

**Hecho Relevante de**

**BBVA RMBS 10 FONDO DE TITULIZACION DE ACTIVOS**

En virtud de lo establecido en el Folleto Informativo de **BBVA RMBS 10 FONDO DE TITULIZACION DE ACTIVOS** (el “Fondo”) se comunica a la COMISIÓN NACIONAL DEL MERCADO DE VALORES el presente hecho relevante:

- La Agencia de Calificación **Moody’s Investors Service (Moody’s)**, con fecha 27 de marzo de 2013, comunica que ha confirmado las calificaciones asignadas a las Series de Bonos emitidos por el Fondo:
  - **Serie A: A3 (sf)** (anterior **A3 (sf)**, bajo revisión)
  - **Serie B: B1 (sf)** (anterior **B1 (sf)**, bajo revisión)

Se adjunta la comunicación emitida por Moody’s.

Madrid, 1 de abril de 2013.

Mario Masiá Vicente  
Director General

**Rating Action: Moody's downgrades four notes in four BBVA Spanish RMBS transactions**

---

Global Credit Research - 27 Mar 2013

Madrid, March 27, 2013 -- Moody's Investors Service has today downgraded the ratings of two junior and two senior notes in two Spanish residential mortgage-backed securities (RMBS) transactions: BBVARMBS 5, FTA and BBVARMBS 11, FTA. At the same time, Moody's confirmed the ratings of three securities in BBVARMBS 9, FTA and BBVARMBS 10, FTA. Insufficiency of credit enhancement to address sovereign risk has prompted today's action.

Today's rating action concludes the review of five notes placed on review on 2 July 2012, following Moody's downgrade of Spanish government bond ratings to Baa3 from A3 on 13 June 2012  
[http://www.moodys.com/research/Moodys-downgrades-to-A3sf-notes-in-328-Spanish-ABS-RMBS--PR\\_249914](http://www.moodys.com/research/Moodys-downgrades-to-A3sf-notes-in-328-Spanish-ABS-RMBS--PR_249914) .

For a detailed list of affected ratings, see towards the end of the press release, before regulatory disclosures section.

**RATINGS RATIONALE**

Today's rating action primarily reflects the insufficiency of credit enhancement to address sovereign risk. Moody's confirmed the ratings of securities whose credit enhancement and structural features provided enough protection against sovereign and counterparty risk.

The determination of the applicable credit enhancement driving today's rating actions reflects the introduction of additional factors in Moody's analysis to better measure the impact of sovereign risk on structured finance transactions (see "Structured Finance Transactions: Assessing the Impact of Sovereign Risk", 11 March 2013). This report is available on [www.moodys.com](http://www.moodys.com) and can be accessed via the following link  
[http://www.moodys.com/researchdocumentcontentpage.aspx?docid=PBS\\_SF319988](http://www.moodys.com/researchdocumentcontentpage.aspx?docid=PBS_SF319988) .

-- Additional Factors Better Reflect Increased Sovereign Risk

Moody's has supplemented its analysis to determine the loss distribution of securitised portfolios with two additional factors, the maximum achievable rating in a given country (the local currency country risk ceiling) and the applicable portfolio credit enhancement for this rating. With the introduction of these additional factors, Moody's intends to better reflect increased sovereign risk in its quantitative analysis, in particular for mezzanine and junior tranches.

The Spanish country ceiling, and therefore the maximum rating that Moody's will assign to a domestic Spanish issuer including structured finance transactions backed by Spanish receivables, is A3. Moody's Individual Loan Analysis Credit Enhancement (MILAN CE) represents the required credit enhancement under the senior tranche for it to achieve the country ceiling. By lowering the maximum achievable rating for a given MILAN, the revised methodology alters the loss distribution curve and implies an increased probability of high loss scenarios.

In all four affected transactions, Moody's maintained the current expected loss and MILAN CE assumptions. Expected loss assumptions as a percentage of original pool balance remain at 6.75% for BBVARMBS 5, 4.50% for BBVARMBS 9 and 10 and 7% for BBVARMBS 11. The MILAN CE assumptions remain at 20% for BBVARMBS 5, 9 and 10 and 22.5% for BBVARMBS 11.

-- Exposure to Counterparty Risk

The conclusion of Moody's rating review also takes into consideration the exposure to Banco Bilbao Vizcaya Argentaria, S.A. ("BBVA", Baa3/P-3), which still acts as Issuer Account Bank in all four transactions and swap counterparty for BBVARMBS 5, 9 and 10. Moody's notes that, following the breach of the second rating trigger, the swaps in BBVARMBS 5, 9 and 10 do not reflect Moody's de-linkage criteria. The rating agency has assessed for each deal the probability of a default of the swap counterparty on the ability of the issuer to meet its obligations under the transaction. Additionally, Moody's has examined the effect of the loss of any benefit from the swap and any obligation the issuer may have to make a termination payment. In conclusion, these factors will not negatively

affect the rating on the notes.

Moody's has also assessed exposure to Issuer Account Bank taking into consideration the probability of default of the Issuer Account Bank and examining the effect of the loss of reserve fund and collections deposited in the Issuer Account Bank. In conclusion, these factors will not negatively affect the rating of the notes. The ratings of the notes could be negatively affected in case of deterioration of BBVA credit profile. This linkage is more relevant in the case of BBVA 9 where the reserve fund is the main source of credit enhancement.

#### -- Other Developments May Negatively Affect the Notes

In consideration of Moody's new adjustments, any further sovereign downgrade would negatively affect structured finance ratings through the application of the country ceiling or maximum achievable rating, as well as potentially increased portfolio credit enhancement requirements for a given rating.

As the euro area crisis continues, the ratings of structured finance notes remain exposed to the uncertainties of credit conditions in the general economy. The deteriorating creditworthiness of euro area sovereigns as well as the weakening credit profile of the global banking sector could further negatively affect the ratings of the notes.

Moody's describes additional factors that may affect the ratings in "Approach to Assessing Linkage to Swap Counterparties in Structured Finance Cashflow Transactions: Request for Comment" ([http://www.moodys.com/researchdocumentcontentpage.aspx?docid=PBS\\_SF289772](http://www.moodys.com/researchdocumentcontentpage.aspx?docid=PBS_SF289772)), published on 2 July 2012.

The principal methodology used in these ratings was "Moody's Approach to Rating RMBS Using the MILAN Framework", published in March 2013. Please see the Credit Policy page on [www.moodys.com](http://www.moodys.com) for a copy of this methodology.

Other factors used in these ratings are described in "The Temporary Use of Cash in Structured Finance Transactions: Eligible Investment and Bank Guidelines" ([http://www.moodys.com/research/The-Temporary-Use-of-Cash-in-Structured-Finance-Transactions-Eligible--PBS\\_SF316982](http://www.moodys.com/research/The-Temporary-Use-of-Cash-in-Structured-Finance-Transactions-Eligible--PBS_SF316982)), published in March 2013.

In reviewing these transactions, Moody's used its cash flow model, ABSROM, to determine the loss for each tranche. The cash flow model evaluates all default scenarios that are then weighted considering the probabilities of the lognormal distribution assumed for the portfolio default rate. In each default scenario, Moody's calculates the corresponding loss for each class of notes given the incoming cash flows from the assets and the outgoing payments to third parties and note holders. Therefore, the expected loss for each tranche is the sum product of (1) the probability of occurrence of each default scenario and (2) the loss derived from the cash flow model in each default scenario for each tranche.

As such, Moody's analysis encompasses the assessment of stressed scenarios.

In the context of the rating review, the transactions have been remodeled and some inputs have been adjusted to reflect the new approach described above. In addition the following have been corrected during the review: for BBVA RMBS 5 the triggers to stop pro rata amortization in pro rata scenario and the triggers for reserve fund to build up; for BBVA RMBS 9 the reserve fund amortization trigger and for BBVA RMBS 11, the input for the cumulative default value to trigger interest deferral on mezzanine and junior notes.

#### LIST OF AFFECTED RATINGS

Issuer: BBVA RMBS 5, FTA

....EUR4675MA Notes, Downgraded to Baa1 (sf); previously on Jul 2, 2012 Downgraded to A3 (sf) and Remained On Review for Possible Downgrade

Issuer: BBVA RMBS 9, FTA

....EUR1295MA Notes, Confirmed at A3 (sf); previously on Jul 2, 2012 Downgraded to A3 (sf) and Remained On Review for Possible Downgrade

Issuer: BBVA RMBS 10, FTA

....EUR1376MA Notes, Confirmed at A3 (sf); previously on Jul 2, 2012 Downgraded to A3 (sf) and Remained On Review for Possible Downgrade

....EUR224MB Notes, Confirmed at B1 (sf); previously on Jul 2, 2012 B1 (sf) Placed Under Review for Possible

## Downgrade

Issuer: BBVARMBS 11, FTA

...EUR1204MA Notes, Downgraded to Baa1 (sf); previously on Jul 2, 2012 Downgraded to A3 (sf) and Placed Under Review for Possible Downgrade

...EUR119MB Notes, Downgraded to Ba2 (sf); previously on Jun 12, 2012 Definitive Rating Assigned Ba1 (sf)

...EUR77MC Notes, Downgraded to B3 (sf); previously on Jun 12, 2012 Definitive Rating Assigned B1 (sf)

## REGULATORY DISCLOSURES

Moody's did not receive or take into account a third-party assessment on the due diligence performed regarding the underlying assets or financial instruments related to the monitoring of these transactions in the past six months.

For ratings issued on a program, series or category/class of debt, this announcement provides certain regulatory disclosures in relation to each rating of a subsequently issued bond or note of the same series or category/class of debt or pursuant to a program for which the ratings are derived exclusively from existing ratings in accordance with Moody's rating practices. For ratings issued on a support provider, this announcement provides certain regulatory disclosures in relation to the rating action on the support provider and in relation to each particular rating action for securities that derive their credit ratings from the support provider's credit rating. For provisional ratings, this announcement provides certain regulatory disclosures in relation to the provisional rating assigned, and in relation to a definitive rating that may be assigned subsequent to the final issuance of the debt, in each case where the transaction structure and terms have not changed prior to the assignment of the definitive rating in a manner that would have affected the rating. For further information please see the ratings tab on the issuer/entity page for the respective issuer on [www.moody.com](http://www.moody.com).

For any affected securities or rated entities receiving direct credit support from the primary entity(ies) of this rating action, and whose ratings may change as a result of this rating action, the associated regulatory disclosures will be those of the guarantor entity. Exceptions to this approach exist for the following disclosures, if applicable to jurisdiction: Ancillary Services, Disclosure to rated entity, Disclosure from rated entity.

Please see [www.moody.com](http://www.moody.com) for any updates on changes to the lead rating analyst and to the Moody's legal entity that has issued the rating.

Please see the ratings tab on the issuer/entity page on [www.moody.com](http://www.moody.com) for additional regulatory disclosures for each credit rating.

Maria Turbica Manrique  
Asst Vice President - Analyst  
Structured Finance Group  
Moody's Investors Service Espana, S.A.  
Calle Principe de Vergara, 131, 6 Planta  
Madrid 28002  
Spain  
JOURNALISTS: 44 20 7772 5456  
SUBSCRIBERS: 44 20 7772 5454

Barbara Rismondo  
Senior Vice President/Manager  
Structured Finance Group  
JOURNALISTS: 44 20 7772 5456  
SUBSCRIBERS: 44 20 7772 5454

Releasing Office:  
Moody's Investors Service Espana, S.A.  
Calle Principe de Vergara, 131, 6 Planta  
Madrid 28002  
Spain  
JOURNALISTS: 44 20 7772 5456

© 2013 Moody's Investors Service, Inc. and/or its licensors and affiliates (collectively, "MOODY'S"). All rights reserved.

**CREDIT RATINGS ISSUED BY MOODY'S INVESTORS SERVICE, INC. ("MIS") AND ITS AFFILIATES ARE MOODY'S CURRENT OPINIONS OF THE RELATIVE FUTURE CREDIT RISK OF ENTITIES, CREDIT COMMITMENTS, OR DEBT OR DEBT-LIKE SECURITIES, AND CREDIT RATINGS AND RESEARCH PUBLICATIONS PUBLISHED BY MOODY'S ("MOODY'S PUBLICATIONS") MAY INCLUDE MOODY'S CURRENT OPINIONS OF THE RELATIVE FUTURE CREDIT RISK OF ENTITIES, CREDIT COMMITMENTS, OR DEBT OR DEBT-LIKE SECURITIES. MOODY'S DEFINES CREDIT RISK AS THE RISK THAT AN ENTITY MAY NOT MEET ITS CONTRACTUAL, FINANCIAL OBLIGATIONS AS THEY COME DUE AND ANY ESTIMATED FINANCIAL LOSS IN THE EVENT OF DEFAULT. CREDIT RATINGS DO NOT ADDRESS ANY OTHER RISK, INCLUDING BUT NOT LIMITED TO: LIQUIDITY RISK, MARKET VALUE RISK, OR PRICE VOLATILITY. CREDIT RATINGS AND MOODY'S OPINIONS INCLUDED IN MOODY'S PUBLICATIONS ARE NOT STATEMENTS OF CURRENT OR HISTORICAL FACT. CREDIT RATINGS AND MOODY'S PUBLICATIONS DO NOT CONSTITUTE OR PROVIDE INVESTMENT OR FINANCIAL ADVICE, AND CREDIT RATINGS AND MOODY'S PUBLICATIONS ARE NOT AND DO NOT PROVIDE RECOMMENDATIONS TO PURCHASE, SELL, OR HOLD PARTICULAR SECURITIES. NEITHER CREDIT RATINGS NOR MOODY'S PUBLICATIONS COMMENT ON THE SUITABILITY OF AN INVESTMENT FOR ANY PARTICULAR INVESTOR. MOODY'S ISSUES ITS CREDIT RATINGS AND PUBLISHES MOODY'S PUBLICATIONS WITH THE EXPECTATION AND UNDERSTANDING THAT EACH INVESTOR WILL MAKE ITS OWN STUDY AND EVALUATION OF EACH SECURITY THAT IS UNDER CONSIDERATION FOR PURCHASE, HOLDING, OR SALE.**

ALL INFORMATION CONTAINED HEREIN IS PROTECTED BY LAW, INCLUDING BUT NOT LIMITED TO, COPYRIGHT LAW, AND NONE OF SUCH INFORMATION MAY BE COPIED OR OTHERWISE REPRODUCED, REPACKAGED, FURTHER TRANSMITTED, TRANSFERRED, DISSEMINATED, REDISTRIBUTED OR RESOLD, OR STORED FOR SUBSEQUENT USE FOR ANY SUCH PURPOSE, IN WHOLE OR IN PART, IN ANY FORM OR MANNER OR BY ANY MEANS WHATSOEVER, BY ANY PERSON WITHOUT MOODY'S PRIOR WRITTEN CONSENT. All information contained herein is obtained by MOODY'S from sources believed by it to be accurate and reliable. Because of the possibility of human or mechanical error as well as other factors, however, all information contained herein is provided "AS IS" without warranty of any kind. MOODY'S adopts all necessary measures so that the information it uses in assigning a credit rating is of sufficient quality and from sources Moody's considers to be reliable, including, when appropriate, independent third-party sources. However, MOODY'S is not an auditor and cannot in every instance independently verify or validate information received in the rating process. Under no circumstances shall MOODY'S have any liability to any person or entity for (a) any loss or damage in whole or in part caused by, resulting from, or relating to, any error (negligent or otherwise) or other circumstance or contingency within or outside the control of MOODY'S or any of its directors, officers, employees or agents in connection with the procurement, collection, compilation, analysis, interpretation, communication, publication or delivery of any such information, or (b) any direct, indirect, special, consequential, compensatory or incidental damages whatsoever (including without limitation, lost profits), even if MOODY'S is advised in advance of the possibility of such damages, resulting from the use of or inability to use, any such information. The ratings, financial reporting analysis, projections, and other observations, if any, constituting part of the information contained herein are, and must be construed solely as, statements of opinion and not statements of fact or recommendations to purchase, sell or hold any securities. Each user of the information contained herein must make its own study and evaluation of each security it may consider purchasing, holding or selling. NO WARRANTY, EXPRESS OR

IMPLIED, AS TO THE ACCURACY, TIMELINESS, COMPLETENESS, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OF ANY SUCH RATING OR OTHER OPINION OR INFORMATION IS GIVEN OR MADE BY MOODY'S IN ANY FORM OR MANNER WHATSOEVER.

MIS, a wholly-owned credit rating agency subsidiary of Moody's Corporation ("MCO"), hereby discloses that most issuers of debt securities (including corporate and municipal bonds, debentures, notes and commercial paper) and preferred stock rated by MIS have, prior to assignment of any rating, agreed to pay to MIS for appraisal and rating services rendered by it fees ranging from \$1,500 to approximately \$2,500,000. MCO and MIS also maintain policies and procedures to address the independence of MIS's ratings and rating processes. Information regarding certain affiliations that may exist between directors of MCO and rated entities, and between entities who hold ratings from MIS and have also publicly reported to the SEC an ownership interest in MCO of more than 5%, is posted annually at [www.moodys.com](http://www.moodys.com) under the heading "Shareholder Relations — Corporate Governance — Director and Shareholder Affiliation Policy."

For Australia only: Any publication into Australia of this document is pursuant to the Australian Financial Services License of MOODY'S affiliate, Moody's Investors Service Pty Limited ABN 61 003 399 657AFSL 336969 and/or Moody's Analytics Australia Pty Ltd ABN 94 105 136 972 AFSL 383569 (as applicable). This document is intended to be provided only to "wholesale clients" within the meaning of section 761G of the Corporations Act 2001. By continuing to access this document from within Australia, you represent to MOODY'S that you are, or are accessing the document as a representative of, a "wholesale client" and that neither you nor the entity you represent will directly or indirectly disseminate this document or its contents to "retail clients" within the meaning of section 761G of the Corporations Act 2001. MOODY'S credit rating is an opinion as to the creditworthiness of a debt obligation of the issuer, not on the equity securities of the issuer or any form of security that is available to retail clients. It would be dangerous for retail clients to make any investment decision based on MOODY'S credit rating. If in doubt you should contact your financial or other professional adviser.