



Fitch Affirms BBVA Empresas 5, F.T.A. Ratings Endorsement Policy

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Fitch Ratings-London-14 October 2013: Fitch Ratings has affirmed BBVA Empresas 5, F.T.A.'s notes, as follows:

EUR275.2m class A (ISIN ES0313281000): affirmed at 'A+sf', Outlook Stable
EUR275.0m class B (ISIN ES0313281018): affirmed at 'BBBsf', Outlook Stable

KEY RATING DRIVERS

The affirmation of the class A notes reflects the increase in the notes' available credit enhancement (CE) due to the deleveraging of the underlying portfolio. The notes' CE has increased to 93.5% from 70.1% as of the previous annual review in October 2012.

The class B notes' affirmation reflects the rise in available CE to 43.5% from 33.4% as of the previous annual review in October 2012. The increase in CE offsets the deteriorating portfolio performance. Loans more than 90 days in arrears currently represent 6.5% of the portfolio balance, up from 6.3% in September 2012. Furthermore the notes' ratings are also limited by transaction's exposure to Banco Bilbao Vizcaya Argentaria (BBVA; 'BBB+/'Negative/'F2') as the available CE is provided by the cash reserve deposited at BBVA.

The transaction closed in May 2011 and had experienced the first defaults in September 2012. Defaulted assets currently in the portfolio amount to EUR14.3m and were reported at EUR0.2m in September 2012. The transaction considers loans in arrears of more than 18 months to be defaulted.

RATING SENSITIVITIES

Applying a 1.25x default rate multiplier to all assets in the portfolio would not result in a downgrade of any of the notes. Applying a 0.75x recovery rate multiplier to all assets in the portfolio would not result in a downgrade of any of the notes.

BBVA Empresas 5, F.T.A., (the issuer) is a static cash flow SME CLO originated by BBVA. At closing, the issuer used the note proceeds to purchase a EUR1.25bn portfolio of secured and unsecured loans granted to Spanish small and medium enterprises and self-employed individuals.

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Additional information is available on www.fitchratings.com.

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 28 March

2013; '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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