

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 **Fitch Ratings** ("**Fitch**"), con fecha 29 de noviembre de 2018, comunica que ha elevado las calificaciones asignadas a las Series de Bonos emitidos por el Fondo:

- **Serie A2:** **A+sf**, perspectiva estable (anterior **BBBsf**)
- **Serie A3:** **A+sf**, perspectiva estable (anterior **BBBsf**)
- **Serie A4:** **A+sf**, perspectiva estable (anterior **BBBsf**)
- **Serie B:** **BBBsf**, perspectiva positiva (anterior **BB-sf**)
- **Serie C:** **Bsf**, perspectiva positiva (anterior **CCsf**)

Se adjunta la comunicación emitida por Fitch.

Madrid, 30 de noviembre de 2018.



Fitch Upgrades 19 tranches of 9 Spanish RMBS; Downgrades 2; Affirms 24

Fitch Ratings-Madrid/London-29 November 2018: Fitch Ratings has upgraded 19, downgraded two and affirmed 24 tranches of nine Spanish RMBS transactions. Four Outlooks are Positive and the rest are Stable. A full list of rating actions is at the end of this rating action commentary.

The transactions comprise Spanish mortgages serviced by Kutxabank S.A. (BBB+/Stable/F2) for AyT CGH Caja Vital 1 (Vital 1), Banco de Sabadell S.A. (unrated) for Caixa Penedes 1 (Penedes 1), Banco Bilbao Vizcaya Argentaria S.A. (A-/Stable/F2) for BBVA RMBS 1-3, Bankia S.A. (BBB-/Positive/F3) for Madrid RMBS 1-3, and Banco Santander S.A. (A-/Stable/F2) for Santander Hipotecario 3 (Santander 3).

KEY RATING DRIVERS

High Seasoning and Asset Performance

The rating actions reflect Fitch's expectation of stable credit trends given the significant seasoning of the securitised portfolios of more than 12 years, the prevailing low interest rate environment and the Spanish macroeconomic outlook. Three-month plus arrears (excluding defaults) as a percentage of the current pool balance remains below 1% in all cases as of the latest reporting date.

Credit Enhancement (CE) Trends

Fitch expects CE ratios to remain stable for Penedes 1 as the pro rata amortisation of the notes will most likely continue. This will switch to sequential when the outstanding portfolio balance represents less than 10% of its original amount (currently 23%) or sooner if certain performance triggers are breached.

The CE ratios of the senior notes for the remaining eight transactions should continue to increase, driven by their sequential amortisation, which we expect to continue.

Payment Interruption Risk Caps Ratings

The 'A+sf' rating on the class A notes of Vital 1, BBVA RMBS 1 and BBVA RMBS 2 reflects the exposure of these transactions to payment interruption risk, as Fitch assesses the available cash reserves are insufficient to cover swap costs, net of the swap payments and interest on swap to date, in the event of a payment interruption. <http://www.fitchgroup.com/site/privacy>). To agree to our use of cookies click Accept.

High Cumulative Defaults (BBVA RMBS, Madrid RMBS and Santander 3)

ACCEPT

Cumulative gross defaults for these seven transactions are high but show signs of continuous flattening, ranging between 6.1% for BBVA RMBS 1 and 22.6% for Madrid RMBS 3 relative to the initial portfolio balances as of the latest reporting periods. Defaults are defined as loans in arrears for more than six, 12 and 18 months for Madrid RMBS, BBVA RMBS and Santander 3, respectively.

These high levels of cumulative defaults are above the average 5.8% for other Spanish RMBS rated by Fitch. This is partly explained by the high original loan-to-value ratios of these portfolios. The large volume of defaults has caused various tranches to carry negative CE ratios, by which Santander 3's junior notes are the most affected, and interest payments on junior tranches of BBVA RMBS 3, Madrid RMBS 3 and Santander 3 have moved to a subordinate position within the waterfall of payments.

RATING SENSITIVITIES

A worsening of the Spanish macroeconomic environment, especially employment conditions, or an abrupt shift of interest rates could jeopardise the underlying borrowers' affordability. This could have negative rating implications, especially for junior tranches that are less protected by structural CE.

For Vital I, BBVA RMBS 1 and BBVA RMBS 2, as long as payment interruption risk is not fully mitigated, the maximum achievable rating of these transactions will remain capped at 'A+sf' in accordance with Fitch's Structured Finance and Covered Bonds Counterparty Rating Criteria.

USE OF THIRD-PARTY DUE DILIGENCE PURSUANT TO RULE 17G-10

Form ABS Due Diligence-15E was not provided to, or reviewed by, Fitch in relation to this rating action.

DATA ADEQUACY

Fitch has checked the consistency and plausibility of the information it has received about the performance of the asset pools and the transactions. There were no findings that affected the rating analysis. Fitch has not reviewed the results of any third party assessment of the asset portfolio information or conducted a review of origination files as part of its ongoing monitoring. Fitch did not undertake a review of the information provided about the underlying asset pools ahead of the transactions' initial closing. The subsequent performance of the transactions over the years is consistent with the agency's expectations given the operating environment and Fitch is therefore satisfied that the asset pool information relied upon for its initial rating analysis was adequately reliable. Overall, Fitch's assessment of the information relied upon for the agency's rating analysis according to its applicable rating methodologies indicates that it is adequately reliable.

SOURCES OF INFORMATION

The information below was used in the analysis.

Loan-by-loan data sourced from the European Data Warehouse as at:

June 2018 for Panedes 1
 July 2018 for BBVA RMBS 3 and Santander 3
 August 2018 for BBVA RMBS 1-2 and Madrid RMBS 1-3
 September 2018 for Vital 1

ACCEPT

Issuer and servicer reports provided by Europea de Titulizacion SGFT, S.A. as at:
 September 2018 for BBVA RMBS 1 and BBVA RMBS 2
 August 2018 for BBVA RMBS 3

Issuer and servicer reports provided by Haya Titulizacion SGFT, S.A. as at:
 May 2018 for Vital

Issuer and servicer reports provided by Titulizacion de Activos SGFT, S.A. as at:
 July 2018 for Penedes 1
 August 2018 for Madrid RMBS 1-3

Issuer and servicer reports provided by Santander de Titulizacion, S.A. as at:
 July 2018 for Santander 3

MODELS

ResiGlobal. (<https://www.fitchratings.com/site/structuredfinance/rmbs/resiglobal>)

EMEA Cash Flow Model. (<https://www.fitchratings.com/site/structuredfinance/emeacfm>)

Fitch has taken the following rating actions:

BBVA RMBS 1:

Class A2 (ISIN ES0314147010): upgraded to 'A+sf' from 'BBB+sf'; Outlook Stable

Class A3 (ISIN ES0314147028): upgraded to 'A+sf' from 'BBB+sf'; Outlook Stable

Class B (ISIN ES0314147036): upgraded to 'BBBsf' from 'B+sf'; Outlook Positive

Class C (ISIN ES0314147044): upgraded to 'Bsf' from 'CCCs'; Outlook Positive

BBVA RMBS 2:

Class A2 (ISIN ES0314148018): upgraded to 'A+sf' from 'BBBsf'; Outlook Stable

Class A3 (ISIN ES0314148026): upgraded to 'A+sf' from 'BBBsf'; Outlook Stable

Class A4 (ISIN ES0314148034): upgraded to 'A+sf' from 'BBBsf'; Outlook Stable

Class B (ISIN ES0314148042): upgraded to 'BBBsf' from 'BB-sf'; Outlook Positive

Class C (ISIN ES0314148059): upgraded to 'Bsf' from 'CCCs'; Outlook Positive

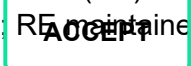
BBVA RMBS 3:

Class A1 (ISIN ES0314149008): upgraded to 'Bsf' from 'CCCs'; Outlook Stable

Class A2 (ISIN ES0314149016): upgraded to 'Bsf' from 'CCCs'; Outlook Stable

Class B (ISIN ES0314149032): affirmed at 'CCsf'; Recovery Estimate (RE) revised to 30% from 0%

Class C (ISIN ES0314149040): downgraded to 'Csf' from 'CCsf'; RE maintained at 0%



We use cookies to deliver our online services, to understand how they are used and for advertising purposes. Details of the cookies we use and instructions on how to disable them are set out in our privacy policy (<https://www.thefitchgroup.com/site/privacy>). To agree to our use of cookies click Accept.

Madrid RMBS 1:

Class A2 (ES0359091016) affirmed at 'A-sf'; Outlook Stable
 Class B (ES0359091024) affirmed at 'BBB-sf'; Outlook Stable
 Class C (ES0359091032) upgraded to 'Bs' from 'CCCsf'; Outlook Stable
 Class D (ES0359091040) affirmed at 'CCCsf'; RE revised to 90% from 0%
 Class E (ES0359091057) affirmed at 'CCsf'; RE maintained at 0%

Madrid RMBS 2:

Class A2 (ES0359092014) affirmed at 'A-sf'; Outlook Stable
 Class A3 (ES0359092022) affirmed at 'A-sf'; Outlook Stable
 Class B (ES0359092030) affirmed at 'BBB-sf'; Outlook Stable
 Class C (ES0359092048) upgraded to 'B+sf' from 'CCCsf'; Outlook Stable
 Class D (ES0359092055) affirmed at 'CCCsf'; RE revised to 90% from 0%
 Class E (ES0359092063) affirmed at 'CCsf'; RE revised to 50% from 0%

Madrid RMBS 3:

Class A2 (ES0359093012) upgraded to 'BBBsf' from 'BB-sf'; Outlook Stable
 Class A3 (ES0359093020) upgraded to 'BBBsf' from 'BB-sf'; Outlook Stable
 Class B (ES0359093038) upgraded to 'BB+sf' from 'Bs'; Outlook Stable
 Class C (ES0359093046) upgraded to 'B-sf' from 'CCCsf'; Outlook Stable
 Class D (ES0359093053) affirmed at 'CCsf'; RE revised to 40% from 0%
 Class E (ES0359093061) affirmed at 'Csf'; RE maintained at 0%

Penedes 1:

Class A (ISIN ES0313252001): affirmed at 'A+sf'; Outlook Stable
 Class B (ISIN ES0313252019): affirmed at 'BBBsf'; Outlook Stable
 Class C (ISIN ES0313252027) affirmed at 'BBsf'; Outlook Stable

Santander 3:

Class A1 (ISIN ES0338093000) affirmed at 'CCCsf'; RE maintained at 90%
 Class A2 (ISIN ES0338093018) affirmed at 'CCCsf'; RE maintained at 90%
 Class A3 (ISIN ES0338093026) affirmed at 'CCCsf'; RE maintained at 90%
 Class B (ISIN ES0338093034) affirmed at 'CCsf'; RE revised to 70% from 0%
 Class C (ISIN ES0338093042) downgraded to 'Csf' from 'CCsf'; RE maintained at 0%
 Class D (ISIN ES0338093059) affirmed at 'Csf'; RE maintained at 0%
 Class E (ISIN ES0338093067) affirmed at 'Csf'; RE maintained at 0%
 Class F (ISIN ES0338093075) affirmed at 'Csf'; RE maintained at 0%

ACCEPT

We use cookies to deliver our online services, to understand how they are used and for advertising purposes. Details of the cookies we use and instructions on how to disable them are set out in our Privacy Policy; (<https://www.fitchratings.com/site/privacy>). To agree to our use of cookies click Accept.

Vital 1:

Class A notes (ISIN ES0312273081): affirmed at 'A+sf', Outlook Stable

Class B notes (ISIN ES0312273099): upgraded to 'A+sf' from 'A-sf'; Outlook Stable

Class C notes (ISIN ES0312273107): upgraded to 'BB+sf' from 'BBsf'; Outlook Stable

Class D notes (ISIN ES0312273115): affirmed at 'CCCsf'; RE maintained at 50%

Contacts:

Lead Surveillance Analyst

Ricardo Garcia (Vital 1, BBVA RMBS 1-3 and Santander 3)

Associate Director

+34 917 025 772

Fitch Ratings Espana, S.A.

Plaza de Colon 2, Torre II, planta 5

Madrid, 28046

Lead Surveillance Analyst

Juan Saenz Solis, CFA (Madrid RMBS 1-3 and Penedes 1)

Associate Director

+34 917 024 625

Fitch Ratings Espana, S.A.

Plaza de Colon 2, Torre II, planta 5

Madrid, 28046

Committee Chairperson

Juan David Garcia

Senior Director

+34 917 025 774

Media Relations: Athos Larkou, London, Tel: +44 20 3530 1549, Email: athos.larkou@thefitchgroup.com

Additional information is available on www.fitchratings.com

Applicable Criteria

European RMBS Rating Criteria (pub. 05 Oct 2018) (<https://www.fitchratings.com/site/re/10047011>)

Fitch's Interest Rate Stress Assumptions for Structured Finance and Covered Bonds - Excel File (pub. 02 Feb 2018) (<https://www.fitchratings.com/site/re/10018863>)

We use cookies to deliver our online services, to understand how they are used and for advertising purposes. Details of the cookies we use and instructions on how to disable them are set out in our Privacy Policy (<https://www.thefitchgroup.com/site/privacy>). To agree to our use of cookies click Accept.

Global Structured Finance Rating Criteria (pub. 15 May 2018) (<https://www.fitchratings.com/site/re/10029600>)

Structured Finance and Covered Bonds Counterparty Rating Criteria (pub. 01 Aug 2018) (<https://www.fitchratings.com/site/re/10039504>)

ACCEPT

Structured Finance and Covered Bonds Counterparty Rating Criteria: Derivative Addendum (pub. 01 Aug 2018)

(<https://www.fitchratings.com/site/re/10039505>)

Structured Finance and Covered Bonds Interest Rate Stresses Rating Criteria (pub. 02 Feb 2018)

(<https://www.fitchratings.com/site/re/10018549>)

Additional Disclosures

Dodd-Frank Rating Information Disclosure Form (<https://www.fitchratings.com/site/dodd-frank-disclosure/10053964>)

Solicitation Status (<https://www.fitchratings.com/site/pr/10053964#solicitation>)

Endorsement Policy (<https://www.fitchratings.com/regulatory>)

ALL FITCH CREDIT RATINGS ARE SUBJECT TO CERTAIN LIMITATIONS AND DISCLAIMERS. PLEASE READ THESE LIMITATIONS AND DISCLAIMERS BY FOLLOWING THIS LINK: [HTTPS://WWW.FITCHRATINGS.COM/UNDERSTANDINGCREDITRATINGS](https://www.fitchratings.com/understandingcreditratings). IN ADDITION, RATING DEFINITIONS AND THE TERMS OF USE OF SUCH RATINGS ARE AVAILABLE ON THE AGENCY'S PUBLIC WEB SITE AT 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. DIRECTORS AND SHAREHOLDERS RELEVANT INTERESTS ARE AVAILABLE AT [HTTPS://WWW.FITCHRATINGS.COM/SITE/REGULATORY](https://www.fitchratings.com/site/regulatory). 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 © 2018 by Fitch Ratings, Inc., Fitch Ratings Ltd. and its subsidiaries. 33 Whitehall Street, NY, NY 10004. Telephone: 1-800-753-4824, (212) 908-0500. Fax: (212) 480-4435. Reproduction or retransmission in whole or in part is prohibited except by permission. All rights reserved. In issuing and maintaining its ratings and in making other reports (including forecast information), Fitch relies on factual information it receives from issuers and underwriters and from other sources Fitch believes to be credible. Fitch conducts a reasonable investigation of the factual information relied upon by it in accordance with its ratings methodology, and obtains reasonable verification of that information from independent sources, to the extent such sources are available for a given security or in a given jurisdiction. The manner of Fitch's factual investigation and the scope of the third-party verification it obtains will vary depending on the nature of the rated security and its issuer, the requirements and practices in the jurisdiction in which the rated security is offered and sold and/or the issuer is located, the availability and nature of relevant public information, access to the management of the issuer and its advisers, the availability of pre-existing third-party verifications such as audit reports, agreed-upon procedures letters, appraisals, actuarial reports, engineering reports, legal opinions and other reports provided by third parties, the availability of independent and competent third-party verification sources with respect to the particular security or in the particular jurisdiction of the issuer, and a variety of other factors. Users of Fitch's ratings and reports should understand that neither an enhanced factual investigation nor any third-party verification can ensure that all of the information Fitch relies on in connection with a rating or a report will be accurate and complete. Ultimately, the issuer and its advisers are responsible for the accuracy of the information they provide to Fitch and to the market in offering documents and other reports. In issuing its ratings and its reports, Fitch must rely on the work of experts, including independent auditors with respect to financial statements and attorneys with respect to legal and tax

ACCEPT

matters. Further, ratings and forecasts of financial and other information are inherently forward-looking and embody assumptions and predictions about future events that by their nature cannot be verified as facts. As a result, despite any verification of current facts, ratings and forecasts can be affected by future events or conditions that were not anticipated at the time a rating or forecast was issued or affirmed. The information in this report is provided "as is" without any representation or warranty of any kind, and Fitch does not represent or warrant that the report or any of its contents will meet any of the requirements of a recipient of the report. A Fitch rating is an opinion as to the creditworthiness of a security. This opinion and reports made by Fitch are based on established criteria and methodologies that Fitch is continuously evaluating and updating. Therefore, ratings and reports are the collective work product of Fitch and no individual, or group of individuals, is solely responsible for a rating or a report. The rating does not address the risk of loss due to risks other than credit risk, unless such risk is specifically mentioned. Fitch is not engaged in the offer or sale of any security. All Fitch reports have shared authorship. Individuals identified in a Fitch report were involved in, but are not solely responsible for, the opinions stated therein. The individuals are named for contact purposes only. A report providing a Fitch rating is neither a prospectus nor a substitute for the information assembled, verified and presented to investors by the issuer and its agents in connection with the sale of the securities. Ratings may be changed or withdrawn at any time for any reason in the sole discretion of Fitch. Fitch does not provide investment advice of any sort. Ratings are not a recommendation to buy, sell, or hold any security. Ratings do not comment on the adequacy of market price, the suitability of any security for a particular investor, or the tax-exempt nature or taxability of payments made in respect to any security. Fitch receives fees from issuers, insurers, guarantors, other obligors, and underwriters for rating securities. Such fees generally vary from US\$1,000 to US\$750,000 (or the applicable currency equivalent) per issue. In certain cases, Fitch will rate all or a number of issues issued by a particular issuer, or insured or guaranteed by a particular insurer or guarantor, for a single annual fee. Such fees are expected to vary from US\$10,000 to US\$1,500,000 (or the applicable currency equivalent). The assignment, publication, or dissemination of a rating by Fitch shall not constitute a consent by Fitch to use its name as an expert in connection with any registration statement filed under the United States securities laws, the Financial Services and Markets Act of 2000 of the United Kingdom, or the securities laws of any particular jurisdiction. Due to the relative efficiency of electronic publishing and distribution, Fitch research may be available to electronic subscribers up to three days earlier than to print subscribers. For Australia, New Zealand, Taiwan and South Korea only: Fitch Australia Pty Ltd holds an Australian financial services license (AFS license no. 337123) which authorizes it to provide credit ratings to wholesale clients only. Credit ratings information published by Fitch is not intended to be used by persons who are retail clients within the meaning of the Corporations Act 2001. Fitch Ratings, Inc. is registered with the U.S. Securities and Exchange Commission as a Nationally Recognized Statistical Rating Organization (the "NRSRO"). While certain of the NRSRO's credit rating subsidiaries are listed on Item 3 of Form NRSRO and as such are authorized to issue credit ratings on behalf of the NRSRO (see <https://www.fitchratings.com/site/regulatory>), other credit rating subsidiaries are not listed on Form NRSRO (the "non-NRSROs") and therefore credit ratings issued by those subsidiaries are not issued on behalf of the NRSRO. However, non-NRSRO personnel may participate in determining credit ratings issued by or on behalf of the NRSRO.

SOLICITATION STATUS

The ratings above were solicited and assigned or maintained at the request of the rated entity/issuer or a related third party. Any exceptions follow below.

We use cookies to deliver our online services, to understand how they are used and for advertising purposes. Details of the cookies we use and instructions on how to manage them are set out in our Privacy Policy (<https://www.thefitchgroup.com/site/privacy>). To agree to our use of cookies click Accept.

Endorsement Policy

ACCEPT

Fitch's approach to ratings endorsement so that ratings produced outside the EU may be used by regulated entities within the EU for regulatory purposes, pursuant to the terms of the EU Regulation with respect to credit rating agencies, can be found on the EU Regulatory Disclosures (<https://www.fitchratings.com/regulatory>) page. The endorsement status of all International ratings is provided within the entity summary page for each rated entity and in the transaction detail pages for all structured finance transactions on the Fitch website. These disclosures are updated on a daily basis.

Fitch Updates Terms of Use & Privacy Policy

We have updated our Terms of Use and Privacy Policies which cover all of Fitch Group's websites. Learn more (<https://www.thefitchgroup.com/site/policies>).

We use cookies to deliver our online services, to understand how they are used and for advertising purposes. Details of the cookies we use and instructions on how to disable them are set out in our Privacy Policy (<https://www.thefitchgroup.com/site/privacy>). To agree to our use of cookies click Accept.

ACCEPT