

Hecho Relevante de

BBVA-10 PYME FONDO DE TITULIZACIÓN

En virtud de lo establecido en el Folleto Informativo de **BBVA-10 PYME FONDO DE TITULIZACIÓN** (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 28 de junio de 2018, comunica que ha confirmado la calificación asignada a la siguiente Serie de Bonos emitidos por el Fondo:

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

Asimismo, DBRS ha elevado la calificación asignada a la restante Serie de Bonos:

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

Se adjunta la comunicación emitida por DBRS.

Madrid, 28 de junio de 2018.

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Date of Release: 28 June 2018

DBRS Takes Rating Actions on BBVA Empresas 4 FTA and BBVA-10 PYME FT

Bloomberg: DBRS Takes Rating Actions on Two BBVA SME Transactions

Industry Group: Structured Finance

Sub-Industry: Structured Credit

Region: Europe

DBRS Ratings Limited (DBRS) took rating actions on two SME transactions originated by Banco Bilbao Vizcaya Argentaria, S.A. (BBVA) as follows:

BBVA Empresas 4 FTA (BBVA 4):

-- Series of Notes confirmed at A (high) (sf)

BBVA-10 PYME FT (BBVA 10):

-- Series A Notes confirmed at A (high) (sf)

-- Series B Notes upgraded to BBB (high) (sf) from B (sf)

The ratings of the BBVA 4 Series of Notes and BBVA 10 Series A Notes address the timely payment of interest and the ultimate payment of principal on or before the legal final maturity date.

The rating of BBVA 10 Series B Notes addresses the ultimate payment of interest and principal on or before the legal final maturity date.

The rating actions follow an annual review of the transactions and are based on the following analytical considerations:

- Portfolio performance in terms of delinquencies and defaults, as of the end of April 2018 for BBVA 4 and as of the end of March 2018 for BBVA 10.
- Updated portfolio default rate, recovery rate and expected loss assumptions for the remaining collateral pools.
- The Credit Enhancement (CE) available to the rated notes to cover the expected losses at their respective rating levels.

Both transactions are cash flow securitisations collateralised by a portfolio of bank loans originated and serviced by BBVA to self-employed individuals and small and medium-sized enterprises (SMEs) based in Spain.

PORTFOLIO PERFORMANCE

The portfolios of both transactions are performing within DBRS's expectations. For BBVA 4, the 90+ delinquency ratio was at 1.4%, as of the end of April 2018, and the cumulative default ratio was 5.5%. For BBVA 10, the 90+ delinquency ratio was at 1.3%, as of the end of March 2018, and the cumulative default ratio was 0.2%.



PORTFOLIO ASSUMPTIONS

DBRS conducted a loan-by-loan analysis on the remaining pool and updated its portfolio default and recovery assumptions on the remaining collateral pools for both transactions. The Base Case Probability of Default (PD) was maintained at 3.8% for BBVA 4 and 4.4% for BBVA 10.

CREDIT ENHANCEMENT

The CEs available to all rated notes have continued to increase as the transactions continue to deleverage. The CE available to each series of rated notes was 92.5% for the BBVA 4 Series of Notes, as of the May 2018 payment date, and 89.8% and 15.9% for the BBVA 10 Series A and B Notes, respectively, as of the April 2018 payment date. The increase in the CE prompted today's confirmation and upgrade rating actions.

BBVA acts as the Account Bank provider for both the BBVA 4 and BBVA 10 transactions. The account bank reference rating of A (high) – being one notch below the DBRS public Long-Term Critical Obligations Rating of BBVA of AA (low) – is consistent with the Minimum Institution Rating, given the rating assigned to the most senior class of rated notes in each transaction, as described in DBRS's "Legal Criteria for European Structured Finance Transactions" methodology.

Notes:

All figures are in euros unless otherwise noted.

The principal methodology applicable to the ratings is: "Rating CLOs Backed by Loans to European SMEs."

DBRS has applied the principal methodology consistently and conducted a review of the transactions in accordance with the surveillance section of the principal methodology.

A review of the transaction legal documents was not conducted as the legal documents have remained unchanged since the most recent rating actions.

Other methodologies referenced in these transactions are listed at the end of this press release. These may be found on www.dbrs.com at: <http://www.dbrs.com/about/methodologies>.

For a more detailed discussion of the sovereign risk impact on Structured Finance ratings, please refer to "Appendix C: The Impact of Sovereign Ratings on Other DBRS Credit Ratings" of the "Rating Sovereign Governments" methodology at: <http://dbrs.com/research/319564/rating-sovereign-governments.pdf>.

The sources of data and information used for these ratings include reports provided by the Management Company Europea de Titulización S.A., S.G.F.T. and loan-level data from the European DataWarehouse GmbH.

DBRS did not rely upon third-party due diligence in order to conduct its analysis.

At the time of the initial rating of BBVA 4, DBRS was not supplied with third-party assessments. At the time of the initial rating of BBVA-10, DBRS was supplied with third-party assessments. However, this did not impact the rating analysis.



DBRS considers the data and information available to it for the purposes of providing these ratings to be of satisfactory quality.

DBRS does not audit or independently verify the data or information it receives in connection with the rating process.

The last rating action on both transactions took place on 28 June 2017 when DBRS confirmed the BBVA 4 Series of Notes and the BBVA 10 Series A Notes at A (high) (sf), and upgraded the Series B Notes of BBVA 10 to B (sf) from CCC (sf).

Information regarding DBRS ratings, including definitions, policies and methodologies, is available on www.dbrs.com.

To assess the impact of changing the transaction parameters on the rating, DBRS considered the following stress scenarios, as compared to the parameters used to determine the rating (the “Base Case”):

BBVA 4

-- Probability of Default Rates Used: base case PD of 3.8% a 10% increase of the base case and a 20% increase of the base case PD.

-- Recovery Rates Used: base case recovery rates, corresponding to a recovery rate of 54.3% at the A (high) (sf) stress level for the Series of Notes, a 10% and 20% decrease in the base case recovery rates. Note that the percentage decreases in the recovery rates are assumed for the other stress recovery rate levels.

DBRS concludes that a hypothetical increase of the base case PD by 20% or a hypothetical decrease of the recovery rate by 20%, ceteris paribus, would lead to a confirmation of the Series of Notes at A (high) (sf). A scenario combining both an increase in the base case PD by 10% and a decrease in the base case recovery rate by 10%, ceteris paribus, would also lead to a confirmation of the Series of Notes at A (high) (sf).

BBVA 10

-- Probability of Default Rates Used: base case PD of 4.4% a 10% increase of the base case and a 20% increase of the base case PD.

-- Recovery Rates Used: base case recovery rates of 47.3% at the A (high) (sf) stress level and 50.0% at the BBB (high) (sf) stress level for the Series A Notes and Series B Notes, respectively, a 10% and 20% decrease in the base case recovery rates.

For the Series A Notes, DBRS concludes that a hypothetical increase of the base case PD by 20% or a hypothetical decrease of the recovery rate by 20%, ceteris paribus, would lead to a confirmation of the Series A Notes at A (high) (sf). A scenario combining both an increase in the base case PD by 10% and a decrease in the base case recovery rate by 10%, ceteris paribus, would also lead to a confirmation of the Series A Notes at A (high) (sf).

For the Series B Notes, DBRS concludes that a hypothetical increase of the base case PD by 20% or a hypothetical decrease of the recovery rate by 20%, ceteris paribus, would lead to a downgrade of the Series B Notes to BBB (low) (sf). A scenario combining both an increase in the base case PD by 10% and a decrease in the base case recovery rate by 10%, ceteris paribus, would also lead to a downgrade of the Series B Notes to BBB (low) (sf).



For further information on DBRS historical default rates published by the European Securities and Markets Authority (ESMA) in a central repository, see: <http://cerep.esma.europa.eu/cerep-web/statistics/defaults.xhtml>.

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

Lead Analyst: Francesco Amato, Financial Analyst
Rating Committee Chair: Christian Aufsatz, Managing Director
Initial Rating Date:
BBVA 4: 7 November 2012
BBVA 10: 10 December 2015

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

- Legal Criteria for European Structured Finance Transactions
- Master European Structured Finance Surveillance Methodology
- Rating CLOs Backed by Loans to European SMEs
- Rating CLOs and CDOs of Large Corporate Credit
- European RMBS Insight Methodology
- European RMBS Insight: Spanish Addendum
- Operational Risk Assessment for European Structured Finance Servicers
- Interest Rate Stresses for European Structured Finance Transactions
- Cash Flow Assumptions for Corporate Credit Securitizations

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>.

For more information on this credit or on this industry, visit www.dbrs.com or contact us at info@dbrs.com.

Issuer	Debt Rated	Rating Action	Rating
BBVA Empresas 4 FTA	Series of Notes (ES0313280002)	Confirmed	A (high) (sf)
Issuer	Debt Rated	Rating Action	Rating
BBVA-10 PYME FT	Series A Notes (ES0305110001)	Confirmed	A (high) (sf)
BBVA-10 PYME FT	Series B Notes (ES0305110019)	Upgraded	BBB (high) (sf)



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