STANDARD &POOR'S

STRUCTURED FINANCE

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CDO Cash Flow Balance Sheet Corporate CDO Pool Presale Report

BBVA-5 FTPYME Fondo de Titulización de Activos

€1.9 Billion Floating-Rate Notes

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This presale report is based on information as of Oct. 6, 2006. The credit ratings shown are preliminary. This report does not constitute a recommendation to buy, hold, or sell securities. Subsequent information may result in the assignment of final credit ratings that differ from the preliminary credit ratings. For further ratings information, call Client Support Europe on (44) 20-7176-7176. Members of the media may contact the Press Office Hotline on (44) 20-7176-3605 or via media_europe@standardandpoors.com. Local media contact numbers are: Paris (33) 1-4420-6657; Frankfurt (49) 69-33-999-225; Stockholm (46) 8-440-5914; or Moscow (7) 495-783-4017. Investors are invited to call the SF Investor Hotline on (44) 20-7176-3223.

Class	Prelim. rating*	Prelim. amount (Mil. €)	Available credit support (%)	Interest	Legal final maturity
A1	AAA	1,472.8	6.65	Three-month EURIBOR plus a margin	March 15, 2039
A2**	AAA	200.0	6.65	Three-month EURIBOR plus a margin	March 15, 2039
A3(G)***	AAA	130.3	6.65	Three-month EURIBOR plus a margin	March 15, 2039
B	AA-	39.9	4.55	Three-month EURIBOR plus a margin	March 15, 2039
C****	AAA	57.0	1.55	Three-month EURIBOR plus a margin	March 15, 2039

The rating on each class of securities is preliminary as of Oct. 6, 2006, 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 A2 notes will start to amortize on March 16, 2009.*
****The class A3(G) notes will be protected by a guarantee from the Kingdom of Spain (AAA/Stable/A-1+). The standalone preliminary rating on the class A3(G) notes is 'AAA'.****The class C notes will be protected by a guarantee from the European Investment Fund (EIF). (foreign: AAA/Stable/A-1+).*

Transaction Participants	
Originator	Banco Bilbao Vizcaya Argentaria, S.A.
Arrangers	Banco Bilbao Vizcaya Argentaria, S.A., Dresdner Kleinwort, and Europea de Titulización SGFT, S.A.
Trustee	Europea de Titulización SGFT, S.A.
Servicer	Banco Bilbao Vizcaya Argentaria, S.A.
Interest swap counterparty	Banco Bilbao Vizcaya Argentaria, S.A.
GIC and bank account provider	Banco Bilbao Vizcaya Argentaria, S.A.
Paying agent	Banco Bilbao Vizcaya Argentaria, S.A.
Underwriters	Banco Bilbao Vizcaya Argentaria, S.A., Dresdner Kleinwort, JP. Morgan Securities Ltd.
Subordinated loan provider	Banco Bilbao Vizcaya Argentaria, S.A.
Startup loan provider	Banco Bilbao Vizcaya Argentaria, S.A.

Supporting Ratings	
Institution/role	Ratings
European Investment Fund as guarantor of the class C notes	AAA/Stable/A-1+ (foreign currency)
Kingdom of Spain as guarantor of class A3(G) notes	AAA/Stable/A-1+
Banco Bilbao Vizcaya Argentaria, S.A. as servicer, GIC and bank account provider, subordinated loan provider, startup loan provider and interest swap counterparty	AA-/Stable/A-1+

Transaction Key Features*	
Expected closing date	October 2006
CDO asset type	SME loans
Structure type	Cash
Portfolio composition	Spanish SME loans
Purpose of transaction	Balance sheet
Rating approach	Actuarial
Portfolio management type	Static
Liability structure	Reserve fund fully funded at closing
Collateral description	Loans to SMEs
Weighted-average seasoning of assets (months)	19.97
Weighted-average remaining life of assets (months)	77.87
Principal outstanding (Mil. €)	2,223.4
Country of origination	Spain
Concentration	Largest 10 obligors (3.21% of provisional pool); regional concentration: Valencia (16.50%), Andalusia (13.69%), Catalonia (13.14%), and Madrid (12.92%); industrial concentration: real estate and renting activities (22.91%), trade and vehicle reparations activities (18.56%), and construction (11.00%). The 10 major industries represent 82.35% of the pool
Average current loan size balance (€)	146,669.25
Loan size range (€)	280.61 to 7,800,000
Weighted-average interest rate (%)	3.85
Arrears	There will be no loans with arrears for more than one month at closing
Redemption profile	Amortizing
Excess spread at closing** (bps)	65
Subordinated loan (Mil. €)	29.45
*Pool data as of Sept. 12, 2006. **Available through the interest-swap contract.	

Transaction Summary

Preliminary credit ratings have been assigned to the €1.9 billion floating-rate notes to be issued by BBVA-5 FTPYME Fondo de Titulización de Activos (BBVA-5 FTPYME).

The originator is Banco Bilbao Vizcaya Argentaria, S.A. (BBVA), the second-largest Spanish banking group and the ninth in the Eurozone by market capitalization.

At closing, BBVA will sell to BBVA-5 FTPYME a €1.9 billion closed portfolio of secured and unsecured loans granted to Spanish SMEs.

To fund this purchase, Europea de Titulización SGFT, S.A., the trustee, will issue five classes of floating-rate, quarterly paying notes, on behalf of BBVA-5 FTPYME.

Notable Features

BBVA-5 FTPYME is the fifth CLO to be completed by BBVA of its loans to SME corporate clients. This securitization comprises a mixed pool of underlying mortgage-backed and other guarantee assets.

The ratings on the notes 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, the rating on BBVA (AA-/Stable/A-1+), and the downgrade language in all of that entity's roles, including that of servicer.

Strengths, Concerns, And Mitigating Factors

Strengths

- Credit enhancement adequately covers the various stresses applied to the transaction. Credit enhancement is provided by subordination, the available excess spread, the rating on the servicer, and the subordinated loan, which will fully fund the reserve fund on the closing date.
- BBVA is an experienced originator and servicer, with five CLO transactions, two RMBS, two MBS, two auto loan transactions, a consumer loan transaction, and a municipalities transaction, to date.
- Nearly 32.96% of the pool is mortgage loans, all of which are first-lien mortgages.
- A swap agreement hedges the interest rate risk, leaves a spread of 65 bps in the transaction, pays for the servicer fees if the servicer is replaced, and the fees associated with the European Investment Fund (EIF) see "*Guarantee from the European Investment Fund*".
- Principal amortization of the notes will be accelerated if there are loans more than 12 months past due, using trapped excess spread and by the amount equivalent to the outstanding balance of those overdue loans.
- Two classes of notes benefit from guarantees provided by the Kingdom of Spain (AAA/Stable/A-1+) and the EIF (AAA/Stable/A-1+).

Concerns

- There is limited concentration risk because 56.25% of the outstanding balance of the pool is in four regions: Valencia (16.50%), Andalucia (13.69%), Catalonia (13.14%), and Madrid (12.92%).
- The originator sweeps collections no later than seven days from collection to the issuer's account, generating commingling risk.

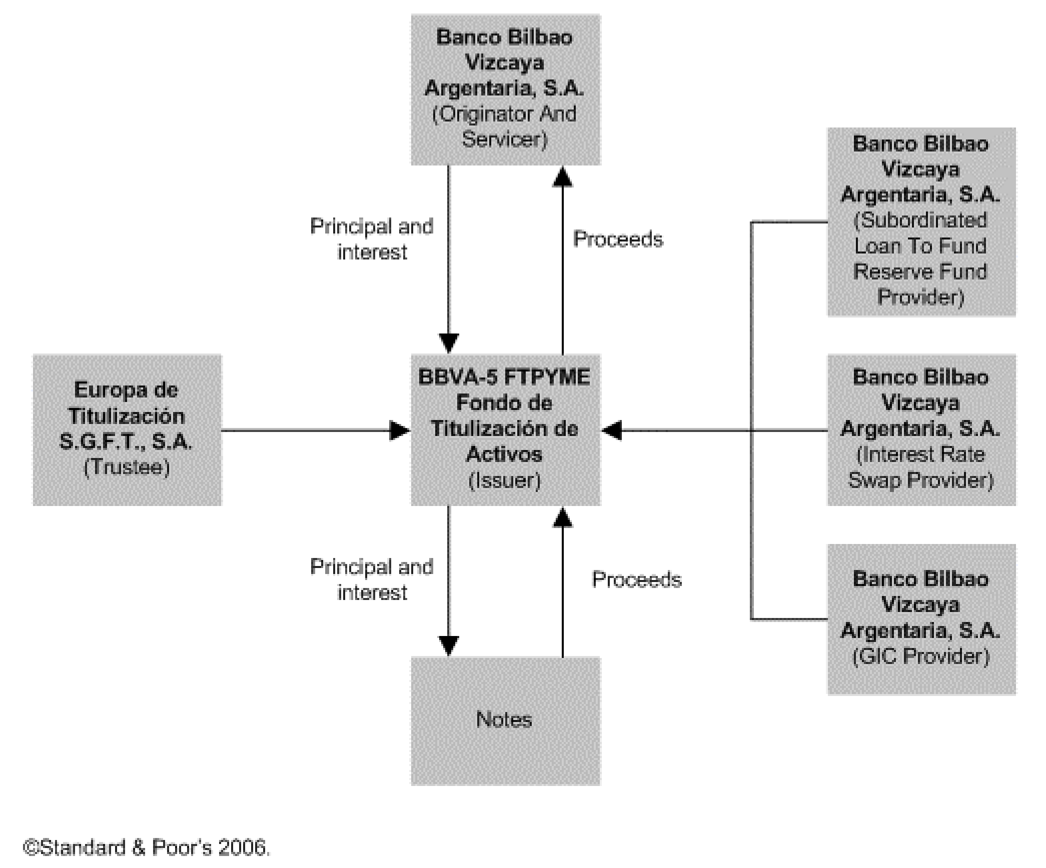
Mitigating factors

- Geographical concentrations in the major economic regions of Valencia, Catalonia, Madrid, and Andalusia have been taken into account in the credit analysis.
- As long as BBVA is rated 'A-1+', the weekly sweep frequency of collections has no impact on commingling risk. If it were to be downgraded below 'A-2', BBVA would accelerate to daily sweeps to the issuer's account. This partially mitigates commingling risk.

Transaction Structure

At closing, BBVA will sell to BBVA–5 FTPYME a closed portfolio of loans that have been granted to Spanish SMEs. BBVA–5 FTPYME will fund this purchase by issuing five classes of notes through the trustee, Europea de Titulización SGFT (see chart 1).

Chart 1: BBVA–5 FTPYME Fondo de Titulización de Activos Transaction Structure



The issuer is not a separate entity at law, but holds a distinct and closed pool of assets available for distribution to the noteholders.

The issuer 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 trustee.

The principal and interest on the notes will be paid in arrears quarterly, commencing March 15, 2007. Principal payments are detailed in "*Redemption of the notes*".

The transaction features some structural enhancements provided by the swap agreement, amortization of the notes, the reserve fund, and the servicing provided by BBVA.

The class A2 notes will start amortizing on March 15, 2009, according to a predetermined scheduled repayment calendar.

The class A3 notes will amortize sequentially to the class A1 notes unless a breach of trigger occurs (see "*Redemption of the notes*").

As in other Spanish transactions, interest and principal from the underlying assets are combined into a single priority of payments. A cumulative default ratio test protects senior noteholders by subordinating the payment of junior interest further down the priority of payments.

Trustee Or "Sociedad Gestora"

The creation of the "*sociedad gestora*" (trustee) 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 trustee, which represents and defends the interests of the noteholders.

Europea de Titulización SGFT, S.A. as trustee, will, on behalf of the issuer, enter into certain contracts (such as GICs, a swap agreement, and subordinated credit facilities and loans). These contracts are 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 trustee 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.

BBVA is the second-largest financial institution in Spain (69% of its business takes place in Spain). The bank has market shares between 13% and 20% in all business segments of Spanish financial services. Its nationwide network of 3,665 branches services 21% of the Spanish bankable population and 35% of SMEs. BBVA's second most important market is Mexico, where its 99.7%-owned subsidiary BBVA Bancomer S.A. (foreign: BBB/Stable/A-3, local: BBB+/Stable/A-2) enjoys a pre-eminent position, with market shares of between 22% and 29% in banking, insurance, and pension fund businesses. BBVA Bancomer has about 10 million clients, serviced through 1,653 branches.

BBVA is well diversified in terms of business mix in all countries in which it operates. It is established in a wide array of retail, wholesale, and investment banking businesses. They include 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 most Latin American markets.

Collateral Description

As of Sept. 12, 2006, the provisional pool consisted of 15,159 secured and unsecured loans. Total borrowers amounted to 13,043. The pool was originated between 1999 and June 2006. The weighted-average seasoning is 19.97 months.

Of the outstanding amount of the pool, 32.96% is secured by first-lien mortgages over properties and commercial premises situated in Spain.

The pool is granular and has no concentration at the obligor level. The largest obligor represents 0.35% of the provisional pool and the largest 10 obligors represent 7.26%.

The weighted-average LTV ratio of the secured pool that amounts to €732.8 million is 54.49%.

Of the pool, 53.91% is more than 12 months seasoned.

The weighted–average remaining life of the pool is 77.8 months, with 33.13% of the pool maturing within five years (see table 1).

Table 1: Distribution Of The Pool By Seasoning				
Seasoning (months)	Number of loans	%	Outstanding principal (€)	%
89	54	0.36	3,974,258.57	0.18
83	68	0.45	6,797,438.76	0.31
77	76	0.50	8,344,443.25	0.38
71	83	0.55	10,363,860.29	0.47
65	180	1.19	22,767,163.66	1.02
59	165	1.09	31,793,232.52	1.43
53	317	2.09	46,636,013.30	2.10
47	468	3.09	54,920,605.39	2.47
41	937	6.18	96,188,054.10	4.33
35	781	5.15	115,814,874.96	5.21
29	1,448	9.55	179,676,711.44	8.08
23	1,304	8.60	205,684,744.24	9.25
17	2,990	19.72	415,683,926.83	18.70
11	2,504	16.52	569,615,011.42	25.62
5	3,784	24.96	455,098,776.28	20.47
Total pool	15,159	100.00	2,223,359,115.01	100.00
Weighted-average seasoning		19.97		
Average seasoning		21.11		
Minimum		92.09		
Maximum		2.43		

The five largest regions cover 65.25% of the outstanding balance of the pool (see table 2).

Table 2: Geographic Distribution				
Region	Number of loans	% of pool	Outstanding principal	% of pool
Comunidad Valenciana	2,697	17.79	366,907,437.53	16.50
Andalucía	2,062	13.60	304,419,674.65	13.69
Cataluña	2,313	15.26	292,159,458.73	13.14
Madrid	1,467	9.68	287,346,106.11	12.92
País Vasco	1,066	7.03	199,917,659.07	8.99
Canarias	1,178	7.77	151,146,466.27	6.80
Castilla-León	808	5.33	120,351,539.37	5.41
Galicia	701	4.62	84,437,476.60	3.80
Murcia	384	2.53	75,484,196.28	3.40
Castilla La Mancha	684	4.51	68,922,048.87	3.10
Aragón	460	3.03	59,317,302.98	2.67
Baleares	303	2.00	56,230,125.41	2.53
Asturias	279	1.84	39,702,908.78	1.79
Extremadura	260	1.72	32,630,592.37	1.47
Navarra	164	1.08	30,545,730.87	1.37
Cantabria	162	1.07	29,103,360.62	1.31
La Rioja	118	0.78	19,140,282.28	0.86
Ceuta	32	0.21	3,554,413.04	0.16
Melilla	21	0.14	2,042,335.18	0.09
Total	15,159	100.00	2,223,359,115.01	100.00

At closing, the pool will have no loans with arrears of more than one month.

The largest industry concentration is renting activities, which, combined, represent 22.91% of the pool. The second-highest concentration is trade and vehicle reparations activities (18.56%), followed by construction (11.00%). The 10 major industries represent 82.35% of the pool.

Of the pool, 90.07% is indexed to floating rates, with nearly 78% of the total outstanding amount of the pool referenced to EURIBOR and MIBOR (Madrid interbank offered rate). The assets have a weighted-average interest rate of 3.85% and the weighted-average margin of the floating pool is 74 bps over the various indices.

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*" (see "*Related Articles*").

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 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, as was done in BBVA-4 PYME Fondo de Titulización de Activos, 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 arrears and will treat them as delinquency.

This has an impact on the recoveries, as recoveries from 180 days arrears will be lower than in the case of 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 2 shows historical levels of loans becoming delinquent after arrears amount to 180 days (by quarter of origination).

Chart 2: Cumulative Defaults Per Quarter Of Origination

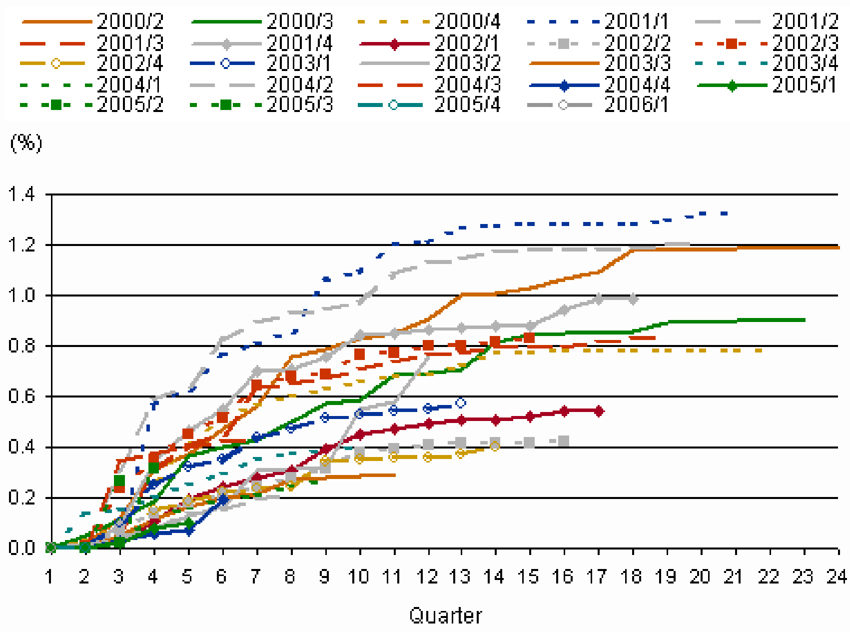
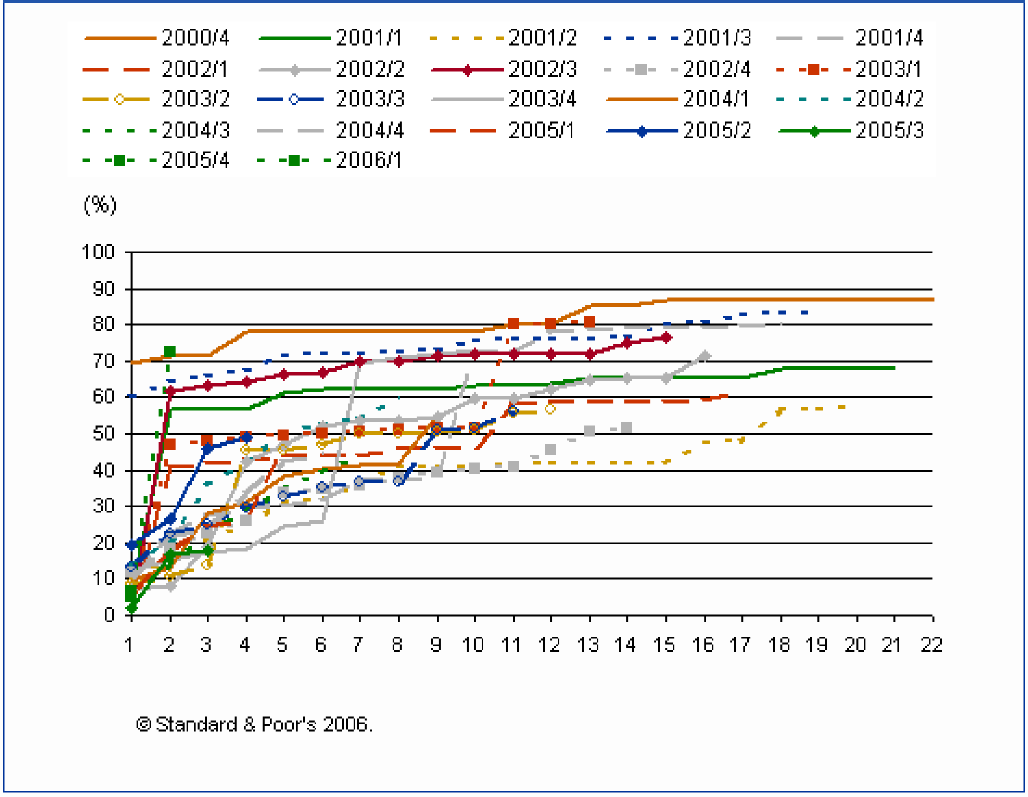


Chart 3 shows historical levels of recoveries, from the default (described as 180-day arrears) quarter.

Chart 3: Recoveries On Loans More Than 180 Days Past Due By Quarter Of Default



Credit Structure

Cash collection arrangements

BBVA, as servicer, collects the amounts due under the loans and transfers them no later than the second business day after the seventh calendar day. Its collections to the treasury account are held on behalf of the issuer with BBVA. The pace of sweep may be accelerated if BBVA's creditworthiness decreases and would be swept daily should its rating be downgraded below 'A-2'. This partially mitigates the potential risk of funds being commingled within the originator's accounts.

The fund manager will grant further protection to the issuer by taking action should the rating on the servicer be deemed to affect the rating on the notes. In that case, the fund manager will, within 30 days ask BBVA to:

- Obtain a guarantee from an 'A-1+' rated bank; or
- Fund a commingling reserve.

Guarantee from the European Investment Fund (EIF)

The EIF is a financial institution of the EU and acts as the EIF specialist arm for SME guarantee and venture capital operations. Its mandate is to promote the creation, growth, and development of SMEs in the EU and in accession countries. The mandate is pursued by guaranteeing financial institutions' SME loan portfolios in exchange for a guarantee fee, and through participation in venture capital funds. EIF's mandate is in accordance with the strategy set by the 2000 Lisbon European Council and confirmed at subsequent EU summits, aiming to make the EU a dynamic knowledge-based economy.

The guarantee from EIF can be used either for interest due on every interest payment date or for principal repayment until the legal final maturity of the notes. The reimbursement of the portion drawn under the EIF guarantee and the payment of the EIF commission is fully subordinated to the class C notes in the priority of payments.

The EIF guarantee can be used to redeem the class C notes before the legal final maturity date if there is an early redemption of the notes, or at the option of EIF, when on a given interest payment date:

- EIF has made a payment to the issuer as a result of the guarantee on any prior interest payment date;
- Any early redemption of the notes event occurs; or
- The trustee does not use the EIF guarantee three months after it has to be exercised.

Guarantee from the Kingdom of Spain

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 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 April 1996.
- 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 by the Kingdom of Spain can be drawn either for interest or principal payments on the class A3(G) notes as per the priority of payments, when available funds are insufficient.

Cash collection accounts

At closing, the trustee will open a bank account with BBVA on behalf of the issuer, the "treasury account", which will hold the reserve fund, all the amounts paid by the swap counterparty to the fund, the amounts paid by EIF and the Kingdom of Spain if applicable, and any other amounts in connection with the mortgage loans and unsecured loans;

The treasury account has a guaranteed contractual interest rate of three-month EURIBOR minus 10 bps per year.

Downgrade language to treasury account (GIC account)

If the rating on BBVA is lowered to 'A-1' and the amounts held in the issuer's accounts with BBVA exceed 20% of the outstanding amount of the notes, the trustee will notify Standard & Poor's. Subject to confirmation by Standard & Poor's, the trustee 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.

Should the treasury account provider (BBVA) be downgraded below 'A-1', the trustee will, within 30 days, take the relevant action, subject to ratings confirmation by Standard & Poor's. The main alternatives are:

- To obtain a guarantee from another entity rated at least 'A-1'; or
- To 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.

Interest swap agreement

On behalf of BBVA-5 FTPYME, the trustee will enter into a swap agreement with BBVA. This swap will provide protection against adverse interest rate resetting and movements.

The issuer will pay the swap counterparty the total of interest actually received from the loans.

The issuer will receive 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), the servicing fee amount if the servicer is replaced, and the EIF fees.

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

If the rating on the swap counterparty is lowered below 'BBB-', it must be substituted within 10 days by a new counterparty rated at least 'A-1+'.

Subordinated loan and creation of the reserve fund

The originator will provide a subordinated loan of €29.45 million, which will fund the reserve fund at closing.

The reserve fund will be fixed for the first two years, and it will be able to amortize after this initial period. Its minimum required levels will be established at the minimum amount of:

- 1.55% of the initial balance of the notes; or
- The higher of 3.1% of the outstanding principal balance of the notes and 0.78% of the initial balance of the notes.

It will not amortize if, on a previous payment date, it was not at its required minimum level, or if the arrears ratio (three months past due) is greater than 1%. The reserve fund will be used to pay interest and principal of the notes if insufficient funds are available.

Redemption of the notes

Amortization will occur for the:

- Class A1 notes, from the first payment date until its fully amortization.
- Class A3(G) notes, once A1 is fully amortized until its fully redemption.
- Class B notes, once A1 and A3(G) are fully redeemed.
- Class C notes, once B is fully redeemed.
- Class A2 notes (EIF guaranteed), according to a predetermined scheduled repayment calendar.

The available amortization fund in each payment date will be equal to the balance of the capital repayment fund.

Capital repayment fund, on each payment date, will be the difference between:

- The principal outstanding balance under all the classes of notes; and
- The principal outstanding balance of all outstanding non-doubtful loans (no more than 12 months in arrears).

The class A1 amortization amount is the available amortization fund, net of the amounts applied to the amortization of tranche A2 as per the tranche A2 amortization schedule.

The following are conditions for pro rata amortization of class A notes: if the outstanding balance of delinquent loans exceeds 1.5% of the outstanding balance of non-doubtful loans, tranches A1, A2, and A3(G) will amortize pro rata.

Conditions for pro rata amortization of junior tranches are as follows: class B and C will amortize pro rata with class A1, A2, and A3(G) if:

- The ratio of the aggregate balance of delinquent loans to the aggregate balance of non-doubtful loans is below 1.25 % for the class B notes and below 1% for the class C (EIF guaranteed) notes; and
- The total outstanding principal balance of the class B and C (EIF guaranteed) notes represents at least 9.96% of the outstanding principal balance of all the notes; and
- The cash reserve is at the required amount after the previous payment date; and
- The total outstanding balance of the SME loan portfolio is equal to or lower to 10% of the initial balance of the SME loan portfolio.

Priority Of Payments

On each quarterly interest payment date, the issuer will pay 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 reserve fund, and, if necessary, principal received under the loans and any other proceeds received in connection with the loans.

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 notes

If the cumulative ratio of defaulted loans (outstanding balance of the loans when qualified as defaulted divided by the balance of the pool at closing) is greater than 6.5%, interest on the class B notes will pay in a lower position in the priority of payments, until the class A1, A2, and A3(G) notes redeem.

Class C notes

If the cumulative ratio of defaulted loans (outstanding balance of the loans when qualified as defaulted divided by the balance of the pool at closing) is greater than 5%, interest on the class C notes will pay in a lower position in the priority of payments, until the class A1, A2, A3(G), and B notes redeem.

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

Key performance indicators for this transaction include:

- Rating migration of the collateral and default levels;
- The scenario default rate and the breakeven default rate for each tranche;
- The coverage tests;
- Collateral prepayment levels and the ability to source and reinvest in suitable collateral; and
- The evolution of the ratings of the supporting parties.

Criteria Referenced

- "*European Legal Criteria for Structured Finance Transactions*" (published on March 23, 2005).
- "*Global Interest Rate and Currency Swaps: Calculating the Collateral Required Amount*" (published on Feb. 26, 2004).
- "*Methodology Behind European RMBS Indices*" (published on Nov. 8, 2004).
- "*Standard & Poor's Global Interest Rate and Swap Counterparty Rating Criteria Expanded*" (published on Dec. 17, 2003).
- "*Cash Flow Criteria for European RMBS Transactions*" (published on Nov. 20, 2003).
- "*Standard & Poor's Rating Methodology for CLOs Backed by European Small- and Midsize-Enterprise Loans*" (published on Jan. 30, 2003).
- "*Global Cash Flow and Synthetic Criteria*" (published on March 21, 2002).
- "*Global CBO/CLO Criteria*" (published on June 1, 1999).

Related Articles

- "*Rating Transitions 2005: Activity More Muted, But Upgrades Still Dominate In European Structured Finance*" (published on Jan. 11, 2006).
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