

Hecho Relevante de **BBVA-3 FTPYME FONDO DE TITULIZACIÓN DE ACTIVOS**

En virtud de lo establecido en el apartado III.4.2.d del Folleto Informativo de **BBVA-3 FTPYME 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 **Standard & Poor’s Ratings Services (“S&P”)**, con fecha 12 de abril de 2012, comunica que ha bajado la calificación asignada a la siguiente Serie de Bonos emitidos por el fondo:

- **Serie C:** **B+ (sf)** (anterior **BBB (sf)**)

Las calificaciones asignadas a las restantes Series de Bonos permanecen sin cambios:

- **Serie A2(G):** **AAA (sf)**
- **Serie B:** **A (sf)**

Se adjunta la comunicación emitida por S&P.

Madrid, 13 de abril de 2012.

Mario Masiá Vicente
Director General

Rating Lowered On Spanish SME CLO Transaction BBVA-3 FTPYME's Class C Notes; Class A2(G) And B Notes Affirmed

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OVERVIEW

- Although delinquencies and defaults are low in BBVA-3 FTPYME, obligor concentration in our view makes the transaction sensitive to obligor credit quality deterioration, which could ultimately result in principal losses for the class C notes.
- Following our analysis, we have lowered our rating on the class C notes, and affirmed our ratings on the class A2(G) and B notes.
- The collateral comprises a portfolio of loans made to Spanish SMEs, originated and serviced by BBVA.

MADRID (Standard & Poor's) April 12, 2012--Standard & Poor's Ratings Services today lowered its credit rating on BBVA-3 FTPYME, Fondo de Titulización de Activos' class C notes. At the same time, we affirmed our ratings on the class A2(G) and B notes (see list below).

Today's rating actions follow our review of the composition and credit quality of the underlying collateral, and structural features of the transaction--taking into account the latest data provided by the transaction's trustee, Europea de Titulización.

We have taken today's rating actions in light of what we consider to be the stable performance to date of the underlying collateral, but also risks due to obligor concentration. These factors have made this transaction sensitive to top obligors' credit deterioration. Additionally, the transaction's lack of structural features has reduced the class C notes' credit enhancement level, which could leave them undercollateralized and cause principal losses.

The underlying pool is highly seasoned with a low pool factor of 6.75%. After reaching their peak in July 2010, long-term delinquencies in this transaction have been decreasing and are now low; they currently represent less than 0.50% of the outstanding collateral.

Additionally, the rollover rate of long-term delinquencies into defaults (defined as loans in arrears for more than 12 months) has been low, with cumulative defaults at 1.01% of the closing portfolio balance. This indicates to us that Banco Bilbao Vizcaya Argentaria S.A. (BBVA; A/Negative/A-1), the portfolio servicer, is experiencing a high level of recoveries on delinquent assets. Consequently, default levels are among the lowest in the Spanish small and midsize enterprise collateralized loan obligation (SME CLO) market. Although still accruing in the portfolio, new defaults enter at a very slow pace, and recoveries from defaults are now stable at about 38%.

As the portfolio now mainly comprises loans secured by real estate mortgages (83% of the outstanding portfolio balance, compared with 47% at closing), we do not forecast any significant increase in recoveries because the foreclosure process of the security attached to these loans will take place in a depressed real estate market, which is showing further signs of upcoming deterioration.

Although we acknowledge the underlying collateral's stable performance, outstanding defaults represent 9.70% of the current portfolio balance, and there are in our view, material risks from obligor concentration: The top one, five, 10, and 20 obligors respectively account for 3.56%, 11.41%, 17.24%, and 25.51% of the outstanding portfolio balance. The entire portfolio currently features 1,090 obligors.

This degree of concentration, in our view, makes the transaction's future performance sensitive to the credit quality deterioration of a limited number of obligors. Therefore, the structure relies significantly on the timing of defaults and recoveries on these defaults that could arise in respect of a few obligors.

In our opinion, this could leave the class C notes undercollateralized, as the performing balance available to service the amounts due under this class of notes will be reduced, and the reserve fund balance may not be sufficient to cover a potential principal shortfall at legal final maturity of the notes.

In our analysis, we have therefore taken into account levels of delinquencies, defaults, and recoveries--factoring in the underlying portfolio's seasoning. We have also considered the increase in obligor concentration risk, heightened exposure to the real estate risk (31.85% of the outstanding portfolio), and the current level of credit support available to the class C notes--as per the latest structural features.

Based on our analysis, we have lowered to 'B+ (sf)' from 'BBB (sf)' our rating on the class C notes. The new rating reflects our view that the class C notes could be vulnerable to nonpayment of principal when exposed to adverse

*Rating Lowered On Spanish SME CLO Transaction BBVA-3 FTPYME's Class C Notes; Class A2(G) And B Notes
Affirmed*

business, financial, or economic risk, in accordance with Standard & Poor's ratings definitions (see "Standard & Poor's Ratings Definitions," published on Feb. 24, 2012).

We have affirmed our 'AAA (sf)' and 'A (sf)' ratings on the class A2(G) and B notes, respectively, because our analysis indicates that levels of credit support remain commensurate with the current ratings.

The collateral backing BBVA-3 FTPYME comprises a portfolio of loans to Spanish SMEs, originated and serviced by BBVA. The transaction closed in December 2004. It comprises loans originated mainly in 2002 (19.50% of the outstanding portfolio), 2003 (45.00%), and 2004 (23.50%). Borrower concentration is in the Andalucia, Catalonia, Valencia, and Madrid areas; there is significant exposure to the real estate and construction sector, retail industry, and manufacturing sector.

STANDARD & POOR'S 17G-7 DISCLOSURE REPORT

SEC Rule 17g-7 requires an NRSRO, for any report accompanying a credit rating relating to an asset-backed security as defined in the Rule, to include a description of the representations, warranties and enforcement mechanisms available to investors and a description of how they differ from the representations, warranties and enforcement mechanisms in issuances of similar securities. The Rule applies to in-scope securities initially rated (including preliminary ratings) on or after Sept. 26, 2011.

If applicable, the Standard & Poor's 17g-7 Disclosure Report included in this credit rating report is available at <http://standardandpoorsdisclosure-17g7.com>.

RELATED CRITERIA AND RESEARCH

- European Structured Finance Scenario And Sensitivity Analysis: The Effects Of The Top Five Macroeconomic Factors, March 14, 2012
- Standard & Poor's Ratings Definitions, Feb. 24, 2012
- Request For Comment: European SME CLO Methodology And Assumptions, Jan. 17, 2012
- Global Structured Finance Scenario And Sensitivity Analysis: The Effects Of The Top Five Macroeconomic Factors, Nov. 4, 2011
- Principles Of Credit Ratings, Feb. 16, 2011
- Counterparty And Supporting Obligations Update, Jan. 13, 2011
- Counterparty And Supporting Obligations Methodology And Assumptions, Dec. 6, 2010
- Understanding Standard & Poor's Rating Definitions, June 3, 2009
- Methodology And Assumptions: Update To The Criteria For Rating European SME Securitizations, Jan. 6, 2009
- Standard & Poor's Rating Methodology For CLOs Backed By European Small- And Midsize Enterprise Loans, Jan. 30, 2003

RATINGS LIST

*Rating Lowered On Spanish SME CLO Transaction BBVA-3 FTPYME's Class C Notes; Class A2(G) And B Notes
Affirmed*

Class	To	Rating	From
BBVA-3 FTPYME, Fondo de Titulización de Activos €1 Billion Floating-Rate Notes			
Rating Lowered			
C	B+ (sf)		BBB (sf)
Ratings Affirmed			
A2(G)	AAA (sf)		
B	A (sf)		

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