STANDARD & POOR'S RATINGS SERVICES

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New Issue: FCT Ginkgo Compartment Personal Loans 2013-1

€900 Million Asset-Backed Fixed-Rate Notes

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New Issue: FCT Ginkgo Compartment Personal Loans 2013-1

€900 Million Asset-Backed Fixed-Rate Notes

Ratings Detail

Class	Rating*	Amount (mil. €)	Available credit enhancement§ (%)	Interest (%)	Legal final maturity
A	AAA (sf)	577.80	37.00	0.85	May 18, 2032
B	AA (sf)	82.80	26.75	1.40	May 18, 2032
C	A (sf)	76.50	18.25	2.25	May 18, 2032
D	NR	162.90	0.00	2.75	May 18, 2032

*Standard & Poor's ratings in this transaction address timely interest and ultimate principal. §Available credit support includes the 1.5% fully funded cash reserve fund. NR--Not rated. N/A--Not applicable.

Transaction Participants	
Arranger and lead manager	Crédit Agricole Corporate and Investment Bank
Management company	Euro Titrisation
Seller and originator	Credit Agricole Consumer Finance
Paying agent	CACEIS
Compartment account provider	Credit Agricole Consumer Finance

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Supporting Ratings

Institution/role	Ratings
Credit Agricole Consumer Finance, as compartment account provider	A/Negative/A-1

Transaction Key Features*	
Closing date	May 23, 2013
First interest payment date	June 18, 2013
Portfolio type	Static (i.e., no revolving period)
Collateral	Consumer loans originated by Credit Agricole Consumer Finance in France
Principal outstanding (€)	899,986,595
Country of origination	France
Customer type	Private individual borrowers (100.0%)
Amortization type	Standard amortizing loans (100%); no balloon loans
Loan type	Personal loan (66.3%), and debt consolidation (33.7%)
Average loan size balance (€)	8,425
Loan amount range (€)	500 to 74,969
Weighted-average seasoning (months)	16.10
Weighted-average asset life remaining (months)	52.40

Transaction Key Features* (cont.)	
Weighted-average interest rate (%)	7.08

*As of the provisional portfolio cut-off date on April 30, 2013.

Transaction Summary

Standard & Poor's Ratings Services has assigned credit ratings to the class A, B, and C asset-backed floating rate notes issued by FCT Ginkgo Compartment Personal Loans 2013-1. At closing, the issuer also issued unrated class D notes and residual units.

The originator is Credit Agricole Consumer Finance, a wholly-owned subsidiary of Credit Agricole and a major European consumer lender. In addition to personal loans and debt consolidation loans, Credit Agricole Consumer Finance also originates auto and revolving loans, which are not in the scope of the transaction.

The transaction refinances a portfolio of personal and debt consolidation receivables granted to private individual borrowers in France.

Our ratings on the respective classes of notes reflect our assessment of the credit and cash flow characteristics of the underlying asset portfolio, as well as our analysis of the transaction's counterparty and operational risks. Our analysis indicates that the credit enhancement available to the class A, B, and C notes is sufficient to mitigate the credit and cash flow risks to the corresponding rating levels.

Notable Features

The transaction is a repeat transaction. We have also rated FCT Ginkgo Compartment 2009-1. The main differences between this new transaction and the previous one is the fact that the portfolio is static in the new one (no further purchase of assets after the closing date) and relates to the collateral composition. In the previous transactions, the securitized pool comprised not only personal loans and debt consolidation loans, but also included several other type of loans (equipment loans and auto loans).

Rating Rationale

Our ratings in this transaction reflect our assessment of the following factors:

Originator

We consider Credit Agricole Consumer Finance to be a leading French consumer loan originator, with tested underwriting and servicing procedures, in our view. It also has securitization experience, and has originated other transactions that we rate. In our opinion, the originator's ability to service the transaction is satisfactory under good conditions.

Economic outlook

In our base-case stress scenarios, we have considered the deteriorating French economy and worsening unemployment forecasts, which we view as key drivers of consumer loan performance (see "Entrenched In Recession, Europe Seeks A Balance Between Deleveraging And Growth," published on March 26, 2013).

Counterparty risk

There is a risk that collections could be lost if the servicer becomes insolvent. A commingling reserve fund, partly funded at closing, will mitigate commingling risk. If we lower our long-term issuer credit rating on the servicer below 'BBB', with a short-term rating of at least 'A-2', the reserve fund will be increased to two months of collection, assuming a stressed prepayment of 21%.

The transaction documents contain replacement language for all relevant counterparties, in accordance with our 2012 counterparty criteria (see "Counterparty Risk Framework Methodology And Assumptions," published on Nov. 29, 2012).

Legal risk

"Fonds Commun de Titrisation" (FCTs) are bankruptcy-remote under French securitization law.

Credit analysis

Our base-case and stress multiple assumptions reflect the fact that the servicer is a repeat issuer and has provided more than 10 years of data. It also takes into account our assumption of the French economy's deterioration. We have also factored in the growing amount of over-indebtedness restructuring plans that can be imposed by the Banque de France on lenders. These may result in maturity extensions, rate decreases, and principal abandonment. We have analyzed credit risk by applying our "European Consumer Finance Criteria," published on March 10, 2000.

Cash flow analysis

Our credit and cash flow analysis, based on our European consumer finance criteria, has confirmed that the transaction's credit enhancement—provided by the subordination of the most junior classes of notes, the fully funded reserve fund, and the available excess spread—is commensurate with a 'AAA (sf)' rating on the class A notes, a 'AA (sf)' rating on the class B notes, and a 'A (sf)' rating on the class C notes.

The reserve fund is structured to preserve, as long as the senior notes remain outstanding, an inherent source of liquidity in the transaction.

Ratings stability

We have performed analysis of two scenarios and have examined the transaction's performance in the context of our credit stability criteria (see "Methodology: Credit Stability Criteria," published on May 3, 2010). In our opinion, the results of this analysis are in line with our 2012 counterparty criteria.

Strengths, Concerns, And Mitigating Factors

Strengths

- The loan portfolio is static and comprises only typical French loan products for the French market: Fixed-rate, amortizing loans with equal monthly installments.

- We consider the loans in the portfolio to be highly granular and geographically diversified.
- The portfolio eligibility criteria exclude loans that are delinquent in litigation, or subject to a payments freeze under French consumer over-indebtedness law ("Loi Neiertz and Loi Borloo").
- The note repayment structure is purely sequential, and features an acceleration mechanism designed to protect senior noteholders' stakes under adverse circumstances.

Concerns and mitigating factors

- The French economy has deteriorated significantly and employment forecasts have worsened (key drivers of consumer loan performance). We have considered this in our base-case assumptions.
- Adverse selection (with higher-yielding loans prepaying faster than the rest of the portfolio) could also occur and reduce the loan portfolio yield. To account for this eventuality, we have assumed in our cash flow analysis that 50% of any prepayments apply in priority to the higher-yielding loans.
- There will be no contracted backup servicer at closing. In our cash flow model, we have modeled appropriate stresses with respect to a potential servicer replacement, including a stressed servicer fee.

Transaction Structure

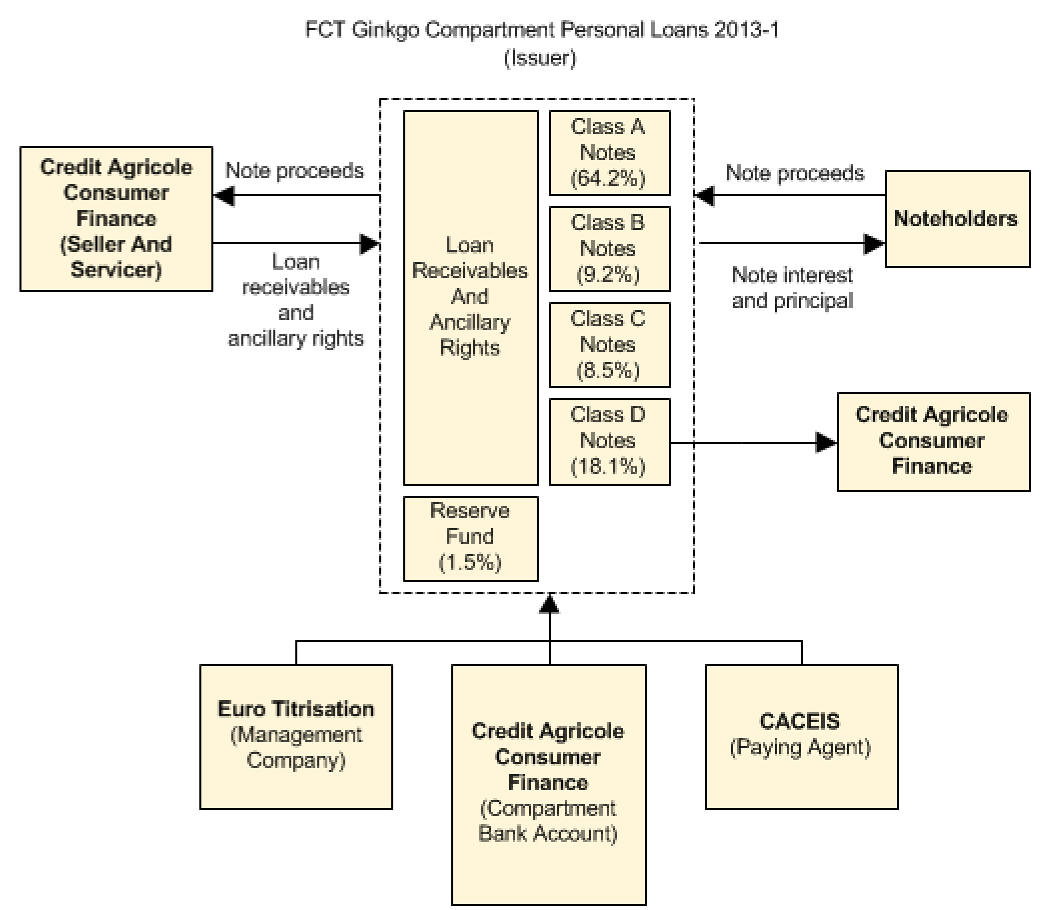
FCT Ginkgo Compartment Personal Loans 2013-1 is a compartment of a French FCT, which is considered bankruptcy-remote under French securitization law.

At closing, the issuer will use the proceeds to purchase a portfolio of personal and debt consolidation receivables granted to private borrowers in France.

Interest under the notes is paid monthly in arrears.

Chart 1

FCT Ginkgo Compartment Personal Loans 2013-1
Transaction structure



Collateral Description

We have reviewed the closing portfolio with a cut-off date of April 30, 2013. Table 1 summarizes the main portfolio's main characteristics. The pool at closing will comprise 106,822 consumer loan contracts. All loans in the portfolio are fixed-rate and amortizing, with monthly equal installments and granted to private individual borrowers in France.

The pool comprises:

- Personal loans, without specified purposes; and
- Debt consolidation loans, which are consumer loans refinancing existing performing loans.

Table 1

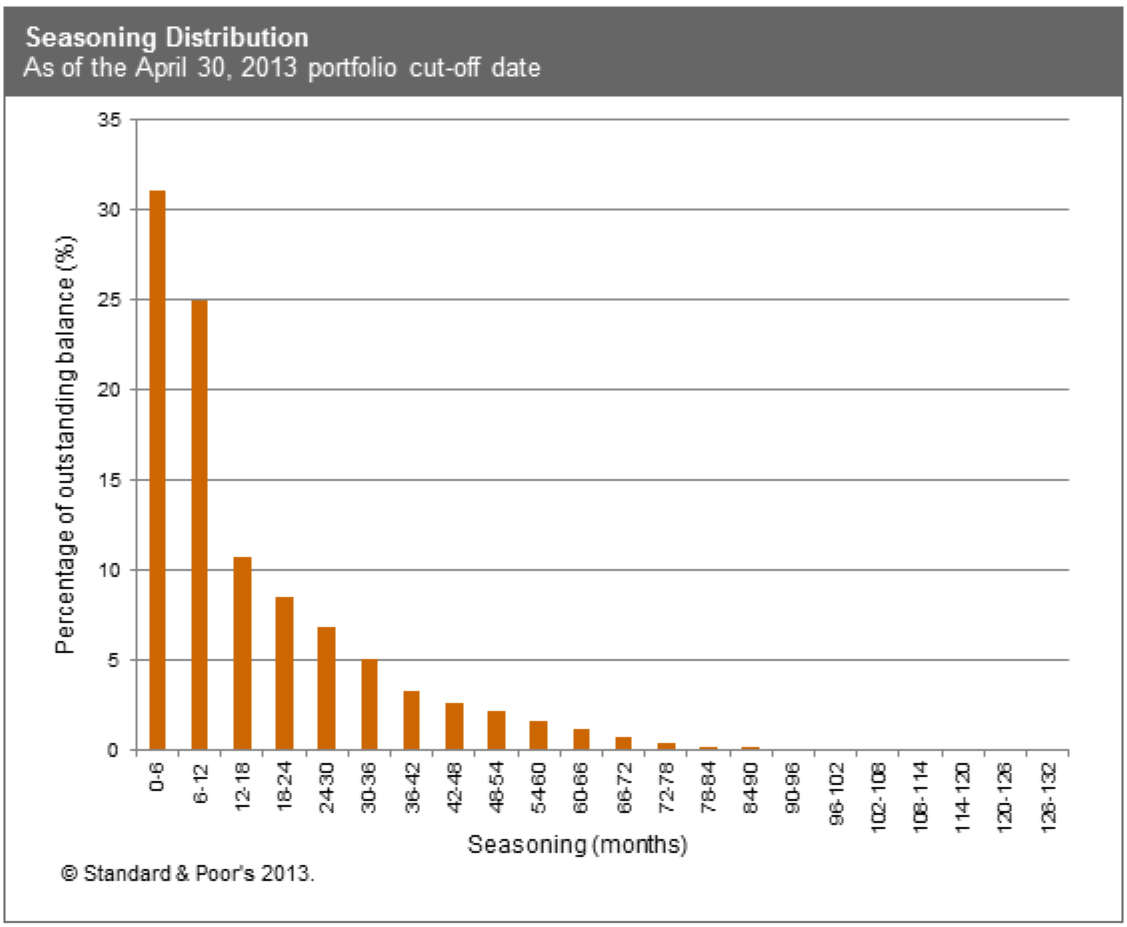
Portfolio Characteristics*	
Outstanding balance (€)	899,986,595

Table 1

Portfolio Characteristics* (cont.)	
Number of loans	106,822
Loan amount range (€)	500 to 74,969
Average outstanding balance (€)	8,425
Interest rate range (%)	2.44 to 17.48
Weighted-average interest rate (%)	7.08
Remaining maturity range (months)	3 to 119
Weighted-average remaining term (months)	52.40
Loan type	Personal and debt consolidation receivables
Personal loans (%)	66.30
Debt consolidation (%)	33.70

*As of April 30, 2013 portfolio cut-off date.

Chart 2



Main eligibility criteria

The loans are subject to certain eligibility criteria when purchased, including:

- They cannot be defaulted, granted to an insolvent obligor, or be delinquent;
- They must represent a legally binding obligation of the obligor; and

- They must pay a fixed interest rate and pay fixed monthly installments.

Under the transaction documents, any breach of these criteria would be remedied by the seller, either by indemnification or substitution.

Credit Analysis

Data quality

We have received from the originator gross loss data for the two different sub-portfolios: Personal loans (PL) and debt consolidation loans (DCL). We also received recoveries related to accelerated loans and over-indebtedness.

The longest cohort of data provided covers a period of 47 consecutive quarters, compared with the portfolio's 52.6-month weighted-average remaining term.

Definition of defaults

Under the transaction documents, a loan would be considered defaulted if:

- The servicing of the loan has been transferred to the servicer's legal department and the loan is accelerated;
- The loan has eight or more unpaid installments; or
- The servicer classifies the loan as contentious (applies to over-indebtedness loans and consumer-protection restructured loans).

Cumulative default rates

We have assumed the same cumulative default rate base-case assumption of 10.5% for the two sub-portfolios. This assumption takes into account our assumption of the deteriorating French economy.

Chart 3

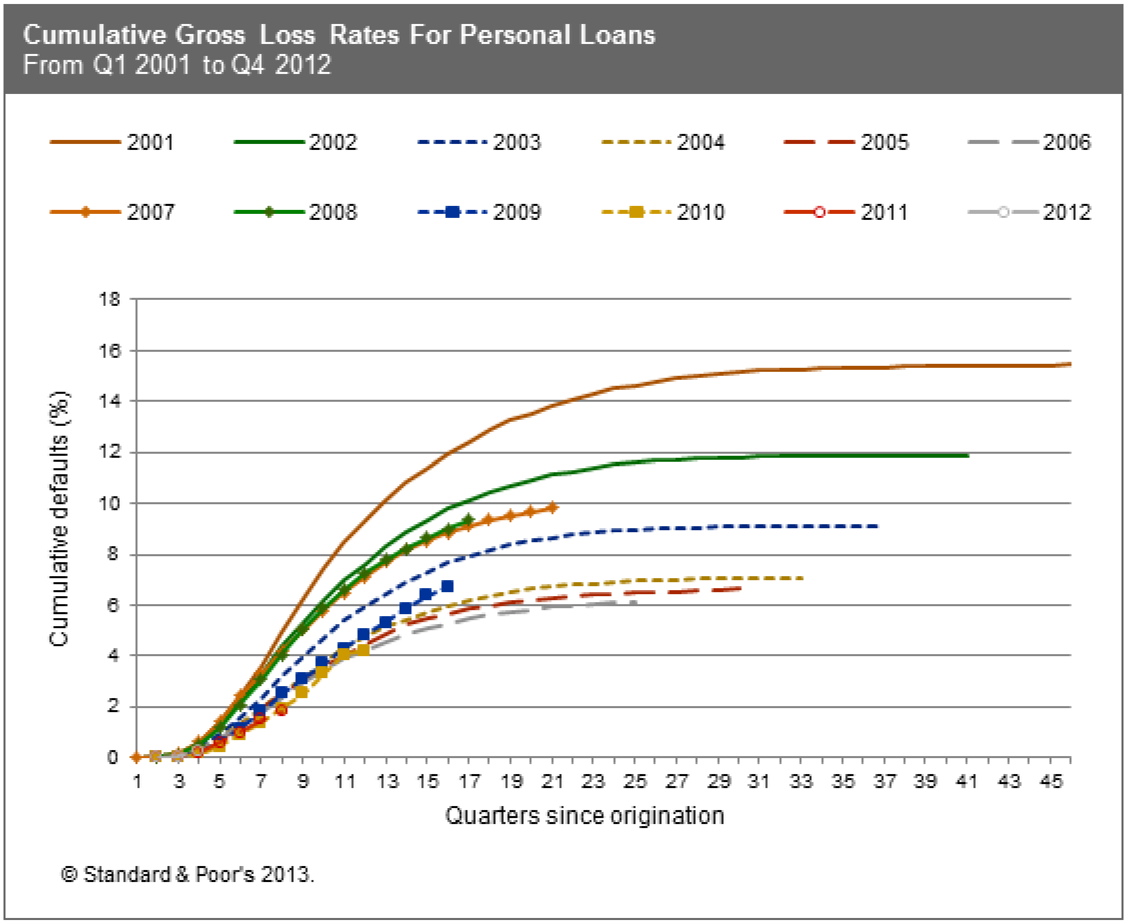
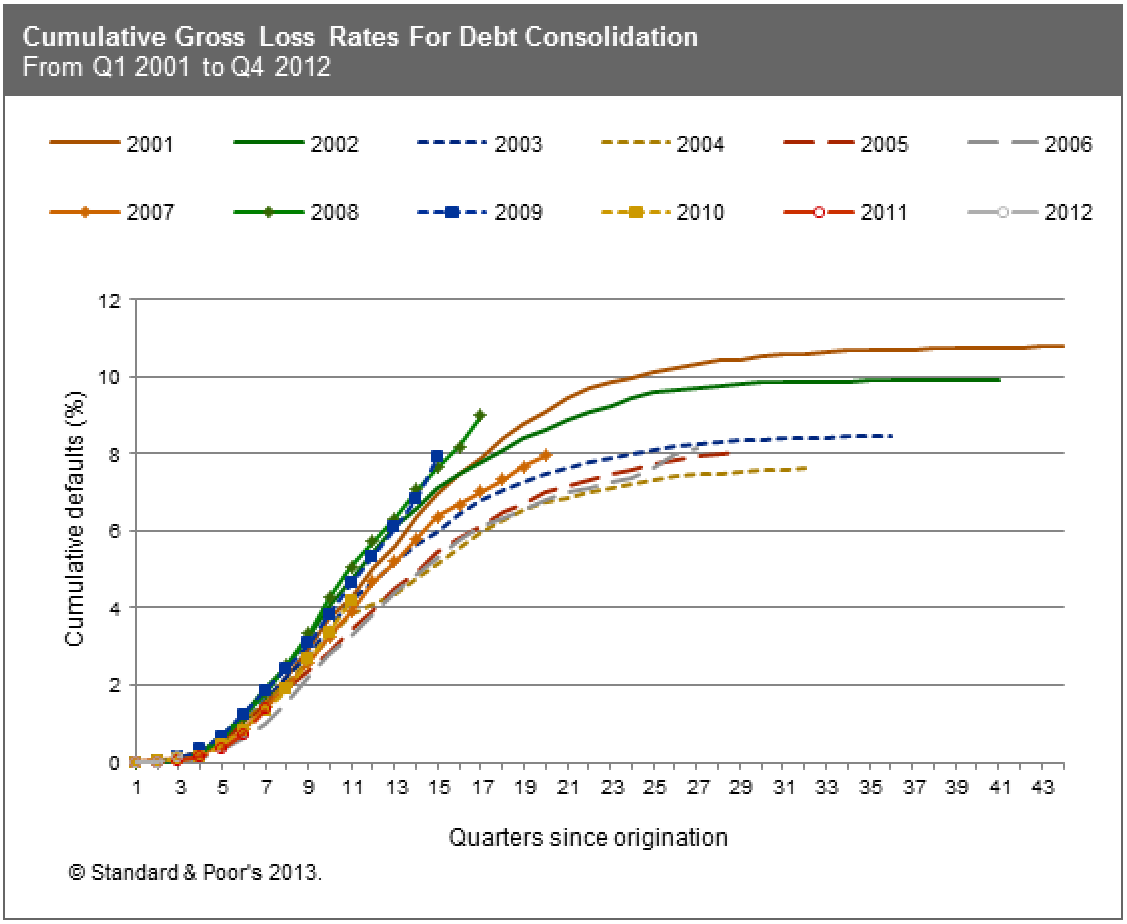

Cumulative Gross Loss Rates For Personal Loans
From Q1 2001 to Q4 2012
2001
2002
2003
2004
2005
2006
2007
2008
2009
2010
2011
2012
Cumulative defaults (%)
0
2
4
6
8
10
12
14
16
18
1 3 5 7 9 11 13 15 17 19 21 23 25 27 29 31 33 35 37 39 41 43 45
Quarters since origination
© Standard & Poor's 2013.

Chart 4



Recovery rates

We have assumed a 37.5% base-case assumption with a linear recovery rate of more than 48 months.

Standard & Poor's Stress Test

Summary of credit and stress test assumptions

Table 2

Cumulative Default Rate Stress Test*

	Percentage of the worst-case portfolio (%)	Cumulative default rate base case (%)	'AAA' multiple	'AAA' cumulative default rate assumption (%)	'AA' multiple	'AAA' cumulative default rate assumption (%)	'A' multiple	'AAA' cumulative default rate assumption (%)
Personnal loans	66.30	10.5	4.4	30.63	3.4	23.67	2.4	16.71
Debt consolidation	33.70	10.5	4.4	15.57	3.4	12.03	2.4	8.49

*Applied linearly over 24 months.

Table 3

Recovery Rate Stress Test*								
Loan type	**Percentage of the worst-case portfolio (%)**	**Recovery rate base case (%)**	**'AAA' haircut (%)**	**'AAA' recovery rate assumption input (%)**	**'AA' haircut (%)**	**'AA' recovery rate assumption input (%)**	**'A' haircut (%)**	**'A' recovery rate assumption input (%)**
Whole portfolio	100	37.5	45	20.6	40	22.5	35	24.4

*Applied linearly over 48 months.

Table 4

Stress Tests			
	Cumulative default rate (%)	**Recovery rate (%)**	**Terminal cumulative loss rate (%)**
'AAA' scenario	46.20	20.60	36.68
'AA' scenario	35.70	22.50	27.67
'A' scenario	25.20	24.40	19.05

Senior fees

In our cash flow model, we have considered stressed senior expenses of 1% of the outstanding loan balance to take into account a potential servicer replacement.

Default distribution

We have considered equally loaded (linear) defaults over 24 months, starting from month one.

Prepayment and yield compression

We have stressed the prepayment rate up to 24.0% and down to 0.5%.

We have assumed that 50% of the prepayments correspond to the highest-yielding loans, which resulted in the compression of the portfolio's yield (40 basis points over 24 months).

Interest and prepayment rates

We have modeled three interest rate scenarios—up, down, and flat—using both high and low prepayment assumptions. Interest rates were 0.2% at the time of modeling and we modeled them to rise by 2% per month to a cap of 12% ("up" scenario) and a floor of 0% ("down" scenario).

Delinquencies

We have stressed delinquencies in our cash flow analysis by assuming that loans representing two-thirds of the default rate at each rating scenario would stop paying for a period of 15 consecutive months.

Credit Structure

Interest under the notes will be paid monthly in arrears, starting in June 2013.

The rated notes are indexed to one-month euro interbank offered rate (EURIBOR) and pay a specific spread, whereas the subordinated class D notes pay a fixed-rate coupon.

The legal final maturity of the notes falls in May 2032. The management company can exercise an option to repay or clean up the entire outstanding principal under the notes. This can apply if the outstanding principal on the underlying loans is lower than 10% of the original amount, or if all the notes are held by the same party and that party requests the compartment's liquidation.

The transaction has separate interest and principal payment waterfalls with a default-provisioning mechanism. The transaction can use excess spread to cure incoming defaults on an ongoing basis.

Cash reserve fund

The structure benefits from a fully funded reserve fund, representing 1.5% of the initial principal amount of the all classes of notes.

The reserve is nonamortizing. This reserve is split into three sub-ledgers:

- A ledger (1.2%) available to cover the first two items listed below;
- B ledger (0.15%) available to cover numbers the first two items and item five listed below; and
- C ledger (0.15%) available to cover numbers the first two items, and items five and eight listed below.

This feature aims to retain a source of liquidity in the transaction at all times.

Priority of payments during the revolving period and the normal redemption period

Interest priority of payments. During the normal amortization period, the issuer applies amounts in the interest account to:

- Pay the senior fees;
- Pay interest on the class A notes;
- Replenish the A ledger reserve fund up to the required amount (and if it is above the required amount, release the excess);
- Cure the class A notes' principal deficiency ledger (PDL) if any;
- Pay interest on the class B notes;
- Replenish the B ledger reserve fund up to the required amount (and if it is above the required amount, release the excess);
- Cure the class B notes' PDL if any
- Pay interest on the class C notes;
- Replenish the C ledger reserve fund up to the required amount (and if it is above the required amount, release the excess);
- Cure the class C notes' PDL, if any;
- Pay interest on the class D notes; and
- Release excess spread.

The transaction can use principal to cure senior expenses, swap amount, and interest on the class A notes.

The PDL mechanism captures:

- Gross defaults (accelerated loans);
- Loans restructured by the Banque de France/over-indebtedness commission;
- Non-restructured and non-accelerated loans where eight or more installments remain unpaid (late delinquent receivables); and
- The principal installments borrowed to pay senior expenses, or interest on the class A notes.

Principal priority of payments

Each month, the issuer applies amounts in the principal account to:

- Pay unpaid senior expenses amounts of senior expenses, and interest on the class A notes in the interest waterfall;
- Pay the principal on the class A notes;
- Pay the principal on the class B notes;
- Pay the principal on the class C notes.

Priority of payments during the accelerated period

An acceleration payment waterfall will be effective if no interest payments occur on the most senior class of notes not paid within three days.

In the accelerated period, there is one single waterfall for interest and principal collections and notes still pay down principal sequentially in the following way:

- Pay the senior fees;
- Pay interest on the class A notes;
- Fully redeem the class A notes,
- Pay interest on the class B notes;
- Fully redeem the class B notes;
- Pay interest on the class C notes;
- Fully redeem the class C notes;
- Pay interest on the class D notes; and
- Pay principal on the class D notes.

Flow of funds and commingling risk

Loan collections are received in collection accounts held at Credit Agricole Consumer Finance. Collections are transferred to the FCT Compartment Account on a monthly basis.

If the servicer becomes insolvent, collection proceeds on these collection accounts (including collections received before the borrowers have been notified to redirect their payments) are lost.

Consequently, a commingling reserve covers one month of collection. If the servicer loses its 'BBB' long-term rating with a short-term 'A-2' rating, this reserve amount will increase to two months of collection, assuming a stressed prepayment of 21%.

Scenario Analysis

This scenario analysis section incorporates:

- A description of our methodology and scenario stresses;
- Results of the effects of the stresses on ratings; and
- Results of the effects of the stresses on our cash flow analysis.

Methodology

For rating European auto and consumer asset-backed securities transactions, we have developed a scenario analysis and sensitivity-testing model framework. This framework demonstrates the likely effect of scenario stresses on the ratings in a transaction over a one-year outlook horizon. For ABS, we consider scenario stresses over a one-year horizon to be appropriate, given the relatively short weighted-average life of the loans backing the notes. For these types of securities, there are many factors that could cause the downgrade and default of a rated class of notes, including loan performance and structural features. However, for the purposes of this analysis, we have focused on the three fundamental drivers of collateral performance, namely:

- Cumulative default rates,
- Recovery rates, and
- Prepayment rates.

Given current economic conditions, the proposed stress scenarios reflect negative events for each of these variables. Increases in default rates could arise from a number of factors, including rises in unemployment and company insolvencies. Additionally, these effects would most likely cause collateral recovery rates to fall as the structural imbalance between supply and demand leads to reductions in loan prices. In this environment, we would also expect prepayment rates to fall as fewer refinancing options leave obligors unable to prepay finance agreements.

For this analysis, we have included two stress scenarios to demonstrate the rating transition of a class of notes (see table 5).

Table 5

Scenario Stresses

Rating variable	Scenario 1 (relative stress to base case)	Scenario 2 (relative stress to base case)
Cumulative default rate (%)	30	50
Recovery rate (%)	(30)	(50)
Constant prepayment rate (%)	(20)	(33)

It is worth noting that our base case assumptions for each transaction are intended to be best estimates of future performance for the loan portfolio. Our approach in determining these base cases would consider historically observed performance and our expectation of potential changes in these variables over the life of the transaction. The sensitivity of rated classes of notes in each transaction differs depending on these factors, in addition to structural features of the transaction, including reliance on excess spread, payment waterfalls, and levels of credit enhancement at closing.

For each proposed scenario stress, we separate the applied methodology into three distinct stages. In the first stage, we stress our expected base case assumptions over a one-year period, to replicate deviations away from our expected performance over the stress horizon. We assume the stresses that we apply occur at closing, with defaults applied based on our expectation of a cumulative default curve for the portfolio.

The second stage applies our usual rating methodology, including revising our base-case assumptions at the one-year horizon, to reflect the assumed deviations as a result of the stressed environment. In the final stage of the analysis, we re-rate the transaction at the one-year horizon, after revising our base case assumptions and applying our standard credit and cash flow stresses at each rating level. The output of the analysis shows the likely rating transition of the rated class of notes, given the applied stresses and the value and timing of any forecasted principal and interest shortfalls under the most stressful scenario.

Scenario stress and sensitivity analysis

When applying scenario stresses in the manner described above, the results of this modeling are intended to be a simulation of what could happen to the ratings on the notes for the given transaction. For the purposes of our analysis for this transaction, we applied the two scenarios described above in our cash flow modeling. The implied base case stresses and scenario stress results are shown in tables 6, 7, and 8.

Table 6

Scenario Stresses

Stress horizon--12 months

Rating variable	Base case	Scenario 1	Scenario 2
Cumulative default rate (%)	10.50	13.70	15.80
Recovery rate (%)	37.50	26.30	18.80
Constant prepayment rate (%)	15.00	12.00	10.00

Table 7

Scenario Stress Analysis--Rating Transition Results

Scenario stress	Class	Initial rating	Scenario stress rating
Scenario 1	A	AAA	AAA
Scenario 2	A	AAA	AA
Scenario 1	B	AA	AA
Scenario 2	B	AA	AA-
Scenario 1	C	A	A
Scenario 2	C	A	BBB

Table 8

Cash Flow

Class A notes

	Principal shortfall				Interest shortfall	
Scenario stress	Worst-case run	Amount (mil. €)	Expected loss as a percentage of the transaction size (%)	Month	Amount (mil. €)	Month
Scenario 1	High prepayment, rising interest rate	N.A.	N.A.	N.A.	N.A.	N.A.
Scenario 2	High prepayment, rising interest rate	60.1	9.3	119	1.5	119

Class B notes

	Principal shortfall				Interest shortfall	
Scenario stress	Worst-case run	Amount (mil. €)	Expected loss as a percentage of the transaction size (%)	Month	Amount (mil. €)	Month
Scenario 1	High prepayment, rising interest rate	N.A.	N.A.	N.A.	N.A.	N.A.
Scenario 2	High prepayment, rising interest rate	10.1	5.9	139	5.2	76

Table 8

Cash Flow (cont.)

Class C notes

		Principal shortfall			Interest shortfall	
Scenario stress	**Worst-case run**	**Amount (mil. €)**	**Expected loss as a percentage of the transaction size (%)**	**Month**	**Amount (mil. €)**	**Month**
Scenario 1	High prepayment, rising interest rate	N.A.	N.A.	N.A.	N.A.	N.A.
Scenario 2	High prepayment, rising interest rate	10.1	5.9	139	2.6	76

N.A.--Not available.

Monitoring And Surveillance

As part of our ongoing surveillance of this transaction, we will regularly assess:

- The performance of the underlying portfolio, including defaults, delinquencies, and prepayments;
- The supporting ratings in the transaction; and
- The servicer's operations and its ability to maintain minimum servicing standards.

Standard & Poor's 17g-7 Disclosure Report

SEC Rule 17g-7 requires an NRSRO, for any report accompanying a credit rating relating to an asset-backed security as defined in the Rule, to include a description of the representations, warranties and enforcement mechanisms available to investors and a description of how they differ from the representations, warranties and enforcement mechanisms in issuances of similar securities. The Rule applies to in-scope securities initially rated (including preliminary ratings) on or after Sept. 26, 2011.

The Standard & Poor's 17g-7 Disclosure Report included in this credit rating report is available at http://standardandpoorsdisclosure-17g7.com/1556.pdf.

Related Criteria And Research

Related criteria

- Counterparty Risk Framework Methodology And Assumptions, Nov. 29, 2012
- Global Investment Criteria For Temporary Investments In Transaction Accounts, May 31, 2012
- Principles Of Credit Ratings, Feb. 16, 2011
- Methodology: Credit Stability Criteria, May 3, 2010
- European Legal Criteria For Structured Finance Transactions, Aug. 28, 2008
- European Consumer Finance Criteria, March 10, 2000

Related research

- Methodology And Assumptions: Advance Notice Of Proposed Criteria Change: Ratings Above The Sovereign--Structured Finance, April 12, 2013

- Entrenched In Recession, Europe Seeks A Balance Between Deleveraging And Growth, March 26, 2013
- European Structured Finance Scenario And Sensitivity Analysis: The Effects Of The Top Five Macroeconomic Factors, March 14, 2012
- Global Structured Finance Scenario And Sensitivity Analysis: The Effects Of The Top Five Macroeconomic Factors, Nov. 4, 2011
- Scenario Analysis: Gross Default Rates And Excess Spread Hold The Answer To Future European Auto ABS Performance, May 12, 2009

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