



Tagging Info

Fitch Takes Rating Actions on BBVA Empresas 5, F.T.A. Ratings Endorsement Policy
26 Oct 2012 7:52 AM (EDT)

Fitch Ratings-London-26 October 2012: Fitch Ratings has taken the following rating actions on BBVA Empresas 5, F.T.A.'s notes:

EUR473.9m Class A (ISIN ES0313281000): 'AA-sf'; maintained on Rating Watch Negative (RWN)
EUR275.0m Class B (ISIN ES0313281018): upgraded to 'BBBs' from 'BB+sf'; Outlook Stable

Fitch has maintained the class A notes on RWN due to the transaction's exposure to Banco Bilbao Vizcaya Argentaria (BBVA; 'BBB+/Negative/F2'). BBVA, which acts as the account bank in the transaction, was downgraded on 11 June 2012 and is currently not an eligible counterparty according to transaction documentation (see "Fitch Places 212 Spanish SF Tranches on RWN", dated 16 July 2012 at www.fitchratings.com).

The upgrade of the class B notes reflects the rise in available credit enhancement (CE) as a result of the deleveraging of the transaction. The increase in CE offsets the deteriorating portfolio performance. Loans more than 90 days in arrears currently represent 6.3% of the portfolio balance, up from 1.3% in September 2011.

The transaction closed in May 2011 and experienced the first defaults in September 2012. Defaulted assets currently in the portfolio amount to EUR0.2m. The transaction considers loans in arrears of more than 18 months to be defaulted.

The class A notes' ratings and Outlook are limited by the rating of the Kingdom of Spain ('BBB'/Negative/'F2'). See "Fitch: SF Impact of Spanish, Italian & Irish Sovereign Rating Actions", dated 1 Feb 2012 at www.fitchratings.com, for details of Fitch's view on the link between sovereign Issuer Default Ratings and structured finance ratings for eurozone countries.

BBVA Empresas 5, F.T.A., (the issuer) is a static cash flow SME CLO originated by BBVA. At closing, the issuer used the note proceeds to purchase a EUR1.25bn portfolio of secured and unsecured loans granted to Spanish small and medium enterprises and self-employed individuals.

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Additional information is available on 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.

Source of information: The information used to assess these ratings was sourced from periodic investor reports and the trustee.

Applicable criteria 'Criteria for Rating Granular Corporate Balance-Sheet Securitisations - SME CLO', dated 1 June 2012; 'Global Rating Criteria for Corporate CDOs', dated 8 August 2012; 'Global Criteria for Cash Flow Analysis in CDOs' dated 13 September 2012; and 'Counterparty Criteria for Structured Finance Transactions', dated 30 May 2012 , are available at www.fitchratings.com.

Applicable Criteria and Related Research:

Criteria for Rating Granular Corporate Balance-Sheet Securitisations - SME CLO
Global Rating Criteria for Corporate CDOs
Global Criteria for Cash Flow Analysis in CDOs
Counterparty Criteria for Structured Finance Transactions

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