

**Hecho Relevante de**

**BBVA RMBS 1 FONDO DE TITULIZACION DE ACTIVOS**

En virtud de lo establecido en el Folleto Informativo de **BBVA RMBS 1 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 **Fitch Ratings** (“**Fitch**”), con fecha 16 de mayo de 2014, comunica que ha puesto bajo observación negativa las calificaciones asignadas a las Series de Bonos emitidos por el Fondo:
  - **Serie A2:** **BBBsf**, observación negativa (anterior **BBBsf**, perspectiva negativa)
  - **Serie A3:** **BBBsf**, observación negativa (anterior **BBBsf**, perspectiva negativa)
  - **Serie B:** **BB-sf**, observación negativa (anterior **BB-sf**, perspectiva negativa)
  - **Serie C:** **CCCsf**, observación negativa (anterior **CCCsf**)

Se adjunta la comunicación emitida por Fitch.

Madrid, 19 de mayo de 2014.

Mario Masiá Vicente  
Director General



---

**Correction: Fitch Places BBVA RMBS on RWN** Ratings Endorsement Policy

19 May 2014 9:11 AM (EDT)

---

Fitch Ratings-London-19 May 2014: This commentary replaces the one published on 16 May 2014 and amends the balance of un-provisioned loans in BBVA RMBS 2 to EUR52.9m.

Fitch Ratings has placed all 13 tranches of three BBVA RMBS on Rating Watch Negative (RWN).

The loans in the portfolios are originated and serviced by Banco Bilbao Vizcaya Argentaria (BBVA; BBB+/Stable/F2).

**KEY RATING DRIVERS****Increasing Volume of Un-Provisioned Loans**

Under the transactions' provisioning mechanism defaulted loans (defined as balance in arrears by more than 12 months) are written off. The transactions' swaps produce a guaranteed margin of 35bp on a notional that is the outstanding balance of the portfolio net of loans in arrears by more than 90 days. Proceeds available following the payment of senior fees and interest are used to provision for defaulted loans

Excess spread has not been sufficient to provision for the defaulted loans and therefore the reserve funds have been fully utilised. This has led to a build-up in the volume of un-provisioned loans, which now stands at EUR11.4m, EUR52.9m and EUR198.2m for BBVA RMBS 1, 2 and 3 respectively. These balances have been on an upward trend since the reserve funds were fully utilised in November 2012 (BBVA RMBS 1), August 2010 (BBVA RMBS 2) and July 2009 (BBVA RMBS 3).

Fitch has been in touch with the management company (Europea de Titulizacion, EdT) to gain a better understanding of the causes behind the growth of defaults that is putting pressure on credit enhancement. EdT has provided the additional information requested by Fitch and pending completion of its analysis, Fitch has placed the notes on RWN. The agency expects to resolve the RWN within a month and the outcome could include a downgrade of the note tranches or affirmation of existing ratings.

**Loans in 3-Month Arrears Stable**

Loans in arrears by more than three months remain low relative to Fitch's benchmark indices at between 71bp (BBVA RMBS 1) and 127bp (BBVA RMBS 3). The volume of loans entering early stage arrears has remained stable over the last year. Loans in arrears between one and two months range between 1.4% (BBVA RMBS 1) and 2.2% (BBVA RMBS 3) of the current outstanding balance compared with 1.4% and 2.8% a year earlier, suggesting that period defaults are set to continue at the pace seen in the past.

**High Dependency on Recoveries**

All three transactions remain highly dependent on recoveries from defaulted loans. The market value decline indicated by the sale of properties taken into possession from these transactions has been steeper than the market average. Fitch's analysis suggests that sales in 2013 achieved only 27.5% of the original property values.

**RATING SENSITIVITIES**

The transactions remain highly susceptible to recoveries on properties sold. Evidence of property sales at values that are below Fitch's assumptions could indicate reduced prospects for future recoveries on defaulted loans and therefore put pressure on the ratings of the notes.

Fitch is analysing the information received to gain greater insight into the performance of these transactions. If this suggests that future defaults will be greater than the volumes assumed in its analysis, the agency will assess the effect they are expected to have on the levels of available credit enhancement. Downgrades would result if the credit enhancement is not expected to be sufficient to withstand the corresponding rating scenarios.

Fitch has placed the following ratings on RWN:

BBVA RMBS 1:

Class A2 (ISIN ES0314147010): rated 'BBBsf'; placed on RWN  
Class A3 (ISIN ES0314147028): rated 'BBBsf'; placed on RWN  
Class B (ISIN ES0314147036): rated 'BB-sf'; placed on RWN  
Class C (ISIN ES0314147044): rated 'CCCsfc'; placed on RWN; Recovery Estimate 0%

**BBVA RMBS 2, FTA:**

Class A2 (ISIN ES0314148018): rated 'BBsf'; placed on RWN  
Class A3 (ISIN ES0314148026): rated 'BBsf'; placed on RWN  
Class A4 (ISIN ES0314148034): rated 'BBsf'; placed on RWN  
Class B (ISIN ES0314148042): rated 'Bsf'; placed on RWN  
Class C (ISIN ES0314148059): rated 'CCsf'; placed on RWN; Recovery Estimate 0%

**BBVA RMBS 3, FTA:**

Class A1 (ISIN ES0314149008): rated 'Bsf'; placed on RWN  
Class A2 (ISIN ES0314149016): rated 'Bsf'; placed on RWN  
Class B (ISIN ES0314149032): rated 'CCsf'; placed on RWN; Recovery Estimate 0%  
Class C (ISIN ES0314149040): rated 'CCsf'; placed on RWN; Recovery Estimate 0%

**Contacts:**

Lead Surveillance Analyst  
Sanja Paic  
Senior Director  
Phone +44 20 3530 1282  
Fitch Ratings Limited  
30 North Colonnade  
London, E14 5GN

**Committee Chairperson**

Andrew Currie  
Managing Director  
Phone +44 20 3530 1447

Media Relations: Athos Larkou, London, Tel: +44 203 530 1549, Email: athos.larkou@fitchratings.com.

Additional information is available at [www.fitchratings.com](http://www.fitchratings.com).

Sources of information: Investor and Servicer reports and loan-by-loan data provided by the management company EdT.

Applicable criteria, 'EMEA Residential Mortgage Loss Criteria', dated 6 June 2013; 'EMEA Criteria Addendum - Spain', dated 20 March 2013; 'Counterparty Criteria for Structured Finance and Covered Bonds' and 'Counterparty Criteria for Structured Finance and Covered Bonds: Derivative Addendum', dated 14 May 2014; 'Global Structured Finance Rating Criteria', dated 24 May 2013; 'Criteria for Servicing Continuity Risk in Structured Finance', dated 29 July 2013 are available at [www.fitchratings.com](http://www.fitchratings.com).

**Applicable Criteria and Related Research:**

EMEA Residential Mortgage Loss Criteria  
EMEA Criteria Addendum - Spain - Amended  
Counterparty Criteria for Structured Finance and Covered Bonds  
Counterparty Criteria for Structured Finance and Covered Bonds: Derivative Addendum  
Global Structured Finance Rating Criteria  
Criteria for Servicing Continuity Risk in Structured Finance

ALL FITCH CREDIT RATINGS ARE SUBJECT TO CERTAIN LIMITATIONS AND DISCLAIMERS. PLEASE READ THESE LIMITATIONS AND DISCLAIMERS BY FOLLOWING THIS LINK: [HTTP://FITCHRATINGS.COM/UNDERSTANDINGCREDITRATINGS](http://FITCHRATINGS.COM/UNDERSTANDINGCREDITRATINGS). IN ADDITION, RATING DEFINITIONS AND THE TERMS OF USE OF SUCH RATINGS ARE AVAILABLE ON THE AGENCY'S PUBLIC WEBSITE 'WWW.FITCHRATINGS.COM'. PUBLISHED RATINGS, CRITERIA AND METHODOLOGIES ARE AVAILABLE FROM THIS SITE AT ALL TIMES. FITCH'S CODE OF CONDUCT, CONFIDENTIALITY, CONFLICTS OF INTEREST, AFFILIATE FIREWALL, COMPLIANCE AND OTHER RELEVANT POLICIES AND PROCEDURES ARE ALSO AVAILABLE FROM THE 'CODE OF CONDUCT' SECTION OF THIS SITE. FITCH MAY HAVE PROVIDED ANOTHER PERMISSIBLE SERVICE TO THE RATED ENTITY OR ITS RELATED THIRD PARTIES. DETAILS OF THIS SERVICE FOR RATINGS FOR WHICH THE LEAD ANALYST IS BASED IN AN EU-REGISTERED ENTITY CAN BE FOUND ON THE ENTITY SUMMARY PAGE FOR THIS ISSUER ON THE FITCH WEBSITE.

Copyright © 2014 by Fitch Ratings, Inc., Fitch Ratings Ltd. and its subsidiaries.