

Hecho Relevante de

BBVA RMBS 2 FONDO DE TITULIZACIÓN DE ACTIVOS

En virtud de lo establecido en el Folleto Informativo de **BBVA RMBS 2 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 25 de febrero de 2015, comunica que ha rebajado las calificaciones asignadas a las siguientes Series de Bonos emitidos por el Fondo:
 - **Serie A2: BBB (sf)** (anterior **BBB+ (sf)**)
 - **Serie A3: BBB (sf)** (anterior **BBB+ (sf)**)
 - **Serie A4: BB+ (sf)** (anterior **BBB+ (sf)**)
 - **Serie C: B- (sf)** (anterior **B (sf)**)

Asimismo, S&P ha confirmado la calificación asignada a la restante Serie de Bonos:

- **Serie B: BB (sf)**

Se adjunta la comunicación emitida por S&P.

Madrid, 26 de febrero de 2015.

Mario Masiá Vicente
Director General

RatingsDirect®

Various Rating Actions Taken In Spanish RMBS Transaction BBVA RMBS 2 Following Application Of Updated Criteria

Surveillance Credit Analyst:

Florent Stiel, Paris (33) 1-4420-6690; florent.stiel@standardandpoors.com

Secondary Contact:

Nina Babhanian, London (44) 20-7176-3492; nina.babhanian@standardandpoors.com

OVERVIEW

- We have reviewed BBVA RMBS 2 by conducting our credit and cash flow analysis under our updated Spanish RMBS criteria and our updated criteria for rating single-jurisdiction securitizations above the sovereign foreign currency rating.
- Following our review, we have lowered our ratings on the class A2, A3, A4, and C notes.
- At the same time, we have affirmed our rating on the class B notes.
- BBVA RMBS 2 is a Spanish RMBS transaction, which closed in March 2007 and securitizes first-ranking mortgage loans. Banco Bilbao Vizcaya Argentaria originated the pool, which comprises loans granted to prime borrowers, mainly located in Catalonia, Andalucia, and Madrid.

PARIS (Standard & Poor's) Feb. 25, 2015--Standard & Poor's Ratings Services today lowered its credit ratings on BBVA RMBS 2, Fondo de Titulizacion de Activos' class A2, A3, A4, and C notes. At the same time, we have affirmed our rating on the class B notes (see list below).

Upon publishing our updated criteria for Spanish residential mortgage-backed securities (RMBS criteria) and our updated criteria for rating single-jurisdiction securitizations above the sovereign foreign currency

Various Rating Actions Taken In Spanish RMBS Transaction BBVA RMBS 2 Following Application Of Updated Criteria

rating (RAS criteria), we placed those ratings that could potentially be affected "under criteria observation" (see "Italian And Spanish RMBS And Covered Bond Program Ratings Placed Under Criteria Observation," and "Italy And Spain RMBS Methodology And Assumptions," both published on Sept. 18, 2014, and "Methodology And Assumptions For Ratings Above The Sovereign--Single-Jurisdiction Structured Finance," published on Sept. 19, 2014).

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

Today's rating actions follow our credit and cash flow analysis of the most recent transaction information that we have received in October 2014. Our analysis reflects the application of our RMBS criteria and our RAS criteria.

Under our RAS criteria, we applied a hypothetical sovereign default stress test to determine whether a tranche has sufficient credit and structural support to withstand a sovereign default and so repay timely interest and principal by legal final maturity.

Our RAS criteria designate the country risk sensitivity for RMBS as 'moderate'. Under our RAS criteria, this transaction's notes can therefore be rated four notches above the sovereign rating, if they have sufficient credit enhancement to pass a minimum of a "severe" stress. However, as not all of the conditions in paragraph 48 of the RAS criteria are met, we cannot assign any additional notches of uplift to the ratings in this transaction (see "Understanding Standard & Poor's Rating Definitions," published on June 3, 2009 for our definitions of severe and extreme levels of economic stress).

The transaction features interest deferral triggers for the class B and C notes, set at 12% and 10%, respectively, of cumulative defaults over the closing portfolio balance. We do not expect either of these interest deferral triggers to be breached in the near term.

Credit enhancement has increased to 7.6%, from 6.7% in our previous review (see "Ratings Affirmed On Spanish RMBS Transaction BBVA RMBS 2's Class A2, A3, And A4 Notes Due To Swap Counterparty Action," published on March 26, 2013).

Class	Available credit enhancement (%)
A2	7.6
A3	7.6
A4	7.6
B	3.6
C	0.0

The transaction's reserve fund has been fully depleted since August 2010.

Severe delinquencies of more than 90 days at 0.69% are on average lower for this transaction than our Spanish RMBS index (see "Spanish RMBS Index Report

Various Rating Actions Taken In Spanish RMBS Transaction BBVA RMBS 2 Following Application Of Updated Criteria

Q2/Q3 2014: Delinquencies Continue To Rise As The Housing Market Slowly Recovers," published on Jan. 2, 2015). Defaults are defined as mortgage loans in arrears for more than 12 months in this transaction. Cumulative defaults represent 3.65% of the original mortgage balance. Prepayment levels remain low and the transaction is unlikely to pay down significantly in the near term, in our opinion.

After applying our RMBS criteria to this transaction, our credit analysis results show an increase in the weighted-average foreclosure frequency (WAFF) and in the weighted-average loss severity (WALS) for each rating level.

Rating level	WAFF (%)	WALS (%)
AAA	13.9	36.0
AA	10.2	31.0
A	8.3	22.1
BBB	6.0	17.3
BB	3.7	14.1
B	3.1	11.4

The increase in the WAFF is mainly due to an increase in arrears and adjustment factors that we have applied to the original loan-to-value (LTV) ratios, to seasoned loans, geographical province concentration adjustments, and jumbo loans under our RMBS criteria. The increase in the WALS is mainly due to the application of our revised market value decline assumptions. The overall effect is an increase in the required credit coverage for each rating level.

Following the application of our RAS criteria and our RMBS criteria, we have determined that our assigned rating on each class of notes in this transaction should be the lower of (i) the rating as capped by our RAS criteria and (ii) the rating that the class of notes can attain under our RMBS criteria. In this transaction, the ratings on the class A2 and A3 notes are constrained by the rating on the sovereign.

Taking into account the results of our updated credit and cash flow analysis and the application of our RAS criteria, we consider the available credit enhancement for the class A2 and A3 notes to be commensurate with lower ratings than those currently assigned. We have therefore lowered to 'BBB (sf)' from 'BBB+ (sf)' our ratings on the class A2 notes and A3 notes.

We consider the available credit enhancement for the class A4 and C notes to be commensurate with lower ratings than those currently assigned. We have therefore lowered to 'BB+ (sf)' from 'BBB+ (sf)' and to 'B- (sf)' from 'B (sf)' our ratings on the class A4 and C notes, respectively.

We have affirmed our 'BB (sf)' rating on the class B notes as the available credit enhancement for this class of notes is commensurate with the currently assigned rating.

In our opinion, the outlook for the Spanish residential mortgage and real

Various Rating Actions Taken In Spanish RMBS Transaction BBVA RMBS 2 Following Application Of Updated Criteria

estate market is not benign and we have therefore increased our expected 'B' foreclosure frequency assumption to 3.33% from 2.00%, when we apply our RMBS criteria, to reflect this view (see "Outlook Assumptions For The Spanish Residential Mortgage Market," published on Sept. 18, 2014). We base these assumptions on our expectation of modest economic growth, continuing high unemployment, and house prices leveling off in 2015.

On the back of improving but still depressed macroeconomic conditions, we don't expect the performance of the transactions in our Spanish RMBS index to improve in 2015.

We expect severe arrears in the portfolio to remain at their current levels, as there are a number of downside risks. These include weak economic growth, high unemployment, and fiscal tightening. On the positive side, we expect interest rates to remain low for the foreseeable future.

BBVA RMBS 2 is a Spanish RMBS transaction, which closed in March 2007. The transaction securitizes a pool of first-ranking mortgage loans granted to prime borrowers, which Banco Bilbao Vizcaya Argentaria S.A. originated. The portfolio is mainly located in Catalonia, Andalucia, and Madrid.

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 & Poor's 17g-7 Disclosure Report included in this credit rating report is available at <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
- Italy And Spain RMBS Methodology And Assumptions, Sept. 18, 2014
- Europe Asset Isolation And Special-Purpose Entity Criteria--Structured Finance, Sept. 13, 2013
- Counterparty Risk Framework Methodology And Assumptions, June 25, 2013
- Methodology: Credit Stability Criteria, May 3, 2010
- Understanding Standard & Poor's Rating Definitions, June 3, 2009

Various Rating Actions Taken In Spanish RMBS Transaction BBVA RMBS 2 Following Application Of Updated Criteria

Related Research

- Spanish RMBS Index Report Q2/Q3 2014: Delinquencies Continue To Rise As The Housing Market Slowly Recovers, Jan. 2, 2015
- Credit Conditions: The Eurozone Crawls Into 2015 With Weak Momentum, Dec. 4, 2014
- Standard & Poor's Ratings Definitions, Nov. 20, 2014
- Italian And Spanish RMBS And Covered Bond Program Ratings Placed Under Criteria Observation, Sept. 18, 2014
- Outlook Assumptions For The Spanish Residential Mortgage Market, Sept. 18, 2014
- Credit Conditions: Europe Decelerates (Again) Amid Rising Geopolitical Risks, Sept. 16, 2014
- Under Threat Of A Triple Dip, The ECB Takes Action, Sept. 15, 2014
- Low Interest Rates Are Underpinning Europe's House Price Recovery, July 28, 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
- Ratings Affirmed On Spanish RMBS Transaction BBVA RMBS 2's Class A2, A3, And A4 Notes Due To Swap Counterparty Action, March 26, 2013
- New Issue: BBVA RMBS 2, Fondo de Titulizacion de Activos, May 30, 2007

RATINGS LIST

Class	Rating
To	From

BBVA RMBS 2, Fondo de Titulizacion de Activos
€5 Billion Residential Mortgage-Backed Floating-Rate Notes

Ratings Lowered

A2	BBB (sf)	BBB+ (sf)
A3	BBB (sf)	BBB+ (sf)
A4	BB+ (sf)	BBB+ (sf)
C	B- (sf)	B (sf)

Rating Affirmed

B	BB (sf)
---	---------

Additional Contact:

Structured Finance Europe; StructuredFinanceEurope@standardandpoors.com

Copyright © 2015 Standard & Poor's Financial Services LLC, a part of McGraw Hill Financial. All rights reserved.

No content (including ratings, credit-related analyses and data, valuations, model, software or other application or output therefrom) or any part thereof (Content) may be modified, reverse engineered, reproduced or distributed in any form by any means, or stored in a database or retrieval system, without the prior written permission of Standard & Poor's Financial Services LLC or its affiliates (collectively, S&P). The Content shall not be used for any unlawful or unauthorized purposes. S&P and any third-party providers, as well as their directors, officers, shareholders, employees or agents (collectively S&P Parties) do not guarantee the accuracy, completeness, timeliness or availability of the Content. S&P Parties are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, for the results obtained from the use of the Content, or for the security or maintenance of any data input by the user. The Content is provided on an "as is" basis. S&P PARTIES DISCLAIM ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, FREEDOM FROM BUGS, SOFTWARE ERRORS OR DEFECTS, THAT THE CONTENT'S FUNCTIONING WILL BE UNINTERRUPTED, OR THAT THE CONTENT WILL OPERATE WITH ANY SOFTWARE OR HARDWARE CONFIGURATION. In no event shall S&P Parties be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs or losses caused by negligence) in connection with any use of the Content even if advised of the possibility of such damages.

Credit-related and other analyses, including ratings, and statements in the Content are statements of opinion as of the date they are expressed and not statements of fact. S&P's opinions, analyses, and rating acknowledgment decisions (described below) are not recommendations to purchase, hold, or sell any securities or to make any investment decisions, and do not address the suitability of any security. S&P assumes no obligation to update the Content following publication in any form or format. The Content should not be relied on and is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment and other business decisions. S&P does not act as a fiduciary or an investment advisor except where registered as such. While S&P has obtained information from sources it believes to be reliable, S&P does not perform an audit and undertakes no duty of due diligence or independent verification of any information it receives.

To the extent that regulatory authorities allow a rating agency to acknowledge in one jurisdiction a rating issued in another jurisdiction for certain regulatory purposes, S&P reserves the right to assign, withdraw, or suspend such acknowledgement at any time and in its sole discretion. S&P Parties disclaim any duty whatsoever arising out of the assignment, withdrawal, or suspension of an acknowledgment as well as any liability for any damage alleged to have been suffered on account thereof.

S&P keeps certain activities of its business units separate from each other in order to preserve the independence and objectivity of their respective activities. As a result, certain business units of S&P may have information that is not available to other S&P business units. S&P has established policies and procedures to maintain the confidentiality of certain nonpublic information received in connection with each analytical process.

S&P may receive compensation for its ratings and certain analyses, normally from issuers or underwriters of securities or from obligors. S&P reserves the right to disseminate its opinions and analyses. S&P's public ratings and analyses are made available on its Web sites, www.standardandpoors.com (free of charge), and www.ratingsdirect.com and www.globalcreditportal.com (subscription) and www.spcapitaliq.com (subscription) and may be distributed through other means, including via S&P publications and third-party redistributors. Additional information about our ratings fees is available at www.standardandpoors.com/usratingsfees.