BBVA-6 FTPYME, Fondo de Titulización de Activos

SME loans / Spain

*This pre-sale report addresses the structure and characteristics of the proposed transaction based on the information provided to Moody's as of June 2007. Investors should be aware that certain issues concerning this transaction have yet to be finalised. Upon conclusive review of all documents and legal information as well as any subsequent changes in information, Moody's will endeavour to assign definitive ratings to this transaction. The **definitive** ratings may differ from the **provisional** ratings set forth in this report. Moody's will disseminate the assignment of definitive ratings through its Client Service Desk. This report does not constitute an offer to sell or a solicitation of an offer to buy any securities, and it may not be used or circulated in connection with any such offer or solicitation.*

Estimated Closing Date

[14 June 2007]

Lead Analyst

Alberto Postigo
Vice President – Senior Analyst
+34 91 702-6604
Alberto.Postigo@moodys.com

Backup Analyst

Luis Mozos
Associate Analyst
+34 91 702-6615
Luis.Mozos@moodys.com

Investor Liaison

London

Edward Bowden
Investor Liaison Specialist
+44 20 7772-5454
Edward.Bowden@moodys.com

New York

Brett Hemmerling
Investor Liaison Specialist
+1 212 553-4796
Brett.Hemmerling@moodys.com

Client Service Desk

London: +44 20 7772-5454
clientservices.emea@moodys.com
Madrid: +34 91 414-3161

Monitoring

monitor.abs@moodys.com

Website

www.moodys.com

PROVISIONAL (P) RATINGS

Series	Rating	Amount (million)	% of Notes	Legal Final Maturity	Coupon
A1	(P)**Aaa**	€1,201.9	80.13	Mar 46	3mE + [·]%
A2(G)	(P)**Aaa**	€215.5	14.37	Mar 46	3mE + [·]%
B	(P)**A2**	€50.3	3.35	Mar 46	3mE + [·]%
C	(P)**Baa3**	€32.3	2.15	Mar 46	3mE + [·]%
Total		€1,500.0	100.00		

The ratings address the expected loss posed to investors by the legal final maturity. In Moody's opinion, the structure allows for timely payment of interest and ultimate payment of principal at par on or before the rated final legal maturity date. Moody's ratings address only the credit risks associated with the transaction. Other non-credit risks have not been addressed, but may have a significant effect on yield to investors.

OPINION

Strengths of the Transaction

- Guarantee of the Kingdom of Spain for Series A2(G)
- Excess spread-trapping mechanism through a 12-month "artificial write-off"
- Strong swap agreement guaranteeing an excess spread of 0.65% and covering the servicing fee
- Well diversified pool in terms of geography
- Relatively granular pool compared with other Spanish SME pools

Weaknesses and Mitigants

- Lower percentage of mortgage loans compared with other Spanish SME deals
- A significant portion of the loans (6.95%) pay through semi-annual or annual instalments, which may potentially delay the point in time at which a default is detected in such loans, compared with high-frequency payment loans.
- 8.56% of the provisional pool corresponds to non-amortising loans. This is mitigated by (1) the short weighted-average remaining term of these loans; and (2) a significant percentage of these loans is secured by a first-lien mortgage guarantee.
- Pro-rata amortisation of Series B and C leads to reduced credit enhancement of the senior series in absolute terms. This feature is mitigated by strict triggers which interrupt the pro-rata amortisation of the notes should the performance of the transaction deteriorate.
- The deferral of interest payments on each of Series B and C benefits the repayment of the series senior to each of them, but potentially exposes junior rated noteholders to long periods of receiving no interest. Moody's has factored this in its quantitative analysis, and the reserve fund and the subordination have been sized accordingly to account for this deterioration on the expected loss and the probability of default.

STRUCTURE SUMMARY *(see page 4 for more details)*

Issuer:	BBVA-6 FTPYME, Fondo de Titulización de Activos
Structure Type:	Senior/Mezzanine/Subordinated floating-rate notes
Seller/Originator:	Banco Bilbao Vizcaya Argentaria, S.A. ("BBVA", **Aa1**/**P-1**/**B**)
Servicer:	BBVA
Interest Payments:	Quarterly in arrears on each payment date
Principal Payments:	Pass-through on each payment date
Payment Dates:	22 March, 22 June, 22 September, 22 December
	First payment date: 24 September 2007
Credit Enhancement/Reserves:	0.65% excess spread
	1.42% reserve fund
	Subordination of the notes
	Guaranteed Investment Contract (GIC) account
	Guarantee of the Kingdom of Spain (**Aaa**/**P-1**) for Series A2(G)
GIC Account Provider:	BBVA
Hedging:	Interest rate swap covering the interest rate risk
Interest Rate Swap Counterparty:	BBVA
Paying Agent:	BBVA
Note Trustee (Management Company):	Europea de Titulización, S.G.F.T., S.A. (Europea de Titulización)
Arrangers:	BBVA
	Europea de Titulización
Lead Managers:	BBVA
	Calyon, Spanish Branch

COLLATERAL SUMMARY (AS OF MAY 2007) *(see page 6 for more details)*

Receivables:	Loans to Spanish SMEs
Total amount:	€1.77 billion
Number of Contracts:	9,327
Number of Borrowers:	8,231
Geographic Diversity:	Catalonia (19.5%), Madrid (15.5%), Valencia (14.2%)
WA Seasoning:	1.3 years
WA Remaining Term:	6.8 years
Interest Basis:	89.3% floating, 10.7% fixed
WA Interest Rate:	4.68%
Delinquency Status:	No loans more than 30 days in arrears at the time of the securitisation
Historical Experience:	No historical information provided

NOTES

Series	Subordination	Reserve Fund	Total
A1	19.87%(1))	1.42%	21.29%
A2(G)	5.50%(1)	1.42%	6.92%
B	2.15%(1)	1.42%	3.57%
C	0%	1.42%	1.42%

(1) Subject to pro-rata amortisation triggers

INTRODUCTION

The 2007 budget for the FTPYME programme remains constant with respect to 2006, but with an increase in the limit imposed on the outstanding amount of guaranteed tranches

For the seventh time being, the Spanish Ministry of Economy has established an annual guarantee budget for the FTPYME programme. The 2007 budget remains constant with respect to 2006, although it is accompanied by an increase in the limit imposed by the Spanish Budget Stability Law on the outstanding amount of guaranteed tranches, from €5 billion to €5.5 billion. This limit resulted in only €600 million out of the €800 million budgeted for 2006 being assigned to FTPYME securitisation funds.

After adjustments to the legal framework in 2005, further slight modifications have been made – the main changes being (1) the introduction of a deadline for submitting applications at the beginning of the year (between 15 January and 15 February); (2) no open-ended funds will be allowed under the FTPYME programme (though this is something that was happening in practice); and (3) the Spanish Treasury is entitled to charge a commission for the guarantee granted to each FTPYME securitisation fund.

Apart from this modifications, the four following principal conditions of the FTPYME programme remain unalterable:

1. Securitised assets must be loans (a) originated by institutions that have previously signed an agreement with the Ministry of Economy, (b) granted to non-financial enterprises based in Spain and (c) with an initial maturity of more than one year.
2. At least 80% of the loans must be granted to small- and medium- sized enterprises (SMEs) (as defined by the European Commission in its recommendation of 6 May 2003).
3. The institutions transferring the loans to an FTPYME fund must in turn reinvest the proceeds of the sale in granting new loans (such loans complying with conditions (1) and (2) above): 50% of which must be reinvested within six months and the remaining 50% within one year.
4. The Kingdom of Spain will guarantee interest and principal payments on up to 80% of securities rated **Aa** or above. Significantly, the guarantee is fully binding for the Kingdom of Spain.

Moody's expects that four FTPYME securitisation funds will close by year-end 2007, with closing dates being increasingly spread throughout the year.

TRANSACTION SUMMARY

Cash securitisation of loans granted to Spanish enterprises carried out under the FTPYME programme

BBVA-6 FTPYME, FTA ("the *Fondo*") is a securitisation fund created with the aim of purchasing a pool of loans granted by BBVA to Spanish SMEs, in compliance with the conditions required by the FTPYME programme in order to qualify for the Spanish Treasury guarantee.

The *Fondo* will issue four series of notes to finance the purchase of the loans (at par):

– A subordinated Series C, rated (P)**Baa3**

– A mezzanine Series B, rated (P)**A2**

– A senior tranche composed of two (P)**Aaa**-rated series: a subordinated Series A2(G) and a senior Series A1

Each series of notes is supported by the series subordinated to itself, a cash reserve and the excess spread guaranteed under the swap agreement. The swap agreement will also hedge the *Fondo* against (i) the risk derived from having different index reference rates and reset dates on the assets (as well as fixed-rate loans) and on the notes; (ii) any renegotiation of the loans' interest rate; and (iii) the existence of caps on this interest rate.

In addition, the *Fondo* will benefit from a €2.1 million subordinated loan provided by BBVA to fund the up-front expenses and the costs of issuing the notes.

Series A2(G) benefits from the guarantee of the Kingdom of Spain for interest and principal payments. Nevertheless, the expected loss associated with Series A2(G) notes is consistent with a **Aaa** rating regardless of the Spanish Treasury guarantee. The transaction will not incorporate a liquidity line to ensure the timeliness of the interest or principal guarantee payments.

The provisional pool consists of 9,327 loans and 8,231 Spanish enterprises as borrowers, 100% of which are SMEs according to the European Commission definition. Given the nationwide presence of the originator, the pool is well diversified across Spain. According to Moody's industry classification, it is around 33% concentrated in the "buildings and real estate" sector. 36% of the pool is secured by a first-lien mortgage guarantee over different types of properties.

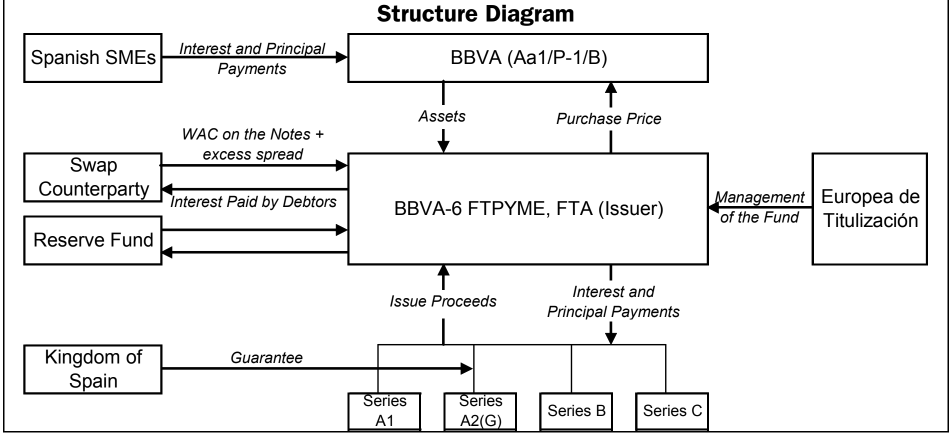
Moody's based the provisional ratings primarily on: (i) an evaluation of the underlying portfolio of loans; (ii) historical performance information; (iii) the swap agreement hedging the interest rate risk; (iv) the credit enhancement provided through the GIC account, the excess spread, the cash reserve and the subordination of the notes; and (v) the legal and structural integrity of the transaction.

STRUCTURAL AND LEGAL ASPECTS

Deal structure incorporating the following key features: a swap agreement guaranteeing 0.65% of annual excess spread, pro-rata amortisation of the notes and deferral of interest based on the accumulated amount of written-off loans

Chart 1:

Structure Diagram



Interest rate swap hedging the interest rate risk and guaranteeing 65 bppa of annual excess spread

To hedge the *Fondo* against the interest rate risk (potential mismatch derived from having different index reference rates and reset dates on the assets side (as well as fixed-rate loans) and on the liabilities side), it will enter into a swap agreement with BBVA.

According to the swap agreement, on each payment date:

– The *Fondo* will pay the interest received from the loans since the previous payment date.
– BBVA will pay the sum of (1) the weighted average coupon on the notes plus 65 bppa, over a notional calculated as the daily average of the outstanding amount of loans not more than 90 days in arrears since the last payment date; and (2) the servicer fee due on that payment date.

This swap structure additionally hedges the *Fondo* against any potential renegotiation of the loan interest rate and against the existence of loan interest rate caps. It also covers the gap between the interest payments received from the pool and the amount of interest due to the notes on the first payment date.

In the event of BBVA's long-term rating being downgraded below **A2**, or its short-term rating being downgraded below **P-1**, it will within 30 business days have to (1) collateralise its obligation under the swap in an amount sufficient to maintain the then current rating of the notes; and/or (2) find a suitably rated guarantor or substitute. Any failure by BBVA to comply with this condition will constitute an event of default under the swap agreement.

Reserve fund fully funded up-front to help the Fondo meet its payment obligations

Funded up-front through a subordinated loan provided by BBVA, the reserve fund will be used to cover any potential shortfall on items (1) to (8) of the order of priority (detailed below) on an ongoing basis.

At any point in time during the life of the transaction, the amount requested under the reserve fund will be the lesser of the following amounts:

– 1.42% of the initial balance of the notes
– The higher of:
    - 2.84% of the outstanding balance of the notes
    - 0.71% of the initial balance of the notes

However, the amount requested under the reserve fund will not be reduced:

– During the first three years following the closing date
– On any payment date on which any of the following scenarios occurs:
    - The arrears level (defined as the percentage of non-written-off loans that are more than 90 days in arrears) exceeds 1%
    - The reserve fund is not funded at its required level

The GIC provides an annual interest rate equal to the index reference rate of the notes less 0.10%

The treasury account will be held at BBVA. The proceeds from the loans, amounts received under the swap agreement and the reserve fund will be deposited in the treasury account.

Moody's has set up some triggers in order to protect the treasury account from a possible downgrade of BBVA's short-term rating. Should this rating fall below **P-1**, it will have to perform one of the following actions in the indicated order of priority within 30 business days:

1. Find a suitably rated guarantor or substitute.
2. Collateralise its payment obligations under the treasury account in an amount sufficient to maintain the then current rating of the notes.
3. Invest the outstanding amount of the treasury account in securities issued by a **P-1**-rated entity.

BBVA guarantees an annual yield of the amounts deposited in the treasury account equal to the index reference rate of the notes less 0.10%.

Limitations on the renegotiation of the loan

The management company authorises BBVA – in its role as servicer – to renegotiate the interest rate or the maturity of any loan without requiring its approval (although this authorisation can be revoked at any point in time during the life of the transaction). Regarding this last issue, some limitations have been put in place:

– BBVA will not be able to extend the maturity of any loan later than June 2042.
– The total initial amount of loans on which the maturity has been extended cannot be greater than 10% of the initial amount of the sub-pool.
– The frequency of payments cannot be decreased.
– The amortisation system cannot be modified.

Payment structure allocation

On each quarterly payment date, the *Fondo*'s available funds (amounts received from the asset pool, the reserve fund, amounts received under the swap agreement and interest earned on the treasury account) will be applied in the following simplified order of priority:

1) Costs and fees, excluding the servicing fee (except in the case of BBVA being replaced as servicer of the loans)
2) Any amount due under the swap agreement and swap termination payment if the *Fondo* is the defaulting or the affected party
3) Interest payment to Series A1 and A2(G)
4) Interest payment to Series B (if not deferred)
5) Interest payment to Series C (if not deferred)
6) Retention of an amount equal to the principal due under the notes
7) Interest payment to Series B (if deferred)
8) Interest payment to Series C (if deferred)
9) Replenishment of the reserve fund
10) Termination payment under the swap agreement (except in the cases contemplated in 2) above)
11) Junior payments

The reimbursement of the guarantee payments from the Spanish Treasury will be made through the above-mentioned order of priority, occupying the same position as the interest and principal payments on the guaranteed series.

In the event of liquidation of the *Fondo*, the payment structure is modified with the sole aim of ensuring that any amount due to a series is repaid before any payment to a subordinated series is made.

Interest deferral mechanism based on the accumulated amount of written-off loans

The payment of interest on Series B and C will be brought to a more junior position if, on any payment date, and for each of these series, the following conditions are met:

– The accumulated amount of written-off loans since closing is higher than 6.5% and 5% of the initial amount of the pool for Series B and C, respectively.

– The series senior to it are not fully redeemed.

Principal due to the notes incorporates an 12-month "artificial write-off" mechanism

The transaction's structure benefits from an "artificial write-off" mechanism. This mechanism is implicit in the definition of the principal due under the notes, which is calculated as the difference between (1) the outstanding amount of the notes (plus any amount due to the Spanish Treasury by reason of principal) and (2) the outstanding amount of the non-written-off loans (the "written-off loans" being defined as those loans with any amount due but unpaid for more than 12 months (or earlier, if the management company considers that there are no reasonable expectations of recovery under each such loan)).

Thanks to the "artificial write-off" mechanism, the amount of notes collateralised by non-performing loans is minimised, and, consequently, the negative carry. However, the most significant benefit for the transaction is that the amount of excess spread trapped in the structure is larger (the excess spread between the "artificial write-off" time and the "natural write-off" time would otherwise be lost). Therefore, the transaction makes better use of the excess spread, allowing for lower levels of other credit enhancement figures.

A principal deficiency will occur, on any payment date, if the issuer's available funds are not sufficient to reimburse the principal due under the notes, according to the cash flow rules stated above (the difference between these two amounts being the principal deficiency). The principal deficiency attributable to Series A2(G) will be covered by the guarantee from the Kingdom of Spain.

Principal due allocation mechanism

The amount retained as principal due on item (6) of the order of priority will be allocated according to the following rules:

1) Sequentially to the amortisation of Series A1, A2(G), B and C (in the indicated order)
2) Pro-rata between Series A1 and A2(G), if the arrears level exceed 3%.
3) Notwithstanding rule (1), from the payment date on which the initial amount of Series B and C exceeds 6.707% and 4.307%, respectively, of the outstanding amount under all series, pro rata between the following items:
   i. Amortisation of Series A1 and A2(G) in accordance with rule (1)
   ii. Amortisation of Series B
   iii. Amortisation of Series C

   Ensuring that the following conditions are met:
   - The arrears level is below 1.25% and 1.00% for Series B and C, respectively.
   - The cash reserve is going to be funded at its required level.
   - The outstanding amount of the non-written-off loans is lower than 10% of the pool's initial amount.
   - The conditions to amortise pro-rata Series A1 and A2(G) are not met.

The reimbursement of the guarantee payments from the Spanish Treasury by reason of principal will occupy the same position as the amortisation of Series A2(G) in the principal due allocation mechanism stated above.

COLLATERAL

Pool of loans granted to Spanish corporates are well diversified across the country

As of May 2007, the provisional portfolio comprised 9,327 loans and 8,231 borrowers. The loans have been originated by BBVA in its normal course of business, and comply with the following criteria:

- The loans have been granted to non-financial enterprises based in Spain, 100% of which are SMEs according to the European Commission definition.
- The loans are repaid by direct debit and have paid at least one instalment.
- No loan incorporates deferred payments of interest.
- 100% of the principal of the loans has been drawn.
- Obligors are committed to sign an insurance contract for the mortgaged property at the time of the loan's origination.
- All the mortgaged properties are fully developed and situated in Spain.
- The pool will not include loans granted to real estate developers or lease contracts.

The loans have been originated between 1999 and April 2007, with a weighted average seasoning of 1.3 years and a weighted average remaining term of 6.8 years. The longest loan matures in June 2042.

The interest rate is floating for 89.3% of the pool and fixed for the rest, with a weighted average interest rate of 4.83% for the fixed-rate loans and a weighted average margin of 0.68% for the floating-rate loans. The majority of the floating-rate loans are referenced to Euribor at different time horizons.

The majority of the loans pay through monthly (77.2%) or quarterly (15.1%) instalments. The rest of the loans pay through semi-annual (5%) or annual (2.75%) instalments. In terms of amortisation pattern, 8.56% of the pool corresponds to non-amortising loans. Apart from this, 5.9% of the pool has a grace period on principal payments (the average length of the grace period being 0.8 years).

36.4% of the outstanding of the portfolio is secured by a first-lien mortgage guarantee over different types of properties. No information on the type of mortgaged property has been provided. The total weighted average loan-to-value is 59%.

Geographically, the pool is concentrated in Catalonia (19.5%), Madrid (15.5%) and Valencia (14.2%). Around 33% of the portfolio is concentrated in the "buildings and real estate" sector according to Moody's industry classification.

In terms of debtor concentration, the pool is more granular than that observed in most of the Spanish SME deals: the highest exposure is 0.46% of the issuance amount, and the sum of the 10 largest debtors represents 3.9% of the issuance amount.

Chart 2:
Portfolio Breakdown by Year of Origination

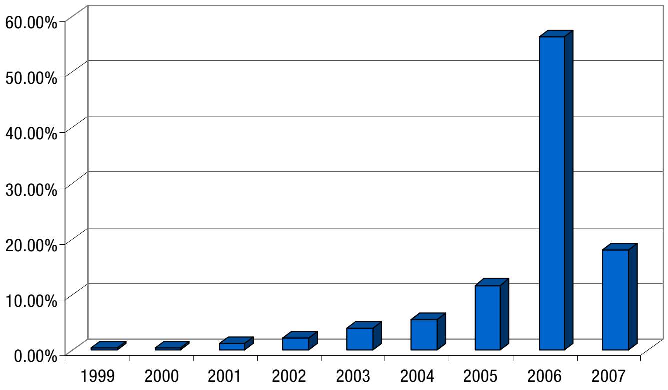


Chart 3:
Portfolio Breakdown by Year of Maturity

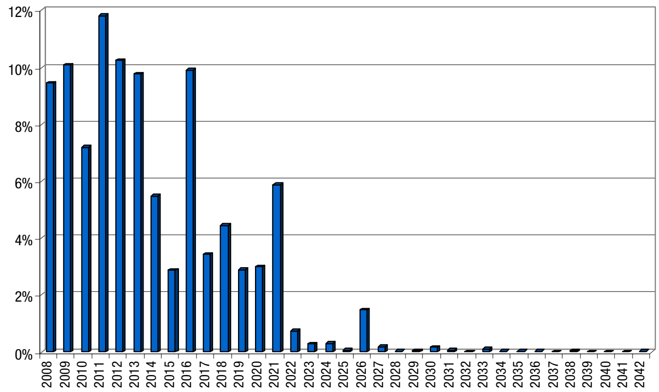


Chart 4:
Portfolio Breakdown by Geographic Diversity

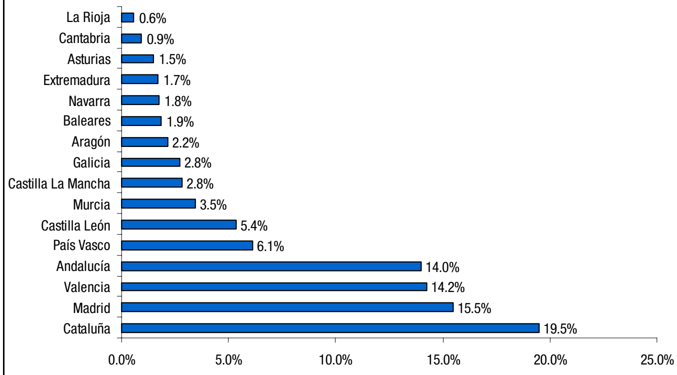


Chart 5:
Ten Most Represented Industry Sectors

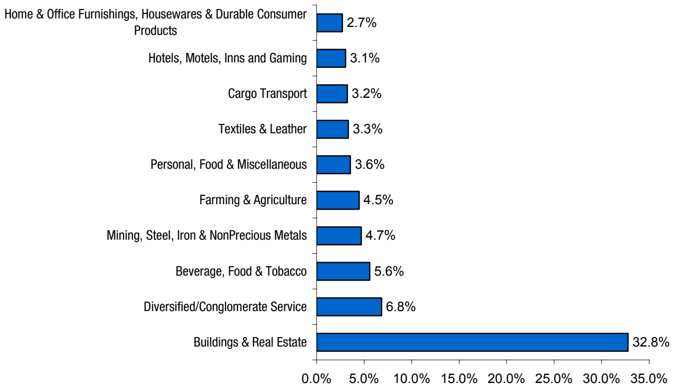


Chart 6:
Portfolio Breakdown by Frequency of Payments

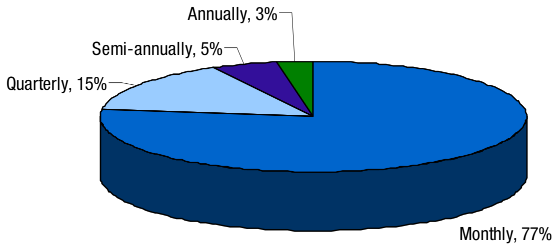
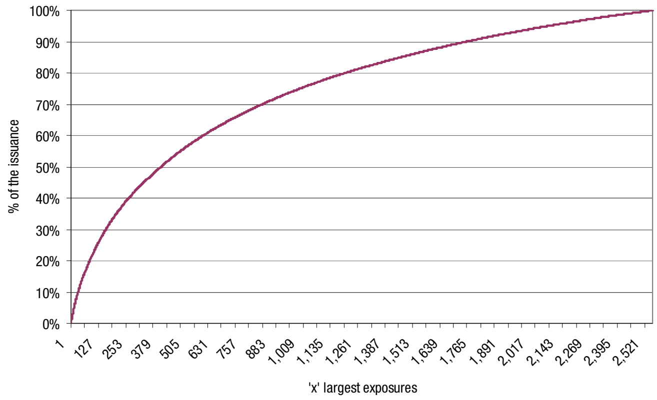


Chart 7:
Debtor Concentration



The originator represents and guarantees that, as of the date of the transfer, there will be no amounts more than 30 days past due under any of the loans.

ORIGINATOR, SERVICER, PAYING AGENT AND MANAGEMENT COMPANY

BBVA, the second-largest financial group in Spain and with a strong focus in the Spanish retail segment, is the originator and servicer of the asset pool

With total assets amounting to €447 billion in March 2007, BBVA is the second largest financial group in Spain after Banco Santander Central Hispano, S.A. (BSCH). Excluding international operations, however, BBVA is Spain's largest financial group with market shares of loans and deposits at around 13% each, followed closely by BSCH and La Caixa with nationwide market shares of about 10% each.

In Spain, BBVA operates through a network of 3,631 branches and 31,230 employees and 5,000 ATMs – as at September 2006.

BBVA has built up a solid franchise in Latin America, holding a 14% share of loans and 16% of deposits at September 2006. It has a strong presence in Argentina, Colombia and Mexico. It is also in the process of building a franchise in USA and entering the Chinese market: in November 2006, BBVA announced it had reached an agreement with the Chinese banking group CITIC to develop a strategic alliance in that market.

Moody's views BBVA's earnings profile as well balanced. The main contributor to BBVA's profits is retail banking, at close to 80% of total profits, a factor that adds solidity and stability to its franchise.

The group's asset quality continues to improve on a quarterly basis, with NPLs accounting for 0.82% of total loans in the year ended September 2006 compared to 0.98% in the prior year, and 0.94% at year-end 2005. The coverage ratio stands at a very comfortable 275.8%. All main franchises showed a positive performance. Domestically, asset quality is performing better than anticipated. However, deterioration is likely, especially if interest rates rise sharply, given individuals' higher vulnerability to already high levels of indebtedness and heavier debt burden.

In terms of the Spanish securitisation market, BBVA has become one of the most active players since 2005, with €3.95 billion and €4.9 billion launched in 2005 and 2006, respectively, and an impressive €9 billion issued so far (including BBVA-6 FTPYME) in 2007.

BBVA's duties as servicer and originator

BBVA will act as servicer of the loans, and will transfer the proceeds from the loans to the treasury account seven days after they were paid by the borrowers. Nevertheless, if BBVA's long-term rating falls below **Baa3**, it will have to transfer the borrower payments within a maximum period of one day, with the purpose of minimising the amount of the pool proceeds that fall into the servicer's bankruptcy estate.

In the event of BBVA failing to perform its obligations as servicer; being subjected to Bank of Spain intervention or affected by an insolvency process; or because the management company considers it appropriate, it will have to be substituted or guaranteed in its role as servicer by a suitable institution.

Moody's believes that BBVA is currently a capable servicer.

Likewise, the management company may require BBVA, upon an insolvency process or Bank of Spain intervention, or because the management company considers it appropriate, to notify the relevant debtors of the transfer of the loans to the *Fondo*. Should BBVA fail to comply with this obligation within five business days, the notification would then be carried out by the management company.

Paying Agent

BBVA will act as paying agent of the *Fondo*. In the event of BBVA's short-term rating falling below **P-1**, it will within 30 days have to be replaced in its role of paying agent by a suitably rated institution.

Management Company

Europea de Titulización is a company with substantial experience in the Spanish securitisation market. Its obligations within the structure are guaranteed by its shareholders, with respect to their proportion of the holding. BBVA accounts for 83% of the capital of the *gestora* (trustee). The remainder is owned by 15 institutions, including JP Morgan (4%), Caja de Ahorros del Mediterráneo (1.54%), Bankinter (1.53%), Barclays Bank (1.53%) and Citibank España (1.53%). Currently Europea de Titulización carries out the management of 69 securitisation funds.

MOODY'S ANALYSIS

Moody's used a Monte-Carlo simulation to derive the default distribution in the portfolio, based on mean default estimations

Given the number of assets and the size of the exposures in the portfolio (see section entitled *Collateral*), Moody's decided to derive the gross loss distribution curve through a two-factor Monte-Carlo approach, rather than assuming that it follows a given general density law.

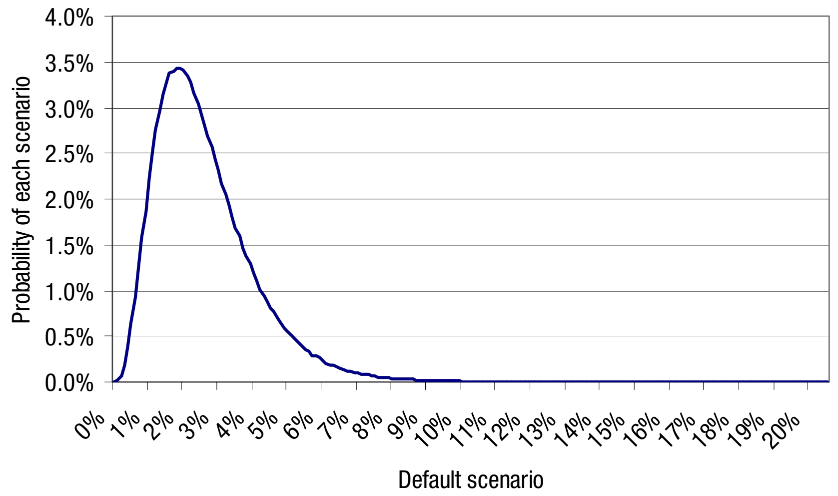
Two basic parameters needed to be assessed as main inputs for the model as follows:

– The gross loss contribution of each single entity
– The correlation structure among the different industries represented in the portfolio

As regards the gross loss assumption, Moody's decided to base its analysis on historical information received from the originator for the previous FTPYME transaction carried out by BBVA. The historical data were adjusted for (1) the seasoning of the portfolio, (2) the expectation of a less favourable macro-economic environment and (3) other qualitative aspects. It is important to note that a loan has been considered as 'defaulted' after 90 days past due. The final value retained was around a mean of 2.5%. Assumptions for recoveries, delinquency and prepayments were also derived from the historical information that Moody's received for BBVA 5 FTPYME.

As regards the correlation structure that takes into account the portfolio's characteristics, Moody's split the portfolio into 31 groups, and, with the purpose of reflecting the diversity shown by the exposures in the securitised portfolio, Moody's made different assumptions, both for the asset correlation within one group and for that between assets in different groups (the two factors in the Monte-Carlo model).

Chart 8:
Default Distribution



The Monte-Carlo simulation was then run, incorporating each exposure's size, default probability and implied asset correlation, thereby giving an outcome equal to the default probability distribution for the portfolio.

On the basis of this distribution as well as other assumptions for recoveries, delinquency and prepayments, and in order to allocate losses to the notes in accordance with their priority of payment and relative size, Moody's built a cash flow model that reproduces all deal-specific characteristics. The sensitivity to a variation in the initial assumptions was also tested. Weighting each default scenario's severity result on the notes with its probability of occurrence, Moody's calculated the expected loss level for each series of notes which, combined with each series' expected average life, is consistent with the provisional ratings assigned.

Structural Analysis

Moody's considered how the cash flows generated by the collateral were allocated to the parties within the transaction, and the extent to which various structural features of the transaction might themselves provide additional protection to investors, or act as a source of risk. In addition, Moody's ensured that the transaction is not affected by the bankruptcy of the originator or the servicer of the portfolio.

RATING SENSITIVITIES AND MONITORING

The ratings of the notes depend on the portfolio performance and counterparty ratings

Europea de Titulización will, in its capacity as management company, prepare quarterly monitoring reports on the portfolio and on payments to the notes. These reports will detail the amounts received by the issuer during each collection period and will provide portfolio data.

Moody's will monitor the transaction on an ongoing basis to ensure that it continues to perform in the manner expected, including checking all supporting ratings and reviewing periodic servicing reports. Any subsequent changes in the ratings will be publicly announced and disseminated through Moody's Client Service Desk.

RELATED RESEARCH

Visit moodys.com for further details

For a more detailed explanation of Moody's approach to this type of transaction as well as similar transactions please refer to the following reports:

Analysis

– Banco Bilbao Vizcaya Argentaria, S.A., December 2006 (101258)

Issuer Profile

– Banco Bilbao Vizcaya Argentaria, S.A., October 2005

Credit Opinion

– Banco Bilbao Vizcaya Argentaria, S.A. , April 2007

Performance Overview

– BBVA 4 PYME, Fondo de Titulización de Activos, June 2007 (SF99740)
– BBVA-3 FTPYME, Fondo de Titulización de Activos, April 2007 (SF97497)

Pre-Sale Report

– BBVA 5 FTPYME, Fondo de Titulización de Activos, October 2006 (SF83565)
– BBVA 4 FTPYME, Fondo de Titulización de Activos, September 2005 (SF61111)
– BBVA-3 FTPYME, Fondo de Titulización de Activos, November 2004 (SF47008)

Special Report

– Moody's Spanish SME Loan-Backed Securities Index, April 2004 (SF35231)
– Structural Features in the Spanish RMBS Market – Artificial Write-Off Mechanisms: Trapping the Spread", January 2004 (SF29881)
– Moody's Approach to Rating ith-to-Default Basket Credit-Linked Notes", April 2002 (SF13090)

Rating Methodology

– FTPYMES: Moody's Analytical Approach to Spanish Securitisation Funds Launched Under Government's FTPYMES Programme, October 2003 (SF27063)

To access any of these reports, click on the entry above. Note that these references are current as of the date of publication of this report and that more recent reports may be available. All research may not be available to all clients.

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