

**Hecho Relevante de**

**BBVA RMBS 10 FONDO DE TITULIZACIÓN DE ACTIVOS**

En virtud de lo establecido en el Folleto Informativo de **BBVA RMBS 10 FONDO DE TITULIZACIÓN DE ACTIVOS** (el “Fondo”) se comunica a la COMISIÓN NACIONAL DEL MERCADO DE VALORES el presente hecho relevante:

- La Agencia de Calificación **DBRS Ratings Limited** (“**DBRS**”), con fecha 27 de octubre de 2015, comunica que ha bajado la calificación asignada a la siguiente Serie de Bonos emitidos por el Fondo:

- **Serie B: BB (sf)** (anterior **BBB (sf)**)

Asimismo, DBRS ha confirmado la calificación asignada a la restante Series de Bonos:

- **Serie A: AA (sf)**

Se adjunta la comunicación emitida por DBRS.

Madrid, 28 de octubre de 2015.

Mario Masiá Vicente  
Director General



Date of Release: October 27, 2015

## **DBRS Downgrades One Class and Confirms One Class of BBVA RMBS 10 FTA**

DBRS Ratings Limited (DBRS) has today taken the following rating actions on the bonds issued by BBVA RMBS 10 FTA (the Issuer):

- Series A notes confirmed at AA (sf)
- Series B notes downgraded to BB (sf) from BBB (sf)

The above rating actions reflect the following analytical considerations, as described more fully below:

- An amendment to the transaction signed on 23 October 2015.
- Portfolio performance, in terms of delinquencies and defaults, as of the July 2015 payment date.
- Updated portfolio default rate, loss given default and expected loss assumptions for the remaining collateral pool.
- Current available credit enhancement to the Series A and Series B notes to cover the expected losses at the AA (sf) and BB (sf) rating levels, respectively.

BBVA RMBS 10 FTA is a securitisation of Spanish prime residential mortgages originated and serviced by Banco Bilbao Vizcaya Argentaria, S.A. (BBVA).

The structural amendment consists of a reduction in the reserve fund and the introduction of a floor at 0% on the interest rate of the notes. The reserve fund has been reduced to EUR 80.00 million (compared to EUR 192.00 million at the DBRS initial rating), and the new target balance will be set as the lower of EUR 80.00 million or 10.00% of the outstanding principal of the notes, subject to a floor of EUR 40.00 million.

As of the July 2015 payment date, two- to three-month arrears are at 0.17%, down slightly from 0.21% in July 2014. The 90+ delinquency ratio was at 0.20%. The current gross cumulative default ratio is at 0.26%.

Post-restructure, credit enhancement to the Series A notes is 22.20%, compared to 26.00% at the

DBRS initial rating. Credit enhancement to the Series A notes consists of subordination of the Series B notes and the reserve fund. Credit enhancement to the Series B notes is 5.84%, compared to 12.00% at the DBRS initial rating. Credit enhancement to the Series B notes consists solely of the reserve fund.

BBVA is the account bank for the transaction. The DBRS “A” rating of BBVA complies with the Minimum Institution Rating given the rating assigned to the Series A notes, as described in DBRS’s “Legal Criteria for European Structured Finance Transactions” methodology.

The Issuer has replacement triggers for the account bank, where, in the event that BBVA were to be downgraded below BBB by DBRS, the Management Company shall find a replacement institution, which is rated at least BBB by DBRS. However, the DBRS “Legal Criteria for European Structured Finance Transactions” as of 21 September 2015 indicates that an Account Bank’s having the minimum rating of “A” with respect to a AAA or AA transaction combined with a provision to replace within 30 calendar days of a downgrade below that level is generally sufficient to mitigate the risk of that counterparty’s default. Given the combination of the current rating of BBVA and the replacement provision described above, additional cash flow analysis for the Series A notes included scenarios where the transaction did not benefit from the reserve fund.

Notes:

All figures are in euros unless otherwise noted.

The principal methodology applicable is the “Master European Structured Finance Surveillance Methodology,” which can be found on [www.dbrs.com](http://www.dbrs.com) at <http://www.dbrs.com/about/methodologies>. Other methodologies and criteria referenced in this transaction are listed at the end of this press release.

DBRS has applied the principal methodology consistently and conducted a review of the transaction in accordance with the principal methodology. DBRS conducted a review of the amendments to the deed of constitution of the fund, which spells out the amendments under consideration, along with the relative notification to CNMV. The other transaction legal documents have remained unchanged since the most recent rating action, and were not reviewed.

For a more detailed discussion of the sovereign risk impact on Structured Finance ratings, please refer to DBRS’s “The Effect of Sovereign Risk on Securitisations in the Euro Area” commentary on <http://www.dbrs.com/industries/bucket/id/10036/name/commentaries/>.

The sources of information used for this rating include information provided by Europea de Titulizacion S.A., S.G.F.T. and data from the European DataWarehouse.

DBRS does not rely upon third-party due diligence in order to conduct its analysis. DBRS was not supplied with third-party assessments; however, this did not impact the rating analysis.

DBRS considers the information available to it for the purposes of providing this rating was of satisfactory quality.

DBRS does not audit the information it receives in connection with the rating process, and it does not and cannot independently verify that information in every instance.

The last rating action on this transaction took place on 26 January 2015, when DBRS confirmed the ratings on the Series A and Series B notes.

Information regarding DBRS ratings, including definitions, policies and methodologies is available at [www.dbrs.com](http://www.dbrs.com).

To assess the impact of changing the transaction parameters on the rating, DBRS considered the following stress scenarios as compared with the parameters used to determine the rating (the base case):

-- DBRS expected a lifetime base case probability of default (PD) and loss given default (LGD) for the pool based on a review of the current assets. Adverse changes to asset performance may cause stresses to base case assumptions and therefore have a negative effect on credit ratings.

-- The base case PD and LGD of the current pool of mortgages for the Issuer are 6.09% and 42.67%, respectively. At the AA (sf) rating level, the corresponding PD is 22.49% and the LGD is 58.45%.

-- The Risk Sensitivity overview below illustrates the ratings expected if the PD and LGD increase by a certain percentage over the base case assumption. For example, if the LGD increases by 50%, the rating of the Series A notes would be expected to fall to A (high) (sf), assuming no change in the PD. If the PD increases by 50%, the rating for the Series A notes would be expected to fall to A (high) (sf), assuming no change in the LGD. Furthermore, if both the PD and LGD increase by 50%, the rating of the Series A notes would be expected to fall to BBB (sf).

#### Series A Notes Risk Sensitivity:

- 25% increase in LGD, expected rating of AA (sf)
- 50% increase in LGD, expected rating of A (high) (sf)
- 25% increase in PD, expected rating of AA (sf)
- 50% increase in PD, expected rating of A (high) (sf)
- 25% increase in PD and 25% increase in LGD, expected rating of A (high) (sf)
- 25% increase in PD and 50% increase in LGD, expected rating of BBB (high) (sf)
- 50% increase in PD and 25% increase in LGD, expected rating of BBB (high) (sf)
- 50% increase in PD and 50% increase in LGD, expected rating of BBB (sf)

#### Series B Notes Risk Sensitivity:

- 25% increase in LGD, expected rating of BB (low) (sf)
- 50% increase in LGD, expected rating of B (high) (sf)
- 25% increase in PD, expected rating of BB (low) (sf)
- 50% increase in PD, expected rating of B (high) (sf)
- 25% increase in PD and 25% increase in LGD, expected rating of B (high) (sf)

- 25% increase in PD and 50% increase in LGD, expected rating of B (sf)
- 50% increase in PD and 25% increase in LGD, expected rating of B (sf)
- 50% increase in PD and 50% increase in LGD, expected rating below B (sf)

For further information on DBRS historic default rates published by the European Securities and Markets Administration in a central repository, see <http://cerp.esma.europa.eu/cerp-web/statistics/defaults.xhtml>.

Ratings assigned by DBRS Ratings Limited are subject to EU regulations only.

Initial Lead Analyst: Lain Gutierrez  
 Initial Rating Date: 24 June 2011  
 Initial Rating Committee Chair: Claire Mezzanotte  
 Lead Surveillance Analyst: Andrew Lynch  
 Rating Committee Chair: Diana Turner

DBRS Ratings Limited  
 1 Minster Court, 10th Floor  
 Mincing Lane  
 London  
 EC3R 7AA  
 United Kingdom  
 Registered in England and Wales: No. 7139960.

The rating methodologies and criteria used in the analysis of this transaction can be found at <http://www.dbrs.com/about/methodologies>.

- Legal Criteria for European Structured Finance Transactions (September 2015)
- Master European Structured Finance Surveillance Methodology (April 2015)
- Operational Risk Assessment for European Structured Finance Servicers (January 2015)
- Master European Residential Mortgage-Backed Securities Rating Methodology and Jurisdictional Addenda (September 2015)
- Unified Interest Rate Model for European Securitisations (October 2015)

A description of how DBRS analyses structured finance transactions and how the methodologies are collectively applied can be found at <http://www.dbrs.com/research/278375>.

## Ratings

Issuer	Debt Rated	Rating Action	Rating Trend	Notes Published	Issued
<a href="#">BBVA RMBS 10 FTA</a> Series A	Confirmed	AA (sf)	--	Oct 27, 2015	EU
<a href="#">BBVA RMBS 10 FTA</a> Series B	Downgraded	BB (sf)	--	Oct 27, 2015	EU

US = USA Issued, NRSRO

CA = Canada Issued, NRSRO  
EU = EU Issued  
E = [EU Endorsed](#)  
[Unsolicited Participating](#)  
[Unsolicited Non-participating](#)

ALL DBRS RATINGS ARE SUBJECT TO DISCLAIMERS AND CERTAIN LIMITATIONS. PLEASE READ THESE [DISCLAIMERS AND LIMITATIONS](#) AND ADDITIONAL INFORMATION REGARDING DBRS RATINGS, INCLUDING [DEFINITIONS](#), [POLICIES](#), [RATING SCALES](#) AND [METHODOLOGIES](#).

## Contacts

Andrew Lynch  
Senior Financial Analyst, EU Surveillance - Global Structured Finance  
+44 20 7855 6680  
[alynch@dbrs.com](mailto:alynch@dbrs.com)

Alfonso Candelas  
Vice President, EU Surveillance - Global Structured Finance  
+44 20 7855 6624  
[acandelasbernal@dbrs.com](mailto:acandelasbernal@dbrs.com)

Copyright © 2015, DBRS Limited, DBRS, Inc. and DBRS Ratings Limited (collectively, DBRS). All rights reserved. The information upon which DBRS ratings and reports are based is obtained by DBRS from sources DBRS believes to be reliable. DBRS does not audit the information it receives in connection with the rating process, and it does not and cannot independently verify that information in every instance. The extent of any factual investigation or independent verification depends on facts and circumstances. DBRS ratings, reports and any other information provided by DBRS are provided "as is" and without representation or warranty of any kind. DBRS hereby disclaims any representation or warranty, express or implied, as to the accuracy, timeliness, completeness, merchantability, fitness for any particular purpose or non-infringement of any of such information. In no event shall DBRS or its directors, officers, employees, independent contractors, agents and representatives (collectively, DBRS Representatives) be liable (1) for any inaccuracy, delay, loss of data, interruption in service, error or omission or for any damages resulting therefrom, or (2) for any direct, indirect, incidental, special, compensatory or consequential damages arising from any use of ratings and rating reports or arising from any error (negligent or otherwise) or other circumstance or contingency within or outside the control of DBRS or any DBRS Representative, in connection with or related to obtaining, collecting, compiling, analyzing, interpreting, communicating, publishing or delivering any such information. Ratings and other opinions issued by DBRS are, and must be construed solely as, statements of opinion and not statements of fact as to creditworthiness or recommendations to purchase, sell or hold any securities. A report providing a DBRS rating is neither a prospectus nor a substitute for the information assembled, verified and presented to investors by the issuer and its agents in connection with the sale of the securities. DBRS receives compensation for its rating activities from issuers, insurers, guarantors and/or underwriters of debt securities for assigning ratings and from subscribers to its website. DBRS is not responsible for the content or operation of third party websites accessed through hypertext or other computer links and DBRS shall have no liability to any person or entity for the use of such third party websites. This publication may not be reproduced, retransmitted or distributed in any form without the prior written consent of DBRS. ALL DBRS RATINGS ARE SUBJECT TO DISCLAIMERS AND CERTAIN LIMITATIONS. PLEASE READ THESE DISCLAIMERS AND LIMITATIONS AT <http://www.dbrs.com/about/disclaimer>. ADDITIONAL INFORMATION REGARDING DBRS RATINGS, INCLUDING DEFINITIONS, POLICIES, RATING SCALES AND METHODOLOGIES, ARE AVAILABLE ON <http://www.dbrs.com>.



[close Request a DBRS.com Trial Now!](#) or [Contact Us](#) to get started.