



Fitch Affirms BBVA-5 FTPYME, FTA Ratings Endorsement Policy

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Fitch Ratings-London-18 June 2014: Fitch Ratings has affirmed BBVA-5 FTPYME, FTA's notes, as follows:

EUR0.44m class A1 notes affirmed at 'Asf', Outlook Stable
EUR0.12m class A2 notes affirmed at 'Asf', Outlook Stable
EUR39.9m class B notes affirmed at 'Asf', Outlook Stable
EUR57m class C notes affirmed at 'AAAsf', Outlook Stable

BBVA 5 FTPYME, F.T.A. is a static securitisation of a EUR1.9bn initial portfolio of Spanish SME loans originated and serviced by Banco Bilbao Vizcaya Argentaria (BBVA; A-/Stable/F2).

KEY RATING DRIVERS

The affirmation reflects the stable performance of the transactions over the past 12 months. Credit enhancement has increased throughout the structure to 99.3% for class A and 52.7% class B, compared with 66.9% and 35.8% respectively a year ago. Class A and B ratings are capped at 'Asf' due to transaction's exposure to payment interruption risk through Banco Bilbao Vizcaya Argentaria (BBVA; A-/Stable/F2). The rating of the class C notes is linked to their guarantor, EIF (AAA/Stable/F2).

The portfolio has amortised to 6.54% of the initial outstanding balance. The 90+ day delinquencies decreased to 1.09% in May 2014 from 2.17% in June 2013. Similarly over the same period, current defaults also decreased to EUR38.28m from EUR41.89m. The reserve fund has been depleted since 2010 and a Principal Deficiency Ledger (PDL) has built up. Over the past year, the PDL has increased by EUR390,000 and currently stands at EUR11.63m.

RATING SENSITIVITIES

Applying a 1.25x default rate multiplier or a 0.75x recovery rate multiplier to all assets in the portfolio would not result in a downgrade of the notes. However, if EIF is downgraded, it would trigger a rating action on the class C notes.

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Source of information: The information used to assess these ratings was sourced from periodic investor reports and the trustee.

Applicable criteria 'Criteria for Rating Granular Corporate Balance-Sheet Securitisations (SME CLOs)', dated 05 March 2014; 'Counterparty Criteria for Structured Finance and Covered Bonds', dated 13 May 2013, are available at www.fitchratings.com.

Applicable Criteria and Related Research:

Criteria for Rating Granular Corporate Balance-Sheet Securitisations (SME CLOs)
Counterparty Criteria for Structured Finance and Covered Bonds

Additional Disclosure

Solicitation Status

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