

# RatingsDirect®

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## Ranking Affirmed As ABOVE AVERAGE On FBS As A Special Servicer In Italy Following Review

### Servicer Analysts:

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### OVERVIEW

- We have affirmed our overall ABOVE AVERAGE ranking on FBS as a special servicer of residential mortgages, commercial loans, and consumer finance credits in Italy.
- We have revised to stable from positive our outlook on FBS as a special servicer of residential loans and to stable from developing our outlook as a special servicer of consumer credits. Our outlook on FBS as a special servicer of consumer loans is stable.
- FBS is an independent special servicer working on several asset classes in Italy.

LONDON (Standard & Poor's) August 1, 2014--Standard & Poor's Ratings Services has affirmed its overall ABOVE AVERAGE ranking on FBS SpA as a special servicer of residential mortgages, commercial loans, and consumer finance credits in Italy.

Our rankings reflect our view of the company based on the major ranking factors in our criteria (see "Related Criteria").

### Strengths:

- In June 2014, FBS reported that its portfolio under management had peaked at €5.6 billion. Furthermore, the company's pipeline is busy as it is expecting to board new portfolios in the next 12 months.
- The company has reliable internal controls systems, in our view.

- FBS shows stable recovery results despite the financial crisis' negative impact on the Italian economy.

Weaknesses:

- FBS is in the process of improving its IT systems to accommodate new portfolio growth in line with market standards.
- The organization is developing the functions of some current senior managerial roles. In our opinion, the company will benefit from a better empowered executive team, given its current portfolio growth. We will closely monitor this development.

OUTLOOK

We have revised to stable from positive our outlook on our ranking on FBS as a special servicer of residential loans. Although FBS continues to grow, we consider that some aspects of the business need to develop in line with the portfolio evolution before we consider further revising the ranking.

We have revised to stable from developing our outlook on our ranking on FBS as a special servicer of consumer credits. FBS expanded its consumer credits operations in 2012 and, in our view, it has worked efficiently since then.

Our outlook on our ranking on FBS as a special servicer of commercial loans is stable.

MANAGEMENT AND ORGANIZATION

We have affirmed our ABOVE AVERAGE subranking on FBS for management and organization.

LOAN ADMINISTRATION

We have affirmed our ABOVE AVERAGE subranking on FBS for loan administration as a special servicer of residential mortgages, commercial loans, and consumer credits.

FINANCIAL POSITION

The financial position is Sufficient. We have reviewed FBS' consolidated financial statements and management projections and consider that there is sufficient financial strength to sustain the company's servicing operations for the next 12 to 18 months.

This opinion does not take the place of a senior debt or counterparty credit rating.

RELATED CRITERIA AND RESEARCH

Related Criteria

*Ranking Affirmed As ABOVE AVERAGE On FBS As A Special Servicer In Italy Following Review*

- Revised Criteria For Including RMBS, CMBS, And ABS Servicers On Standard & Poor's Select Servicer List, April 16, 2009
- Servicer Evaluation Ranking Criteria: U.S., Sept. 21, 2004

Related Research

- Servicer Evaluation: FBS SpA, June 14, 2013
- Select Servicer List, published monthly

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