

Hecho Relevante de

BBVA EMPRESAS 3 FONDO DE TITULIZACIÓN DE ACTIVOS

En virtud de lo establecido en el Folleto Informativo de **BBVA EMPRESAS 3 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 9 de enero de 2015, comunica que ha confirmado las calificaciones asignadas a las Series de Bonos emitidos por el Fondo:
 - **Serie B:** **A- (sf)**
 - **Serie C:** **A- (sf)**

Se adjunta la comunicación emitida por S&P.

Madrid, 12 de enero de 2015.

Mario Masiá Vicente
Director General

RatingsDirect®

Ratings Affirmed In Spanish SME CLO Transaction BBVA Empresas 3 Following Criteria Update

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OVERVIEW

- We have reviewed BBVA Empresas 3 under our SME CLO and current counterparty criteria.
- We have also applied our updated criteria for rating single-jurisdiction securitizations above the sovereign foreign currency rating.
- Following our review, we have affirmed our ratings on the class B and C notes.
- BBVA Empresas 3 is a single-jurisdiction cash flow CLO transaction backed by SME loans. It closed in December 2009.

LONDON (Standard & Poor's) Jan. 9, 2015--Standard & Poor's Ratings Services today affirmed its 'A- (sf)' credit ratings on BBVA Empresas 3, Fondo de Titulización de Activos' class B and C notes (see list below).

Upon publishing our updated criteria for rating single-jurisdiction securitizations above the sovereign foreign currency rating (RAS criteria), we placed those ratings that could potentially be affected "under criteria observation" (see "EMEA Structured Finance, Covered Bond, And Multicedulas Ratings Placed Under Criteria Observation" and "Methodology And Assumptions For Ratings Above The Sovereign--Single-Jurisdiction Structured Finance," published on Sept. 18, 2014 and Sept. 19, 2014, respectively).

Ratings Affirmed In Spanish SME CLO Transaction BBVA Empresas 3 Following Criteria Update

Following our review of this transaction, our ratings that could potentially be affected by the criteria are no longer under criteria observation.

We have used data from the August 2014 investor report to perform our analysis and have applied our European small and midsize enterprise (SME) collateralized loan obligation (CLO) criteria and our current counterparty criteria (see "European SME CLO Methodology And Assumptions," published on Jan. 10, 2013, and "Counterparty Risk Framework Methodology And Assumptions," published on June 25, 2013). We have also applied our RAS criteria.

BBVA Empresas 3 is a single-jurisdiction cash flow CLO transaction securitizing a portfolio of SME loans that Banco Bilbao Vizcaya Argentaria, S.A. originated in Spain. The transaction closed in December 2009.

CREDIT ANALYSIS

We have applied our European SME CLO criteria to determine the scenario default rates (SDRs)--the minimum level of portfolio defaults that we expect each tranche to be able to withstand at a specific rating level using CDO Evaluator.

To determine the SDR, we adjusted the archetypical European SME average 'b+' credit quality to reflect the following factors: country, originator, and portfolio selection.

We ranked the originator into the moderate category (see tables 1, 2, and 3 in our European SME CLO criteria). Taking into account Spain's Banking Industry Country Risk Assessment (BICRA) score of 6, we have applied a downward adjustment of one notch to the 'b+' archetypical average credit quality (see "Banking Industry Country Risk Assessment Update: December 2014," published on Dec. 8, 2014). Due to the absence of information on the creditworthiness of the securitized portfolio compared with the originator's entire loan book, we further adjusted the average credit quality by three notches (see table 4 in our European SME CLO criteria).

As a result of these adjustments, our average credit quality assessment of the portfolio was 'ccc', which we used to generate our 'AAA' SDR of 84%.

We have calculated the 'B' SDR, based primarily on our analysis of historical SME performance data and our projections of the transaction's future performance. We have reviewed the portfolio's historical default data, and assessed market developments, macroeconomic factors, changes in country risk, and the way these factors are likely to affect the loan portfolio's creditworthiness. As a result of this analysis, our 'B' SDR is 10%.

We interpolated the SDRs for rating levels between 'B' and 'AAA' in accordance with our European SME CLO criteria.

RECOVERY RATE ANALYSIS

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At each liability rating level, we applied a weighted-average recovery rate (WARR) by considering observed historical recoveries. As a result of this analysis, our WARR assumption in 'A-' and 'A+' scenarios was 29%.

CASH FLOW ANALYSIS

We used the portfolio balance that the servicer considered to be performing, the current weighted-average spread, and the above weighted-average recovery rates. We subjected the capital structure to various cash flow stress scenarios, incorporating different default patterns and interest rate curves, to determine the rating level, based on the available credit enhancement for each class of notes under our European SME CLO criteria.

COUNTRY RISK

Our long-term rating on the Kingdom of Spain is 'BBB'.

In our opinion, both the class B and C notes have sufficient credit enhancement to withstand the sovereign default stress test. This hypothetical scenario is derived from our observation of macroeconomic conditions that occurred after several sovereign defaults where we characterize the degree of stress as "severe" in our rating definitions criteria (see "Understanding Standard & Poor's Rating Definitions," June 3, 2009). Therefore, under our RAS criteria, both the class B and C notes can be rated above the sovereign.

COUNTERPARTY RISK

Under the transaction documents, the bank account provider will take remedial actions if its long-term rating falls below 'BBB-'. Under our current counterparty criteria, this minimum eligible counterparty rating for a bank account provider cannot support securities rated above A-. Therefore, the maximum achievable rating in this transaction is 'A- (sf)'.

Taking into account our credit and cash flow results, the application of our RAS criteria, and the application of our counterparty criteria, we have affirmed our 'A- (sf)' ratings on the class B and C notes.

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 and Poor's 17g-7 Disclosure Report included in this credit rating report is available at

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<http://standardandpoorsdisclosure-17g7.com>.

RELATED CRITERIA AND RESEARCH

Related Criteria

- Global Framework For Assessing Operational Risk In Structured Finance Transactions, Oct. 9, 2014
- Methodology And Assumptions For Ratings Above The Sovereign--Single-Jurisdiction Structured Finance, Sept. 19, 2014
- Counterparty Risk Framework Methodology And Assumptions, June 25, 2013
- European SME CLO Methodology And Assumptions, Jan. 10, 2013
- Understanding Standard & Poor's Rating Definitions, June 3, 2009

Related Research

- Banking Industry Country Risk Assessment Update: December 2014, Dec. 8, 2014
- Research Update: Spanish Bank BBVA 'BBB/A-2' Ratings Affirmed On Intention To Increase Stake In Turkiye Garanti Bankasi; Outlook Stable, Nov. 27, 2014
- Standard & Poor's Ratings Definitions, Nov. 20, 2014
- Ratings On Spain Affirmed At 'BBB/A-2'; Outlook Stable, Nov. 14, 2014
- CDO Evaluator Version 6.3 Released, Oct. 20, 2014
- EMEA Structured Finance, Covered Bond, And Multicedulas Ratings Placed Under Criteria Observation, Sept. 18, 2014
- European Structured Finance Scenario And Sensitivity Analysis 2014: The Effects Of The Top Five Macroeconomic Factors, July 8, 2014
- Global Structured Finance Scenario And Sensitivity Analysis: Understanding The Effects Of Macroeconomic Factors On Credit Quality, July 2, 2014
- European SME Mapping Model, Jan. 25, 2013
- Ratings Lowered On BBVA Empresas 3's Class A, B, And C Notes, And BBVA Empresas 4's Class A Notes On Counterparty Risk, Sept. 21, 2012
- New Issue: BBVA Empresas 3, Fondo de Titulizacion de Activos, Jan. 7, 2010

RATINGS LIST

Class	Rating
To	From
BBVA Empresas 3, Fondo de Titulización de Activos €2.6 Billion Asset-Backed Floating-Rate Notes	
Ratings Affirmed	
B	A- (sf)

Ratings Affirmed In Spanish SME CLO Transaction BBVA Empresas 3 Following Criteria Update

C

A- (sf)

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