STANDARD & POOR'S

STRUCTURED FINANCE

Publication Date: Nov. 16, 2004

Cash CDO of Spanish SME Loans Presale Report

BBVA-3 FTPYME, Fondo de Titulización de Activos

€1 Billion Floating-Rate Notes

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Class	Prelim. rating*	Prelim. amount (Mil. €)	Available credit support (%)	Scenario default rate (%)	Interest	Legal final maturity
A1**	AAA	725.3	8.00	8.85	Three month-EURIBOR plus a margin	April 21, 2028
A2(G)***	AAA	215.3	8.00	8.85	Three month-EURIBOR plus a margin	April 21, 2028
B	A	40.8	3.92	4.76	Three month-EURIBOR plus a margin	April 21, 2028
C	BBB	18.6	2.06	2.75	Three month-EURIBOR plus a margin	April 21, 2028

**The rating on each class of securities is preliminary as of Nov. 16, 2004, and subject to change at any time. Final credit ratings are expected to be assigned on the closing date subject to a satisfactory review of the transaction documents and legal opinion, and completion of a corporate overview. Standard & Poor's ratings address timely interest and ultimate principal on the notes.*
***The class A1 notes will start amortizing in April 2006.*
****The class A2(G) notes are protected by a €215.30 million guarantee by the Kingdom of Spain. The standalone preliminary rating on the class A2(G)notes is 'AAA'.*

Transaction Profile	
Expected closing date	Dec. 2, 2004
Originator	Banco Bilbao Vizcaya Argentaria, S.A.
Arranger	J.P. Morgan Securities Ltd., Europea de Titulización, SGFT, S.A., and Banco Bilbao Vizcaya Argentaria, S.A.
Trustee	Europea de Titulización, SGFT, S.A.
Collateral administrator	Banco Bilbao Vizcaya Argentaria, S.A.
Interest swap counterparty	Banco Bilbao Vizcaya Argentaria, S.A.
GIC and bank accounts provider	Banco Bilbao Vizcaya Argentaria, S.A.
Paying agent	Banco Bilbao Vizcaya Argentaria, S.A.
Guarantor	Ministry of Economy, Kingdom of Spain
Underwriters	Banco Bilbao Vizcaya Argentaria, S.A. and J.P. Morgan Securities Ltd.

Supporting Ratings	
Institution/role	Ratings
Banco Bilbao Vizcaya Argentaria, S.A. as GIC and bank accounts provider and swap counterparty	AA-/Stable/A-1+

Transaction Key Features*	
CDO asset type	Loans
Structure type	Cash
Portfolio composition	Spanish SME loans
Purpose of transaction	Balance sheet
Rating approach	Actuarial
Portfolio management type	Static
Liability structure	Fully funded
Collateral description	Loans to SMEs
Weighted-average maturity of assets (years)	6.40
Weighted-average seasoning of assets (years)	20.94
Minimum weighted-average recovery rate (%)	48.30
Principal outstanding (Mil. €)	1,292.83
Country of origination	Spain
Concentration (%)	Largest 10 obligors (4.04 of provisional pool); regional concentration (20.86 in Catalonia, 14.36 in Madrid, and 13.46 in Valencia region); industrial concentration (18.16 in real estate and construction, 12.67 wholesale and 9.27 in retail, largest five sectors represent 51.60 of the pool)
Average loan size balance (€)	85,476.34
Loan size range (€)	576.07 – 6,196,175.76
Weighted-average interest rate (%)	3.16
Arrears	Up to one month at closing. 1 month-arrear amounts equal to 0.058% of balance of the pool (the total outstanding balance of these loans up to 1 month past due represent 2.59% of the pool)
Redemption profile	Amortizing
Excess spread at closing** (%)	0.65
Subordinated credit facility (Mil. €)	20.60

**Pool data as of Oct. 20, 2004.*
***Available through the interest swap contract.*

Transaction Summary

Preliminary credit ratings have been assigned to the €1 billion floating-rate notes to be issued by BBVA-3 FTPYME, Fondo de Titulización de Activos (BBVA-3 FTPYME).

The originator is Banco Bilbao Vizcaya Argentaria, S.A. (BBVA), which at closing will sell to BBVA-3 FTPYME a €1 billion closed portfolio of secured and unsecured loans granted to Spanish small and midsize enterprises (SMEs).

To fund this purchase, Europea de Titulización, SGFT, S.A., as trustee, will issue four classes of floating-rate, quarterly paying notes on behalf of BBVA-3 FTPYME. The class A2(G) notes, rated 'AAA', are guaranteed by the Kingdom of Spain (AA+/Positive/A-1+).

The guarantee program by the Kingdom of Spain was set up in late 1998 to promote access to a more diversified source of financing for the Spanish SME (PYME) sector. The legal framework for the guarantee has been evolving and the latest amendments took place in April 2003.

The following conditions must be met to access the guarantee program:

- The lending entity must have signed an agreement with the Ministry of Economy.
- The assets to be securitized must not be lent to financial entities.
- The borrowers must comply with the definition of an SME as provided in the European Commission (EC) circular dated May 6, 2003.
- The assets to be securitized must have a maturity greater than one year.
- At least 80% of the portfolio to be securitized must be loans to SMEs.
- The tranche that benefits from the guarantee must be rated at least 'AA' without the guarantee.

The guarantee takes up to 90 days to be paid to the issuer.

The ratings on the notes to be issued by BBVA-3 FTPYME reflect the subordination of the respective classes of notes below them, the reserve fund, the presence of the interest-rate swap (which provides excess spread of 65 bps), comfort provided by various other contracts, and the ratings on BBVA (AA-/Stable/A-1+).

BBVA is the second-largest Spanish banking group and the eighteenth in the Eurozone.

Notable Features

BBVA-3 FTPYME is the third CLO completed by BBVA of its loans originated to SME corporate clients. The transaction features some structural enhancements provided by the swap agreement, amortization of the notes, the reserve fund, and a guarantee by the Kingdom of Spain on the class A2(G) notes, as this transaction qualifies for the FTPYME Treasury.

Under the terms of the guarantee, the Spanish Treasury irrevocably and unconditionally guarantees interest and principal payments on the class A2(G) notes.

The transaction features a lockout period from closing until April 2006, when it will start amortizing the class A notes. The class A2(G) notes will start amortizing sequentially to the class A notes unless a breach of trigger occurs. The negative carry created will be funded through the swap payments.

As in other Spanish transactions, interest and principal from the underlying assets are combined into a single priority of payments, with asset-liability tests triggers in the payment of the interest to protect senior noteholders.

Standard & Poor's based its analysis on the credit quality of the pool and the structural features of the transaction.

Strengths, Concerns, and Mitigating Factors

Strengths
• Credit enhancement provided by subordination, the available excess spread, and

the subordinated credit facility, which upon the downgrade of BBVA will fully fund the reserve fund, is adequate to cover the various stresses applied to the transaction.

- BBVA is an experienced originator and servicer, with two CLO transactions, two RMBS transactions, and an auto loan transaction to date.
- Good quality historical information has been provided that goes back to 1997.
- The pool has good granularity at the obligor level and sufficient regional and industrial diversification to avoid concentration issues. Furthermore, the pool is over 20.94 months seasoned.
- Of the outstanding amount, 46.79% comprises mortgage loans. First-lien mortgages represent 45.06% of the total pool.
- There is currently a low weighted-average LTV ratio of 48.67%, when 57 loans with an LTV ratio above 100% are excluded (see "*Collateral Description*").
- A swap agreement hedges the interest-rate risk, leaves a spread of 65 bps in the transaction, pays for the servicer fees, and covers the negative carry created during the lockout period before the amortization of the notes starts.
- Principal amortization of the notes will be accelerated if there are loans more than 12 months past due, using trapped excess spread, by the amount equivalent to the outstanding balance of those overdue loans.

Concerns

- Some limited concentration is observed (48.68%) in three regions (Catalonia, Madrid, and the Valencia region).
- Of the loans, 92.23% pay interest monthly and 7.77% pay interest quarterly. This may lead to uneven monthly collections. The originator sweeps no later than the second business day after the 10th calendar day from collection to the issuer's account. These features increase commingling risk.
- Until April 21, 2006, when the notes start to amortize, the amortization amounts to be paid on the notes will accrue in the issuer's bank account.

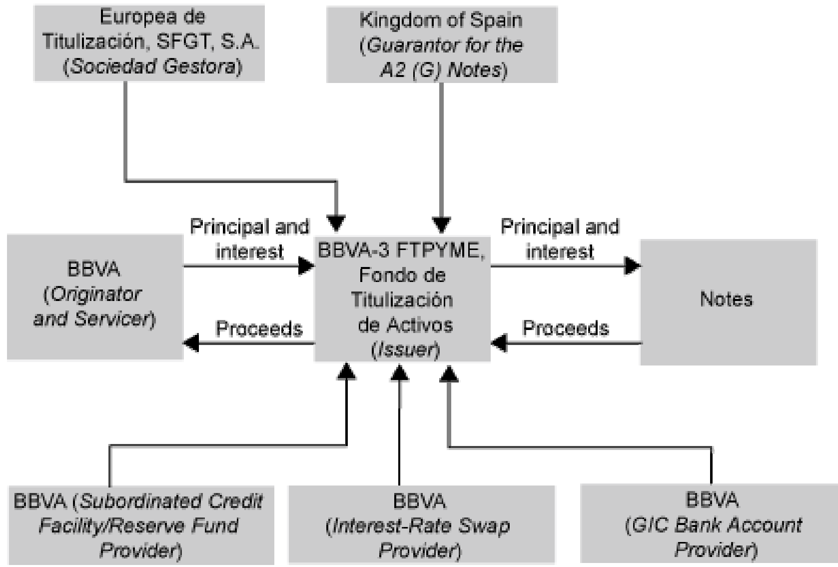
Mitigating Factors

- The geographical concentrations in Catalonia, Madrid, and the Valencia region are to be expected because each is a major economic region.
- Standard & Poor's has incorporated the added commingling risk in its analysis by analyzing and stressing the amortization schedule of the assets. As long as BBVA is rated 'A-1+', the 12-day sweep frequency has no impact on the commingling risk; however, upon downgrade below 'A-2', BBVA will accelerate to daily sweeps to the issuer's account. This limits the potential risk of commingling funds.
- The swap will cover the negative carry created by the amortization of the assets and the nonamortization of the liabilities. Furthermore, the issuer's account is rated 'A-1+'.

Transaction Structure

The structure of the transaction is shown in the following chart.

Chart 1
BBVA-3 FTPYME, Fondo de Titulización de Activos
Structure



The issuer is not an entity at law but holds a distinct and closed pool of assets available for distribution to the noteholders. The assets are insulated from the insolvency of the originator and trustee (*sociedad gestora)*.

The principal and interest on the notes will be paid in arrears quarterly, commencing on Jan. 21, 2005.

Roles of the Parties

BBVA-3 FTPYME, Fondo de Titulización de Activos (Issuer)

The issuer, BBVA-3 FTPYME, is a "fondo de titulización de activos" created for the sole purpose of purchasing the unsecured loans and the mortgage participations from BBVA, issuing the notes, and carrying on related activities. The assets are insulated from the insolvency of the originator and the sociedad gestora.

Europea de Titulización, Sociedad Gestora de Fondos de Titulización (Trustee or Gestora)

The creation of the *sociedad gestora* was authorized by the Ministry of Economy and Treasury on Jan. 19, 1993. Under the legislation for securitizations in Spain, the day-to-day operations of the issuer will be managed by the sociedad gestora, which represents and defends the interests of the noteholders. The sociedad gestora, on behalf of the issuer, will enter into certain contracts (such as GICs, a swap agreement, and subordinated credit facilities and loans) needed to protect it against certain credit losses and liquidity shortfalls that are assumed to arise in connection with the holding of the mortgage participations and the unsecured loans. In this transaction, the main responsibilities of the sociedad gestora are to create the issuer, issue the notes on behalf of the issuer, calculate the interest rate on the notes, notify noteholders of any relevant information applicable to the notes and mortgage participations, and organize the annual audit.

Banco Bilbao Vizcaya Argentaria, S.A. (Originator and Servicer)

BBVA has outstanding business positions in its core markets. As the second-largest financial institution in Spain, the bank has market shares between 15% and 21% in all business segments of Spanish financial services. Its nationwide network of 3,371 branches services 21% of the Spanish bankable population and 34% of SMEs. In Mexico, BBVA's second most important market, 99.7%-owned subsidiary BBVA Bancomer S.A. (BBB-/Stable/A-3) enjoys a pre-eminent position, with market shares between 22% and

29% in banking, insurance, and pension fund businesses. BBVA Bancomer has about 10 million clients, serviced through 1,653 branches.

In the rest of Latin America, most BBVA banking subsidiaries are among the top three players in their domestic markets.

BBVA's presence in European countries outside Spain is quite marginal. It has a small banking network in Portugal, and is the largest private shareholder of Banca Nazionale del Lavoro SpA (BBB+/Stable/A-2), the fifth-largest bank in Italy, with a minority stake of 14.6%.

BBVA is well diversified in terms of business mix in all countries where it is present. It operates in a wide array of retail, wholesale, and investment banking businesses. This includes not only traditional banking activities, but also asset management, insurance, private banking, consumer banking, and investments in equity holdings, among others. The bank's major strength is its large client base of individuals and corporates. These customers are offered a wide range of financial services products through extensive branch networks in Spain and in most Latin American markets.

BBVA has a solid position on the SME Spanish market and offers two levels of service:

- Level 1 is for companies with less than €3.6 million turnover, less than 25 employees and with minor participations by bigger companies. Level 1 clients account for 1 million of BBVA's SME clients and are managed through the retail network.
- There are 113,000 level 2 clients and they are managed by specialized branches.

Collateral Description

As of Oct. 20, 2004**,** the provisional pool consisted of 15,125 secured and unsecured loans. Total borrowers amounted to 13,169. The pool was originated between 1997 and 2004. The weighted-average seasoning is 20.94 months.

Of the obligors, 57.65% are companies while 42.35% are self-employed. Of the total outstanding balance of the loans, 18.13% is to self-employed and 81.87% to companies.

Of the outstanding amount of the pool, 46.79% is secured by mortgages over properties and commercial premises situated in Spain. However, 2.12% of the outstanding balance of the total pool (or 4.54% of the balance of the secured pool) consists of 57 loans with an LTV ratio above 100%. These loans were originated on the capacity of the debtor to repay the loan, with the property being only an additional guarantee. Therefore, Standard & Poor's has analyzed these loans and the remainder of the pool as unsecured loans.

Of the outstanding pool balance, 45.06% has a first-lien mortgage over the property (42.94% when excluding those 57 loans with an LTV greater than 100%), 1.40% has a second-ranking mortgage, and 0.33% has a more subordinated-ranking lien.

The pool is atomized and has no concentration at the obligor level. The largest obligor represents 0.49% of the provisional pool and the largest 10 obligors represent 4.04% (or 5.22% on final pool).

The weighted-average LTV ratio of the secured pool, excluding the 57 loans as described above, is 48.67% and the weighted-average LTV ratio for first-ranking mortgage loans with an LTV ratio below 100% is 49.15%(see tables 1 and 2).

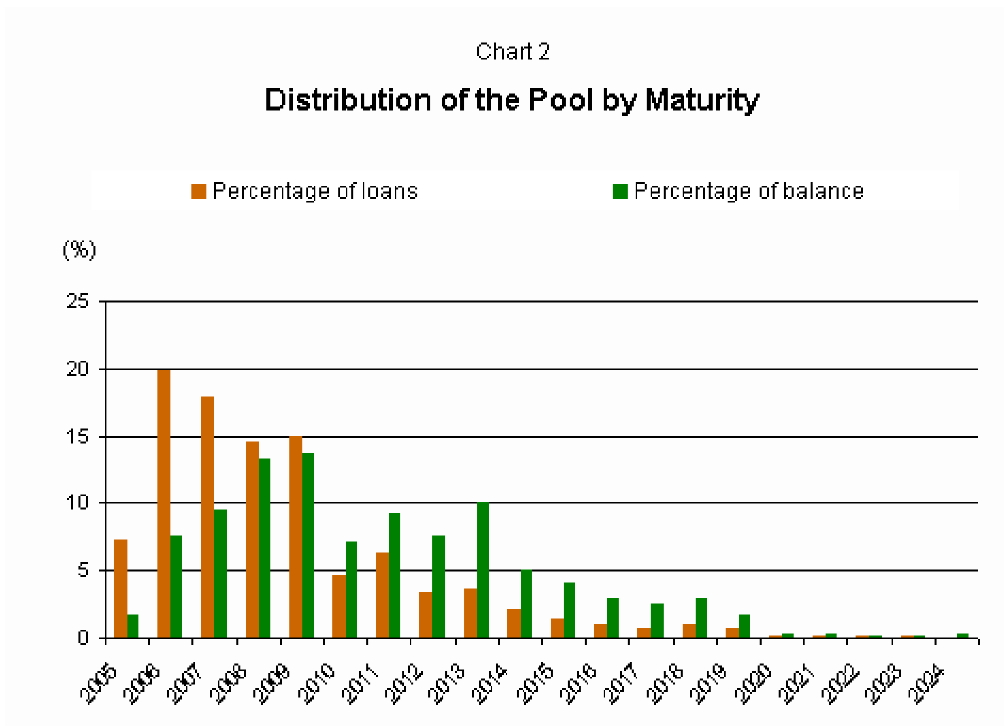
Table 1: LTV Ratio of Mortgage Loans

LTV ratio (%)	Percentage of the mortgage pool	Percentage of the mortgage pool with LTV < 100%
0 to 9.99	1.36	1.42
10 to 19.99	5.27	5.52
20 to 29.99	8.68	9.09
30 to 39.99	14.02	14.68
40 to 49.99	20.10	21.05
50 to 59.99	22.00	23.04
60 to 69.99	12.37	12.95
70 to 79.99	7.49	7.85
80 to 89.99	1.83	1.92
90 to 99.99	2.36	2.47
> 99.99	4.54	-
Total (€)	604,872,916.70	577,432,904.30

Table 2: Distribution of the Pool by Origination Year

	Percentage of loans	Percentage of pool balance
1993	0.03	0.01
1994	0.08	0.02
1995	0.26	0.05
1996	0.32	0.06
1997	1.01	0.33
1998	1.54	0.77
1999	2.70	1.41
2000	4.61	3.14
2001	13.78	12.19
2002	18.88	18.62
2003	31.37	37.83
2004	25.41	25.56

Of the pool, 74.44% is more than 12 months seasoned.



The weighted-maturity of the pool is 76.88 months, with 52.90% of the pool maturing within five years.

Table 3 shows the portfolio by region.

Table 3: Geographic Concentration of the Portfolio		
Region	Percentage of the loans	Percentage of the pool balance
Catalonia	16.61	20.86
Madrid	9.03	14.36
Valencia region	16.86	13.46
Andalucia	14.34	13.36
Canary Islands	5.86	8.68
Basque Country	6.03	5.96
Castilla-Leon	5.82	4.90
Castilla La Mancha	5.86	3.69
Galicia	3.84	2.97
Aragon	3.53	2.48
Asturias	2.71	2.41
Murcia	2.31	1.81
Balearic Islands	1.73	1.36
Extremadura	1.61	1.07
La Rioja	1.29	0.78
Cantabria	1.40	0.73
Navarra	0.83	0.70
Ceuta	0.24	0.32
Melilla	0.11	0.11

The five largest regions cover 70.72% of the outstanding balance of the pool.

At closing, the pool will have loans with up to 30 days arrears (the arrears amounting to 0.06% of the outstanding balance of the pool). As of Oct. 20, 2004, the outstanding amount of loans in arrears was 2.59% of the pool.

The largest industry concentration is in real estate and construction activities, which represents 18.16% of the pool. The second highest concentration is wholesale (12.67%), then retail (9.27%), which excludes food and beverages (4.51%). The largest 10 industries account for 71.73% of the pool.

The pool is indexed to floating rates, with nearly 96.24% of the outstanding amount of the pool referenced to EURIBOR (see table 4). The assets have a weighted-average interest rate of 3.16% and a weighted-average margin of 74 bps over the various indices. The interest rates range from 2.03% to 7.61%.

Table 4: Interest Rates		
Index rate	Percentage of the pool	Weighted-average margin (%)
One-year EURIBOR/MIBOR	30.14	1.03
Three-month EURIBOR/MIBOR	27.96	0.87
Six-month EURIBOR/MIBOR	38.14	0.46
IRPH banks	2.59	0.29
IRPH all entities	1.17	0.23
Total	100	0.74
MIBOR-Madrid Interbanking Offered Rate *IRPH-average rate of Spanish lending institutions calculated by the Bank of Spain*		

Collateral Risk Assessment

Standard & Poor's conducted an actuarial analysis on historical data provided by the originator to assess the credit risk of the pool, following the methodology explained in "*Securitizing Spanish-Originated Loans to Small and Midsize Enterprises*", published on April 11, 2003. This criteria piece is available to subscribers of RatingsDirect, Standard & Poor's Web-based credit analysis system, at www.ratingsdirect.com.

With the historical data provided by the originator, Standard & Poor's is able to determine a foreclosure probability and a loss rate at each rating level.

The product of these two variables gives an estimate of the required loss protection during the life of the collateral in the absence of additional mitigating factors. The higher the targeted rating, the higher is the required enhancement level.

For Spanish CDOs of SMEs, the actuarial analysis is conducted on historical data from 90 days past due. For this transaction, however, Standard & Poor's has used historical cumulative data from 180 days. This is due to the fact that the originator will start an active recovery process from 90 days, until then it will closely monitor the arrear and will treat it as delinquency.

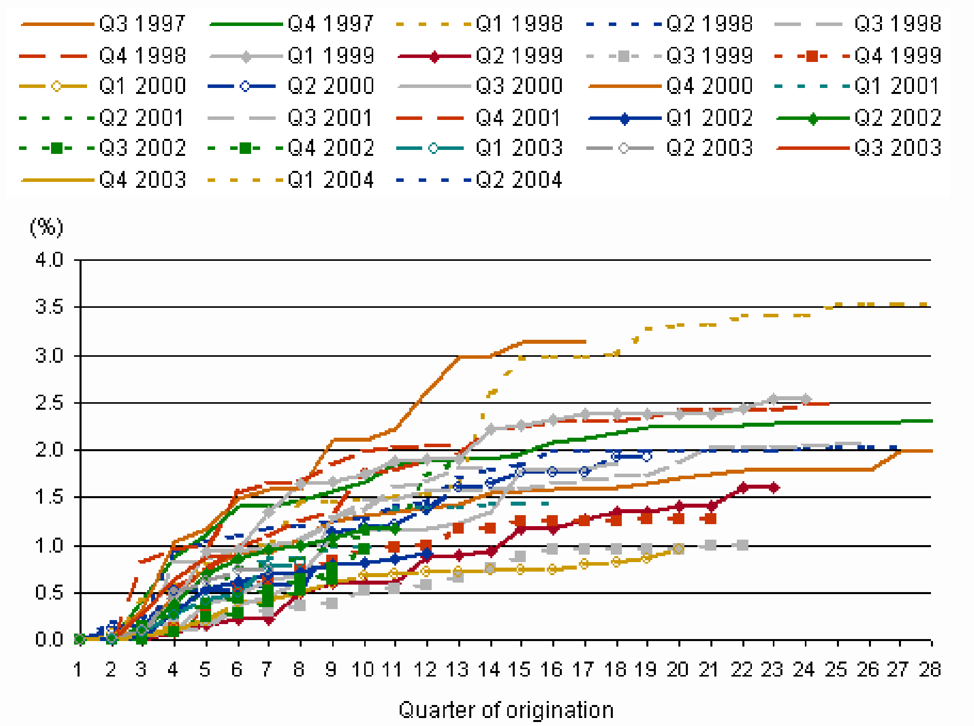
This has an effect on the recoveries, as recoveries from 180 days arrears will be lower than those from 90 days past due loans.

Standard & Poor's has factored this into its analysis by including an additional delinquency curve, which would capture and stress the delinquencies between 90 days and 180 days over the life of the transaction.

Chart 3 shows historical levels of loans becoming delinquent after arrears amounting to 180 days (by quarter of origination).

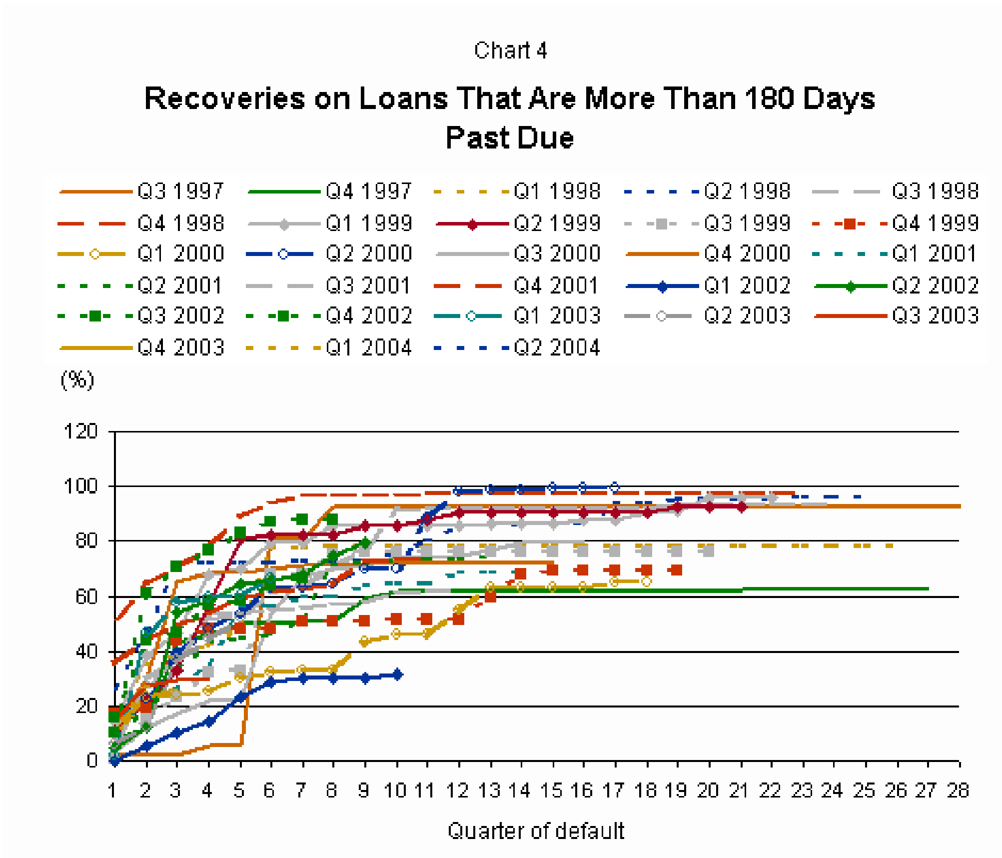
Chart 3

Cumulative 180-Day Arrears Ratio



Standard & Poor's has given credit to the seasoning of the pool as the loans in the transaction stem from the same origination vintages. This results in lower default rates because part of the curve is not to be covered.

Chart 4 shows historical levels of recoveries, from the default (described as 180-day arrears) quarter.



Credit Structure

Cash Collection Arrangements

BBVA, as servicer, collects the amounts due under the loans and transfers no later than the second business day after the 10th calendar day its collections to the treasury account held on behalf of the issuer with BBVA. The pace of sweep may be accelerated if BBVA's creditworthiness decreases and would be daily should its rating be downgraded below 'A-2'.

At closing, the sociedad gestora will open two bank accounts with BBVA on behalf of the issuer:

- The treasury account, which holds the reserve fund, all the collections made during the three months before a note payment date, and any other amounts in connection with the mortgage loans and unsecured loans; and
- The amortization account, which aggregates the funds available for the amortization of the class A1 notes. Amounts are transferred to this account, held in the name of the issuer at BBVA, on every note payment date until April 2006.

Amortization of the notes will start on April 21, 2006. The amortization account will then be cancelled and funds will accumulate directly in the treasury account.

Both the treasury and amortization accounts have a guaranteed contractual interest rate of three-month EURIBOR minus 10 bps per year.

Downgrade Language to Treasury Account (GIC Account)
Should the treasury account or the amortization account provider (BBVA) be downgraded below 'A-1', the sociedad gestora will, within 30 days, take the relevant action as described in the documents, which will be subject to ratings confirmation by Standard & Poor's. The main alternatives are:

- Obtain a guarantee from another entity rated at least 'A-1'; or
- Transfer the account to an 'A-1' rated institution.

If BBVA is subsequently upgraded to 'A-1', the treasury account may be transferred back to BBVA.

If, upon a downgrade of BBVA to 'A-1', the amounts held in the issuer's accounts with BBVA exceed 20% of the outstanding amount of the notes, the sociedad gestora will notify Standard & Poor's and, subject to its confirmation, will seek a first demand guarantee from an 'A-1+' rated entity on the excess of funds or open a new bank account (the excess funds account) with an 'A-1+' rated entity where this excess will be deposited.

Guarantee Given By the Kingdom of Spain to the A2(G) Notes
The guarantee by the Kingdom of Spain can be drawn either for interest or principal payments on the class A2(G) notes as per the priority of payments, when available funds are insufficient.

No liquidity facility will be included in this structure as the standalone rating on the A2(G) notes is 'AAA'.

Interest Swap Agreement
On behalf of BBVA-3 FTPYME, the trustee will enter into a swap agreement with BBVA. This swap provides protection against adverse interest rate resetting and movements.

The issuer pays to the swap counterparty the total of interest accrued on the performing loans.

The issuer receives from the swap counterparty an amount equivalent to the weighted-average coupon of the notes plus 65 bps per year on the outstanding balance of the performing loans (up to three months in arrears) and the servicing fee amount.

The issuer will also receive during the lockout period up to April 21, 2006, the weighted-average margin on the notes plus 0.1% per year on the daily average amount held of the amortization account and the excess fund account, if needed.

If the swap counterparty is downgraded below 'A-1', the counterparty has 30 days either to find a substitute with a short-term rating of at least 'A-1', to find a guarantor with a short-term rating of at least 'A-1', or post collateral complying with Standard & Poor's requirements.

Finally, if the rating on the swap counterparty is lowered below 'BBB-', it would have to be substituted by a new counterparty rated at least 'A-1'.

Subordinated Credit Facility and Creation of the Reserve Fund
The originator will provide a subordinated credit facility, which will, upon downgrade to 'A-1', be fully drawn to fund the reserve fund.

The credit facility or reserve fund, as the case may be, will not amortize for the first 36 months of the transaction. It then amortizes and is set as the sum of the interest accrued and not yet paid, plus the minimum of 4.00% of the outstanding balance of the notes, or 2.06% of the issuance amount. The minimum amount of the credit facility or reserve fund will be the sum of the interest accrued and not yet paid plus €10 million (1.00% of the issuance amount).

The fund is used to pay interest and principal on the notes.

Redemption of the Notes

Unless redeemed earlier, the notes will be redeemed at their legal final maturity, 48 months after the maturity of the longest-term loan in the pool.

The amount of principal to be amortized at each payment date will be the difference between (i) the outstanding balance of the notes less (ii) the amounts held in the issuer's account to amortize the notes during the 16-month lockout period and the outstanding balance of the non-defaulted loans.

Principal payments to noteholders will start on April 21, 2006.

The class A1 and A2(G) notes will pay sequentially unless the ratio of (i) performing assets, including the amounts held for the amortization of the class A notes over (ii) the sum of the class A1 and A2(G) notes is less than or equal to one, in which case class A1 and A2(G) will pay pro rata.

The class B and C notes will pay pro rata only if several conditions are met, including that their respective proportion has doubled to that at closing, the reserve fund or the credit facility is at its required level, and the asset balance is not less than 10% of that at issuance.

Priority of Payments

On each quarterly interest payment date, the issuer pays in arrears the interest due to the noteholders. To make the payments, the issuer's available funds include the proceeds of the interest swap, the subordinated credit facility or reserve fund if created, and, if necessary, principal received under the loans and any other proceeds received in connection with the loans. For the class A2(G) notes, the issuer will also have the guarantee under the FTPYME program as additional available funds.

All interest and principal received can be mixed to pay principal and interest due under the notes. A trigger ensures that in a stressful economic environment, the more senior notes are amortized before interest on the subordinated classes of notes is paid.

Interest on the class B and C notes is subject to a deferral on a given payment date to a lower position in the priority of payments in the following situations:

Class B

The sum of the class A1 and A2(G) notes is less than the sum of (i) the outstanding amortization amount held in the first 16 months in the amortization account, (ii) the positive difference between the available funds and all the required payment including the required interest payment on class B notes; and (iii) the performing asset balance (up to 12 months past due) is greater or equal to 0.

Class C

The sum of the outstanding balance of the class A1, A2(G) and B notes is less than (i) the outstanding amortization amount held in the first 16 months in the amortization account, (ii) the positive difference between the available funds and all the required payment including the required interest payment on class C notes and (iii) the performing asset balance (up to 12 months past due) is greater or equal to 0.

Standard & Poor's Stress Test

Standard & Poor's analysis included a conservative assessment of the credit risk inherent in the transaction, as described in "*Collateral Risk Assessment*".

The credit enhancement levels were sized after analyzing the effect that severe stress scenarios would have on the loan collateral. As a result of this analysis, Standard & Poor's estimated the largest amount of potential losses that could occur as a result of these stress scenarios and set the amount of loss protection required on the notes.

A cash flow model simulating the portfolio's performance within the transaction's documented structure was run under certain rating scenarios to stress liquidity and the level of excess spread in the transaction. Prepayment levels, fees and expenses paid by the issuer, the default pattern, and interest rates were the most important parameters stressed in all the runs.

Key Performance Indicators

Continual surveillance will be maintained on the transaction until the notes mature or are otherwise retired. To do this, regular servicer reports detailing the performance of the underlying collateral will be analyzed, supporting ratings will be monitored, and regular contact will be made with the servicer to ensure that minimum servicing standards are being sustained and that any material changes in the servicer's operations are communicated and assessed.

Criteria Referenced

- "*Global Interest Rate and Currency Swaps: Calculating the Collateral Required Amount*" (published on Feb. 26, 2004).
- "*Standard & Poor's Global Interest Rate and Swap Counterparty Rating Criteria Expanded*" (published on Dec. 17, 2003).
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