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Ratings On Finland-Based Bank of Aland's Category SWE Covered Bonds Affirmed At 'AAA' Following Review

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OVERVIEW

- We have reviewed our ratings on Finland-Based Bank of Aland's category SWE covered bond program as part of our scheduled review calendar.
- Following our review, we have affirmed our 'AAA' ratings on the covered bond program and related issuances.
- The stable outlook on the ratings reflects the one unused notch of uplift from the reference rating level under our covered bonds criteria.

FRANKFURT (Standard & Poor's) April 25, 2016--Standard & Poor's Ratings Services today affirmed its credit ratings on Bank of Aland PLC's category SWE covered bonds. The outlook on the ratings is stable.

We have applied our criteria for rating covered bonds, our commercial real estate criteria, and our criteria for rating Swedish covered bonds (see "Covered Bonds Criteria," published on Dec. 9, 2014, and "Methodology And Assumptions: Analyzing European Commercial Real Estate Collateral In European Covered Bonds," published on March 31, 2015, and "Criteria For Rating Swedish Covered Bonds," published on June 20, 2006).

Based on our credit and cash flow results, we consider that the overcollateralization available to support the covered bonds is commensurate with our 'AAA' ratings on the program and related issuances.

We applied a criteria interpretation to our Swedish covered bonds criteria in our analysis of the tenant-owner rights apartments to address the increased credit risk of a housing association default, a part of the risk of the association is added to the risk of the tenant owner right.

There are no rating constraints related to counterparty, legal, operational risks, or country risks.

The stable outlook on the ratings reflects the one unused notch of uplift from the rating reference level, which means that we would not automatically lower the ratings on the covered bonds if we were to lower our long-term rating on Bank of Aland by one notch.

RELATED CRITERIA AND RESEARCH

Related Criteria

- Counterparty Risk Analysis In Covered Bonds, Dec. 21, 2015
- Covered Bond Ratings Framework: Methodology And Assumptions, June 30, 2015
- Methodology And Assumptions For Ratings Above The Sovereign--Single-Jurisdiction Structured Finance, May 29, 2015
- Methodology And Assumptions: Analyzing European Commercial Real Estate Collateral In European Covered Bonds, March 31, 2015
- Europe Asset Isolation And Special-Purpose Entity Criteria--Structured Finance, Sept. 13, 2013
- Counterparty Risk Framework Methodology And Assumptions, June 25, 2013
- Covered Bonds Criteria, Dec. 9, 2014
- Credit Stability Criteria, May 3, 2010
- Understanding Standard & Poor's Rating Definitions, June 3, 2009
- Update To The Cash Flow Criteria For European RMBS Transactions, Jan. 6, 2009
- Criteria For Rating Swedish Covered Bonds, June 20, 2006
- Cash Flow Criteria for European RMBS Transactions, Nov. 20, 2003

Related Research

- Global Covered Bond Characteristics And Rating Summary Q4 2015, Dec. 29, 2015
- Assessments For Jurisdictional Support According To Our Covered Bonds Criteria, Dec. 22, 2015
- Assessments For Target Asset Spreads According To Our Covered Bonds Criteria, Dec. 22, 2015
- Bank of Aland PLC, Dec. 21, 2015
- Banking Industry Country Risk Assessment: Sweden, Dec. 8, 2015
- What Factors Do We Consider When Analyzing Commingling And Account Bank Risk In Covered Bonds?, Nov. 26, 2012

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