clase IV Serie A	Personal Loans	4.30
AMFAYS Clase V Serie A	Personal Loans	6.24
ATAM I	Personal loans	2.03
ATAM II CPB	Personal loans	0.51
Banco de Córdoba Clase 01	Personal Loans	11.08
Banco Industrial Personales I	Personal Loans	8.13
Banco Piano VI	Personal Loans	14.95
Banco Piano VII	Personal Loans	17.47
Banco Piano VIII	Personal Loans	12.29
Banex Créditos XV-	Personal Loans	15.87
Banex Créditos XVI	Personal Loans	17.46
Banex Créditos XVII	Personal Loans	15.87
Banex Créditos XVIII-	Personal Loans	22.25
Bazar El Entrerriano I	Personal Loans	1.42
Bonesi XIII	Personal Loans	7.62
Bonesi XIV	Personal Loans	7.39
Bonesi XV	Personal Loans	8.17
Bonesi XVI	Personal Loans	4.70
Bonesi XVII	Personal Loans	4.40
Buenos Aires Creditos II	Personal Loans	4.00
Carta Sur III A	Personal Loans	3.94
Carta Sur IV A	Personal Loans	5.24
Cetrogar III A	Personal Loans	6.30
Cetrogar IV	Personal Loans	6.85
CFA Serie III B	Personal Loans	39.68
CFA Serie IV B	Personal Loans	42.86
CGS II	Personal Loans	1.51

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Deal List (Continued)

Name of Transaction	Asset Type	Amount (US\$ Mil.)
<b>Argentina (continued)</b>		
CGS III	Personal Loans	1.35
CGS IV	Personal Loans	1.65
Columbia VIII	Personal Loans	11.78
Comafi Personales I	Personal Loans	20.61
Confibono XXIV	Personal Loans	15.82
Cuencred VI	Personal Loans	4.67
Cuencred VII	Personal Loans	3.46
Fidebica V	Personal Loans	8.88
Fidebica VI	Personal Loans	11.90
Galicia Personales IV	Personal Loans	31.75
Galicia Personales V	Personal Loans	47.62
Galicia Personales VI	Personal Loans	34.31
Kadicard I	Personal Loans	6.68
Kadicard II	Personal Loans	5.76
La Médica AMR II	Personal Loans	2.90
La Médica AMR III	Personal Loans	2.17
La Vitalicia I	Personal Loans	3.06
Lombardi II A	Personal Loans	5.05
Lombardi III	Personal Loans	4.86
Mas I	Personal Loans	2.05
Montemar VI	Personal Loans	4.10
Montemar VII	Personal Loans	3.80
Musibono IV	Personal loans	1.46
Musibono V	Personal Loans	2.13
Palmares III	Personal Loans	3.74
Palmares IV	Personal Loans	4.23
Pluralcop I	Personal Loans	3.28
Pluralcop II	Personal Loans	9.49
Pluralcop III	Personal Loans	4.38
Pluralcop IV	Personal Loans	9.10
Pricoop IV A	Personal Loans	3.52
Radio Sapienza Serie V	Personal Loans	3.46
Radio Sapienza Serie VI	Personal Loans	5.16
Red Mutual V Senior	Personal Loans	8.42
Red Mutual VI Senior	Personal Loans	5.50
Ribeiro XIX	Personal Loans	7.21
Ribeiro XVII	Personal Loans	16.74
Ribeiro XVIII	Personal loans	10.23
Ribeiro XX	Personal loans	9.62
San Cristobal Caja Mutual IV	Personal Loans	5.81
Saturno Hogar Serie IV	Personal Loans	8.36
Saturno Hogar Serie V A	Personal Loans	8.83
Saturno Hogar Serie VI A	Personal Loans	11.65
Saturno Hogar Serie VII A	Personal Loans	10.83
SMSV XIII CP	Personal Loans	12.76
SMSV XIV CP	Personal Loans	6.35
SMSV XV CP	Personal Loans	6.35
Supervielle Créditos Banex XIX	Personal Loans	22.22
Supervielle Créditos Banex XX	Personal Loans	10.64
Supervielle Personales III	Personal Loans	21.90
Supervielle Personales IV	Personal Loans	10.03
Tarjeta Plata II	Personal Loans	3.38
Tinuviel III	Personal loans	2.38
Tinuviel IV	Personal loans	1.98
Tinuviel V	Personal Loans	3.72
TKT I	Personal Loans	1.98
TKT II	Personal Loans	1.60
Torca I	Personal Loans	1.54
Regional Raices Tierralta	Project Finance	19.05

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Deal List (Continued)

Name of Transaction	Asset Type	Amount (US\$ Mil.)
<b>Argentina (continued)</b>		
Radar 2 Serie VI	Repacked Public Debt	114.10
CHA Serie VIII 2007 -1	RMBS	23.65
Supervielle Renta Inmobiliaria I	RMBS	14.34
Donmario SGR F2	Small Business Loans	4.56
Donmario SGR F3	Small Business Loans	3.28
Agroaval IV	Small Business Loans (Agricultural Producers)	10.10
Agroaval V	Small Business Loans (Agricultural Producers)	5.24
Agroaval VI	Small Business Loans (Agricultural Producers)	3.47
PAGAN IV -3ra. Ampliación	Structured Notes	14.49
Lartirigoyen III	Trade Receivable — CDO	6.94
Agrarium IV	Trade Receivables	6.43
Agrarium V	Trade Receivables	4.91
Agrofinance I	Trade Receivables	4.14
Compañía De Granos 1	Trade receivables	10.44
<b>Brazil</b>		
FIDC Omni CDC Veículos IVSeries 2007-1	Auto Loans	23.53
FIDC Omni Veículos IIISeries 2007-2	Auto Loans	114.68
FIDC Omni Veículos V Series 2007-1	Auto Loans	51.31
FIDC Pan-American Veículos I - Series 2007-1Series 2007-1	Auto Loans	179.60
FIDC Paulista - VeículosSeries 2007-1	Auto Loans	51.31
Union National Agro+ FIDC Financeiros AgropecuáriosSenior / Mezzanine Quotas	CDO	274.32
AcruX Securitizadora S.A.1a Emissão/Serie 1	CMBS	5.45
Beta Securitizadora S.A.1ª emissão / 2ªsérie	CMBS	1.18
Brazilian Securities Cia Securitização1ª emissão/55ªsérie	CMBS	4.01
Brazilian Securities Cia Securitização1ª emissão/64ªsérie	CMBS	24.75
Brazilian Securities Cia Securitização1ª emissão/71ªsérie	CMBS	8.98
Rio Bravo Crédito Cia. de SecuritizaçãoSeries 2007-3	CMBS	49.31
Rio Bravo Crédito Cia. de SecuritizaçãoSeries 2007-4	CMBS	49.00
Ourinvest FIDC Financeiros — SuppliercardSeries 2007-1	Credit Cards	12.30
Celesc I FIDC MercantisSenior Quotas	Future Flow	112.17
FIDC CEEE III — GTSeries 2007-1	Future Flow	84.68
FIDC Cesp IVSeries 2007-1	Future Flow	641.42
FIDC Cia. Paulista de Trens Metropolitanos - CPTMSenior Quotas	Future Flow	70.60
FIDC EMAE Energia	Future Flow	34.73
FIDC EnergisaSenior Quotas	Future Flow	84.13
Rural FIDC — Crédito Financeiro Corporativo I	Other	11.89
BMG FIDC — Crédito Consignado VI3rd Issuance	Payroll Deductible	66.16
BMG FIDC — Créditos Consignados VI1st Issuance	Payroll Deductible	146.31
FIDC BCSul Verax Crédito Consignado IISeries 2007-4	Payroll Deductible	73.16
FIDC BVA Créditos Consignados SeniorSenior Quotas/Mezzanine Quotas	Payroll deductible	48.89
FIDC Intermedium Crédito ConsignadoSeries 2007-1	Payroll Deductible	29.53
FIDC Matone Empréstimos Consignados — Servidores PúblicosSeries 2007-1	Payroll Deductible	47.07
FIDC Matone IV - Crédito ConsignadoSeries 2007-1	Payroll Deductible	36.91

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Deal List (Continued)

Name of Transaction	Asset Type	Amount (US\$ Mil.)
<b>Brazil (continued)</b>		
FIDC Paraná Banco IISeries 2007-1	Payroll Deductible	47.21
FIDC Sabemi Financeiro	Payroll Deductible	35.41
Máxima FIDC — Crédito ConsignadoSeries 2007-1	Payroll Deductible	25.66
Aetatis Securitizadora S.A. 1ª emissão/1ªsérie	RMBS	11.63
Aetatis Securitizadora S.A. 1ª emissão/3ªsérie	RMBS	18.97
Aetatis Securitizadora S.A. 1ª emissão/4ªsérie	RMBS	11.46
Brazilian Securities Cia Securitização1ª emissão 49ªsérie	RMBS	13.80
Brazilian Securities Cia Securitização1ª emissão/53ªsérie	RMBS	3.14
Brazilian Securities Cia Securitização1ª emissão/58ªsérie	RMBS	11.90
Brazilian Securities Cia Securitização1ª emissão/60ªsérie	RMBS	10.78
Brazilian Securities Cia Securitização1ª emissão/66ªsérie	RMBS	13.29
Brazilian Securities Cia Securitização1ª emissão/69ªsérie	RMBS	49.56
Brazilian Securities Cia SecuritizaçãoSeries 2007-47	RMBS	4.26
Cibrasec Cia. Brasileira de Securitização1ª emissão/56ªsérie	RMBS	14.97
Cibrasec Cia. Brasileira de Securitização1ª emissão/57ªsérie	RMBS	7.11
Cibrasec Cia. Brasileira de Securitização1ª emissão/58ªsérie	RMBS	2.53
Cibrasec Cia. Brasileira de Securitização1ª emissão/59ªsérie	RMBS	2.78
Cibrasec Cia. Brasileira de Securitização1ª emissão/60ªsérie	RMBS	3.08
MPD KC FIDCSenior Quotas	RMBS	10.32
Rio Bravo Securitizadora S.A. 1ª emissão/40ªsérie	RMBS	0.22
Rio Bravo Securitizadora S.A. 1ª emissão/41ªsérie	RMBS	8.90
Rio Bravo Securitizadora S.A. 1ª emissão/45ªsérie	RMBS	5.53
Rio Bravo Securitizadora S.A. 1ª emissão/46ªsérie	RMBS	3.66
Concordia FIDC2nd Issuance	Trade Receivables	90.33
FIDC Petroflex IISeries 2007-1	Trade Receivables	48.77
FIDC Trademax Petroquímico1st Series Senior Quotas	Trade Receivables	28.67
Multi Recebíveis FIDC Series 2007-5Series 2007-5	Trade Receivables	4.26
Multi Recebíveis II FIDCSeries 2007-1	Trade Receivables	22.43
Pão de Açúcar FIDCSeries 2007-3	Trade Receivables	74.54
Teuto FIDC ComerciaisSenior Quotas	Trade Receivables	11.92
Trendbank Fomento FIDC — CreditmixSenior Quotas	Trade Receivables	45.87
Union National FIDC Financeiros e Mercantis	Trade Receivables	54.44
Union National FIDC Financeiros e MercantisSeries 2007-4	Trade Receivables	88.88
Brazilian Securities Cia Securitização1ª emissão/67ªsérie		5.90
<b>Chile</b>		
Banchile (PS-12)	Repack Notes	65.00
Banchile (PS-11)	Credit Cards	48.83
BCI (PS-13)	Credit Cards	70.61
BCI (PS-14)	Credit Cards	50.43
BCI (PS-16)	Credit Cards	56.49
Itaú (PS-6)	RMBS	20.70
Security (PS-10)	RMBS	42.67
Security (PS-9)	RMBS	28.96
Transa (PS-8)	RMBS	10.80
<b>Colombia</b>		
Garantía parcial Alquilería	PG	26.32
TIPS E-9	RMBS	156.41
TIPS Pesos E-3	RMBS	204.20
TIPS Pesos E-4	RMBS	269.87
TIPS Pesos E-5	RMBS	155.90

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Deal List (Continued)

Name of Transaction	Asset Type	Amount (US\$ Mil.)
<b>El Salvador</b>		
CrediQ Inversiones II, S.A.	Auto Loans	30.00
<b>Mexico</b>		
Deutsche Bank (DBABCP)	ABCP CONDUIT	—
FINAMEX (CBESTCB)	ABCP CONDUIT	—
Arrendadora UNIFIN (UNIFCB07)	Auto Leases	18.18
SICREA (SCREACB 07)	Auto Leases	72.73
PLANFIA (PLANFCB 07)	Auto Loans	22.73
Credito y Casa (CREYCB 07)	CBL	111.17
Credito y Casa (CREYCB 07-2)	CBL	16.10
Metrofinanciera (METROCB 07)	CBL	156.12
Metrofinanciera (METROCB 07-2)	CBL	25.70
Metrofinanciera (METROCB 07-3)	CBL	78.06
Metrofinanciera (METROCB 07-4)	CBL	12.85
Su Casita (HSCCB06)	CBL	79.55
Su Casita (HSCCB06-2)	CBL	11.36
Vertice (VERTICB07)	CBL	45.45
Acosta Verde (ACOSTCB07)	CMBS	103.67
Fonacot (FNCOTCB 07)	Consumer Loans	136.36
Fonacot (FNCOTCB 07-2)	Consumer Loans	90.91
Fonacot (FNCOTCB 07-3)	Consumer Loans	90.91
Fonacot (FNCOTCB 07-4)	Consumer Loans	145.45
El Camino Resources México (CAMINCB07)	Equipment Leasing	34.53
El Camino Resources México (CAMINCB07-2)	Equipment Leasing	3.84
Transportación Marítima Mexicana (TMMCB07)	Equipment Leasing	272.73
Distrito Federal (GDFCB 07)	Federal Tax Securitization	52.27
Distrito Federal (GDFCB 07-2)	Federal Tax Securitization	220.45
Estado de Chiapas (CHIACB 07)	Federal Tax Securitization	72.73
Estado de Chiapas (CHIACB 07U)	Federal Tax Securitization	381.82
Estado de Michoacán (MICHCB 07U)	Federal Tax Securitization	318.18
Estado de Oaxaca (OAXCB 07U)	Federal Tax Securitization	254.55
Instituto para el Financiamiento del Estado de Hidalgo (IPFHGO 07)	Federal Tax Securitization	222.73
Xignux (XIGNUX 07)	PG	133.03
Xignux (XIGNUX 07-2)	PG (BANCOMEXT)	201.83
Banorte (BANORTCD 07)	Repack Notes	179.60
Banorte (BNTECB 07)	Repack Notes	485.70
Banorte (BNTECB 07-2)	Repack Notes	10.12
CFE (CFEHCB 06)	Repack Notes	225.23
CFE (CFEHCB 07)	Repack Notes	159.09
CFE (CFEHCB 07-2)	Repack Notes	157.66
CFE (CFEHCB 07-3)	Repack Notes	109.09
Deutsche Bank (DBCB 07-2U)	Repack Notes	31.77
Deutsche Bank (DBCB 07-3U)	Repack Notes	1.90
Deutsche Bank (DBCB 07U)	Repack Notes	22.45
General Electric Capital Corp (GECB)	Repack Notes	—
Bancomer (BACOMCB07)	RMBS	230.95
Credito y Casa (CREYCB 06-2U)	RMBS	5.73
Credito y Casa (CREYCB 06U)	RMBS	57.14
Credito y Casa (CREYCB 06U)	RMBS	73.32
Credito y Casa (CREYCB 06U)	RMBS	48.00
Credito y Casa (CREYCB 06U-2U)	RMBS	6.58
Credito y Casa (CREYCB 06U-2U)	RMBS	8.50
GMAC (MXMACCFW 07U)	RMBS	81.43
GMAC (MXMACCFW 07U-2)	RMBS	5.72
GMAC (MXMACFW07-3U)	RMBS	112.02
GMAC (MXMACFW07-4U)	RMBS	6.59
GMAC (MXMACFW07-5U)	RMBS	58.86
GMAC (MXMACFW07-6U)	RMBS	5.56
HiTo (BONHITO F8531)	RMBS	0.87

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Deal List (Continued)

Name of Transaction	Asset Type	Amount (US\$ Mil.)
<b>Mexico (continued)</b>		
HSBC (HSBCCB 07)	RMBS	208.89
HSBC (HSBCCB 07-2)	RMBS	18.36
HSBC (HSBCCB 07-3)	RMBS	292.70
HSBC (HSBCCB 07-4)	RMBS	25.73
Infonavit (CEDEVIS 07U)	RMBS	220.56
Infonavit (CEDEVIS07-2U)	RMBS	245.46
Infonavit (CEDEVIS07-3U)	RMBS	212.27
Metrofinanciera (MTROCB07U)	RMBS	96.65
Patrimonio (PATRICB 07U)	RMBS	77.75
Patrimonio (PATRICB07)	RMBS	90.00
Patrimonio (PATRICB07-2)	RMBS	10.00
Su Casita (BRHCCB07)	RMBS	77.91
Su Casita (BRHCCB07-2)	RMBS	67.81
Su Casita (BRHCCB07-2U)	RMBS	150.28
Su Casita (BRHCCB07-3)	RMBS	20.27
Su Casita (BRHCCB07-3U)	RMBS	22.92
Su Casita (BRHCCB07U)	RMBS	100.19
Su Casita (BRHHSCCB 07)	RMBS	68.47
Su Casita (BRHHSCCB 07-2)	RMBS	9.41
<b>Panama</b>		
Global Bank Corp.	Payroll Deductible	35.00
<b>Peru</b>		
Edpyme Edyficar	Bonds + PG IFC	8.39
Credititulos Sociedad Titulizadora S.A. (CMR)	Credit Cards	7.50
Credititulos Sociedad Titulizadora S.A. (CMR)	Credit Cards	4.72
Credititulos Sociedad Titulizadora S.A. (Inmuebles Panamericana)	Future Flows + Existing Assets	10.00
Credititulos Sociedad Titulizadora S.A. (Inmuebles Panamericana)	Future Flows + Existing Assets	15.00
Credititulos Sociedad Titulizadora S.A. (Inmuebles Panamericana)	Future Flows + Existing Assets	5.00
Interitulos (Supermercados Peruanos)	Future Flows + Existing Assets	10.96
Red de Energía del Perú S.A.	Future Flows + Existing Assets	8.50
Red de Energía del Perú S.A.	Future Flows + Existing Assets	21.50
Red de Energía del Perú S.A.	Future Flows + Existing Assets	30.00
Saga Falabella S.A.	Future Flows + Existing Assets	8.41
BBVA Banco Continental	RMBS + PG BID	23.75
BBVA Banco Continental	RMBS + PG BID	1.25
Scotia Sociedad Titulizadora S.A. (Munic. de Lima)	Toll Road Securitization	12.56
Scotia Sociedad Titulizadora S.A. (Munic. de Lima)	Toll Road Securitization	9.46
Scotia Sociedad Titulizadora S.A. (Munic. de Lima)	Toll Road Securitization	13.24

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Deal List (Continued)

Name of Transaction	Asset Type	Amount (US\$ Mil.)
<b>Cross-Border Issuance</b>		
<b>Argentina</b>		
Province of Neuquen — Retap	Royalty Rights	125.00
<b>Belize</b>		
Belize Sovereign Investments III	Government Repackaging with Insurance Policy	85.73
<b>Brazil</b>		
Banco Bradesco International DPR Co.	Future Flow	400.00
Banco Bradesco International DPR Co.	Future Flow	500.00
UBB DPR Finance Company (Unibanco) Series 2005-1	Future Flow	200.00
<b>Jamaica</b>		
Jamaica DPR Co. (NCB) Series 2007-1	Future Flow	50.00
<b>Mexico</b>		
Aeroinvest (GACN)	Airport Revenues	200.00
Metrofinanciera Trust #650 (CBLs) Class A	CBL	131.35
Metrofinanciera Trust #650 (CBLs) Class B	CBL	19.91
Su Casita Trust - A	RMBS	239.57
Su Casita Trust - B	RMBS	21.84
<b>Panama</b>		
Newland International Properties (Trump Ocean Club)	Real Estate Development Loan	220.00
La Hipotecaria Panamanian Mortgage Trust 2007-1	RMBS	73.05
<b>Peru</b>		
CCR Inc. MT-100 Payment Rights		
Master Trust (Banco del Credito del Peru) Series 2007	Future Flow	500.00
Interoceanica IV Finance Limited (Intersur)	Toll Road/CRPAO	291.63
Lima Airport Partners S.R.L. (LAP) - 2007	Airport Revenues	164.88
<b>Various</b>		
Private Deals	Future Flow/CBL/RMBS	1,366.96
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