

[Tagging Info](#)**Fitch Upgrades Three BBVA-2 FTPYME ICO Tranches; Affirms Six** [Ratings](#)

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Fitch Ratings-London-12 December 2005: Fitch Ratings has today upgraded three series of Fondo de Titulizacion de Activos BBVA-2 FTPYME ICO's notes and affirmed six as follows:

Series ACA affirmed at 'AAA'
Series ASA affirmed at 'AAA'
Series BCA affirmed at 'AAA'
Series BSA affirmed at 'AAA'
Series CCA affirmed at 'AAA'
Series CSA upgraded to 'AAA' from 'AA'
Series DCA affirmed at 'AAA'
Series DSA upgraded to 'AA' from 'A'
Series ESA upgraded to 'BBB+' from 'BB+'

BBVA-2, the fund and issuer, is a special-purpose company incorporated under the laws of Spain with limited liability. Its sole purpose is the acquisition of bilateral loans from the originator, Banco Bilbao Vizcaya Argentaria S.A. (BBVA, rated 'AA'-(AA minus)/'F1+'), as collateral for the issuance of fixed-income securities. The assets of BBVA-2 are subscribed to by Europea de Titulizacion, a Sociedad Gestora. The Sociedad Gestora is a special-purpose management company with limited liability, incorporated under the laws of Spain.

The upgrades reflect the lower delinquencies and defaults compared to Fitch's initial assumptions and increased credit enhancement. Credit enhancement for all Classes has increased substantially due to the amortisation of the notes in line with the collateral.

At closing the notes were backed by a EUR899,973,955 portfolio of bilateral loans granted to small and medium-sized non-financial corporate entities domiciled in Spain. The portfolio balance remained at the original level for the first 2.5 years, during which time amortised loans were substituted quarterly with other bilateral loans originated by BBVA, subject to the eligibility criteria. This replenishment period ended on 31 July 2003, on which date the pool began to amortise. There is an optional clean-up call when the portfolio balance falls to 20% of the original balance. Given the slightly higher-than-expected prepayment rates the balance of the portfolio is likely to fall to the clean-up call level within 1.5 years.

Further deal information and historical performance data for this transaction are available on Fitch's subscription website at www.fitchresearch.com.

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