



Tagging Info

**Fitch Takes Rating Actions on BBVA-5 FTPYME** Ratings Endorsement Policy

15 Aug 2012 10:06 AM (EDT)

Fitch Ratings-London-15 August 2012: Fitch Ratings has taken various rating actions on BBVA-5 FTPYME as follows:

Class A1: affirmed at 'Asf', removed from Rating Watch Negative (RWN), assigned Stable Outlook

Class A2: affirmed at 'Asf', removed from RWN, assigned Stable Outlook

Class A3(G): affirmed 'Asf', removed from RWN, assigned Stable Outlook

Class B: upgraded to 'BBBsf' from 'BBsf', assigned Stable Outlook

Class C: affirmed at 'AAAsf'; removed from RWN, assigned Stable Outlook

The resolution of the RWN on class A1, A2 and A3(G) notes reflects implementation of the remedial actions as the gestora, Europea de Titulizacion, SGFT, SA (Edt), has introduced Societe Generale ('A+'/'F1+'/'Negative) as guarantor of Banco Bilbao Vizcaya Argentaria (BBVA, 'BBB+'/'F2+'/'Negative) as account bank. The guarantee has a limit of EUR9m and is valid for one year. If the amount deposited in treasury account exceeds EUR9m, the excess will be transferred to the additional treasury account held in Societe Generale. Although the guarantor has only been contracted for one year, the gestora has demonstrated a willingness to comply with transaction documentation and to seek remedial action for the account bank. Fitch expects to see further actions when the guarantee expires.

Fitch notes that no remedial actions have taken place so far with regards to BBVA acting as a hedging agent; however, the agency expects the implementation of the remedies in the near term.

The upgrade of the class B notes and affirmation of the class A1, A2 and A3(G) notes is based on their ability to withstand Fitch's stresses and increased level of the credit enhancement as a result of the transaction's deleveraging.

The affirmation of class C notes reflects its link to the rating of the guarantor, the European Investment Fund ('AAA'/'F1+'/'Stable).

The transaction has amortised down to 11% of its original balance with the top one and top 10 obligors accounting for 2.4% and 11.6% of the outstanding pool respectively. The pool exposure to real estate and construction sectors has also increased to 35% from 30% over the past year.

There has been some deterioration in the transaction performance with the principal deficiency ledger increasing by EUR8.5m over the past year to EUR10.3m. However, arrears have declined from last year's high but were volatile over the period; delinquencies over 90 days declined to EUR3.7m from EUR13.5m in May 2011. In Fitch's view, the current levels of the notes credit enhancement are sufficient to mitigate increasing concentration at the obligor and industry levels as well as the fully depleted reserve fund.

For all of Fitch's Eurozone Crisis commentary go to [http://www.fitchratings.com/web\\_content/pages/grs/eurozone](http://www.fitchratings.com/web_content/pages/grs/eurozone)

Contact:

Lead Surveillance Analyst

Polina Kocharina  
Analyst  
+44 20 3530 1471  
Fitch Ratings Limited  
30 North Colonnade  
London E14 5GN

Committee Chairperson  
Selena Dewitya  
Senior Director  
+44 20 3530 1135

Media Relations: Mark Morley, London, Tel: +44 0203 530 1526, Email: mark.morley@fitchratings.com; Sandro Scenga, New York, Tel: +1 212-908-0278, Email: sandro.scenga@fitchratings.com.

Additional information is available at [www.fitchratings.com](http://www.fitchratings.com).

The ratings above were solicited by, or on behalf of, the issuer, and therefore, Fitch has been compensated for the provision of the ratings.

Sources of information: transaction trustee reports, portfolio data

Applicable criteria, 'Global Structured Finance Rating Criteria', dated 6 June 2012, 'Criteria for Rating Granular Corporate Balance-Sheet Securitisations (SME CLOs)', dated 1 June 2012, 'Criteria for Servicing Continuity Risk in Structured Finance', dated 12 August 2011, 'Criteria for Rating Caps in Global Structured Finance Transactions', dated 9 August 2011 and 'Counterparty Criteria for Structured Finance Transactions', dated 30 May 2012 are available at [www.fitchratings.com](http://www.fitchratings.com).

**Applicable Criteria and Related Research:**

Global Structured Finance Rating Criteria  
Criteria for Rating Granular Corporate Balance-Sheet Securitisations - SME CLO  
Criteria for Servicing Continuity Risk in Structured Finance  
Criteria for Rating Caps in Global Structured Finance Transactions  
Counterparty Criteria for Structured Finance Transactions

ALL FITCH CREDIT RATINGS ARE SUBJECT TO CERTAIN LIMITATIONS AND DISCLAIMERS. PLEASE READ THESE LIMITATIONS AND DISCLAIMERS BY FOLLOWING THIS LINK: [HTTP://FITCHRATINGS.COM/UNDERSTANDINGCREDITRATINGS](http://FITCHRATINGS.COM/UNDERSTANDINGCREDITRATINGS). IN ADDITION, RATING DEFINITIONS AND THE TERMS OF USE OF SUCH RATINGS ARE AVAILABLE ON THE AGENCY'S PUBLIC WEBSITE 'WWW.FITCHRATINGS.COM'. PUBLISHED RATINGS, CRITERIA AND METHODOLOGIES ARE AVAILABLE FROM THIS SITE AT ALL TIMES. FITCH'S CODE OF CONDUCT, CONFIDENTIALITY, CONFLICTS OF INTEREST, AFFILIATE FIREWALL, COMPLIANCE AND OTHER RELEVANT POLICIES AND PROCEDURES ARE ALSO AVAILABLE FROM THE 'CODE OF CONDUCT' SECTION OF THIS SITE.

Copyright © 2012 by Fitch, Inc., Fitch Ratings Ltd. and its subsidiaries.