Press Release

Insight beyond the rating.

Date of Release: 17 August 2013

DBRS Confirms Ratings to BBVA RMBS 5 Fondo de Titulización

Bloomberg: DBRS Confirms Ratings to BBVA RMBS 5 Fondo de Titulización
Industry Group: Structured Finance
Sub-Industry: RMBS

DBRS Ratings Limited ("DBRS") has reviewed BBVA RMBS 5 Fondo de Titulización De Activos the ("Issuer") and confirms the ratings to the following series of Notes:

- Series A confirmed at 'A' (sf)
- Series B confirmed at BB (high) (sf)
- Series C confirmed at BB (sf)

The Notes are backed by a pool of mortgage loans secured by residential properties in Spain originated and serviced by Banco Bilbao Vizcaya Argentaria S.A. ("BBVA").

The pool of mortgages supporting the transaction are performing within DBRS expectations and available credit enhancement for the Notes is sufficient to cover DBRS expected losses at the current rating levels of each series of Notes. The rating analysis incorporates a sovereign related stress component to address the impact of macroeconomic variable on collateral performance. Additionally, the updated cash flow analysis takes into account the removal of the interest rate swap which was terminated on 30 July 2013.

Credit enhancement for the Notes consists of subordination and a Cash Reserve Fund, which also provides liquidity support for the Notes. As of the 30 June 2013 payment date, credit enhancement as a percentage of the non-defaulted loans for the Series A, Series B and Series C Notes was 19.23%, 11.74% and 9.49%, respectively. The Cash Reserve Fund was EUR 316,913,253 which is below the target value of EUR 416,913,000.

BBVA serves the role of Account Bank for the transaction as holder of the Treasury Account and the Paying Agent. The rating of BBVA is above the Minimum Institution Rating given the rating of the most senior series of rated Notes as described in the DBRS Legal Criteria for European Structured Finance Transactions.

DBRS analysed the cash flows of the transaction using Intex Cash Flow Module to stress timely payment of interest and principal to the rated Notes.

Notes:
All figures are in Euros unless otherwise noted.

The principal methodology applicable is Master European Residential Mortgage-Backed Securities Rating Methodology.

Other methodologies and criteria referenced in this transaction are listed at the end of this press release.

This can be found on www.dbrs.com at:
http://www.dbrs.com/about/methodologies

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

The sources of information used for this rating include periodic investor reports provided by Europea de Titulización and data from the European DataWarehouse.

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

The last rating action on this transaction took place on 2 January 2013, when the ratings of the Notes were confirmed following an update to the DBRS Master European Residential Mortgage-Backed Securities Rating Methodology.

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

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

- DBRS expected a base case Probability of Default (PD) and Loss Given Default (LGD) for the pool based on a review of historical data. 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 9.14% and 34.38%, respectively. At the 'A' (sf) rating level, the corresponding PD is 24.12% and the LGD is 52.51%. At the BB (high) (sf) rating level, the corresponding PD is 15.24% and the LGD is 42.26%. At the BB (sf) rating level, the corresponding PD is 13.87% and the LGD is 39.83%.
- The Risk Sensitivity Matrices below illustrated the ratings expected for each series of Notes if the PD and LGD increase be a certain percentage over the base case assumption. For example, if the LGD increases by 50% the rating for the Series A Notes would be expected to remain at 'A' (sf), all else equal. If the PD increases by 50% the rating for the Series A Notes would be expected to remain at 'A' (sf), all else equal. Furthermore if both the PD and LGD increase by 50%, the rating to the Series A Notes would be expected to decrease to BBB (sf), all else equal.

Class A

Increase in LGD %	Increase in PD % 0	25	50
0	A	A	A
25	A	A	BBB (high)
50	A	A (low)	BBB

Class B

Increase in LGD %	Increase in PD % 0	25	50
0	BB (high)	BB (high)	BB (high)
25	BB (high)	BB (high)	BB (high)
50	BB (high)	BB (high)	BB

Class C

Increase in LGD %	Increase in PD % 0	25	50
0	BB	BB	BB
25	BB	BB	BB
50	BB	BB	BB (low)

For further information on DBRS's historic default rates published by the European Securities and Markets Administration ("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 regulations only.

Initial Lead Analyst: David Sanchez Rodriguez
Initial Rating Date: 25 October 2012
Initial Rating Committee Chair: Claire Mezznotte

Last Rating Date: 2 January 2013

Lead Surveillance Analyst: Keith Gorman
Rating Committee Chair: Mary Jane Potthoff

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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
Derivative Criteria for European Structured Finance Transactions
Master European Structured Finance Surveillance Methodology
Operational Risk Assessment for European Structured Finance Servicers
Unified Interest Rate Model for European Securitisations