

Hecho Relevante de

BBVA RMBS 16 FONDO DE TITULIZACIÓN

En virtud de lo establecido en el Folleto Informativo de **BBVA RMBS 16 FONDO DE TITULIZACIÓN** (el “Fondo”) se comunica a la COMISIÓN NACIONAL DEL MERCADO DE VALORES el presente hecho relevante:

- La Agencia de Calificación **Axesor Conocer para Decidir, S.A. (“Axesor”)**, con fecha 20 de abril de 2018, comunica que ha elevado la calificación asignada los Bonos emitidos por el Fondo:

- **Bonos: AA(sf)** (anterior **AA-(sf)**)

Se adjunta la comunicación emitida por Axesor.

Madrid, 3 de mayo de 2018.

José Luis Casillas González
Apoderado

Paula Torres Esperante
Apoderada



axesor structured finance rating

BBVA RMBS 16 FT - RMBS

Review: 20/04/2018

Chief Analytical Officer

Julián Villalba Checa

jvillalba@axesor-rating.es

Head of Structured Finance

Luis Bel Codeso

lbel@axesor-rating.es

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1 Introduction

Our ratings are based on documents and information provided voluntarily and public and private information provided by the rated issuer. The information has been used by our rating analysts in accordance with best practices. Furthermore, where considered necessary, all the information has been fully checked to ensure plausibility and coherence. However, axesor rating declines all responsibility for the correctness of the information and the conclusions drawn from it.

In accordance with Article 6 (2), in conjunction with Annex I, section B (4) of the Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009, it is reported that during the last 12 months axesor has provided ancillary services to related third parties of the rated entity, but not to the rated entity. However, according to our **Conflicts of Interests Policy**, it does not involve a conflict of interest, since the aggregate sale does not exceed 5% of net turnover.

The **methodology** for the ratings issued follow the regulatory framework of Regulation 1060/2009 of the European Parliament on Rating Agencies. Details of the structured finance criteria methodology can be consulted on our website at www.axesor-rating.es.

Structured Finance Rating Scale

The **rating scale**, ranges from AAA(sf) to Default:



2 Executive Summary

BBVA RMBS 16 FT is a granular securitisation fund with static pool of secured loans and structured under Spanish legislation. The fund's target is to obtain funding and liquidity by issuing bonds. The collateral consists of a portfolio of residential mortgage loans originated by Banco Bilbao Vizcaya Argentaria S.A ("BBVA"). The legal maturity date is August 17, 2064.

2.1 Rating

Class	Rating	Notional (Thds€)	Coupon	Credit Enhancement	Legal Maturity Date
A	AA(sf)	1.180.086	EUR 3M + 0.50%	22.28%	17/08/2064
Loan B	-	256	EUR 3M + 0.15%	-	17/08/2064
RF	-	64			

The rating addresses the timely payment of interest and the ultimate payment of principal on the Class A notes by the legal maturity date established in the prospectus. All figures in the report refer to the pool cut as of 31 March 2018.

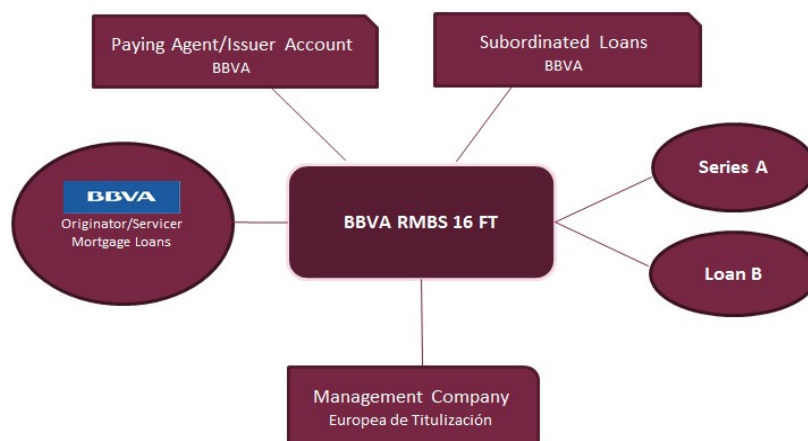
2.2 Issuance

Issuance Data	
Issuer	BBVA RMBS 16 FT
Purpose	Liquidity and Funding
Fund type	Closed
Asset class	Residential Mortgage Loans
Originator/Seller/Service	BBVA
Constitution Date	09/05/2016
Closing Date	11/05/2016
Assets(miles€)	1.420.403
Liabilities (miles€)	1.436.086
ISIN Class A	ES0305132005
Listing	AIAF
Settlement	IBERCLEAR
Call	10%
Payment Date	Quarterly (February, May, August, November)
1st Payment Date	17/08/2016
Legal Maturity Date	17/08/2064

2.3 Participants

Participants	Function
Banco Bilbao Vizcaya Argentaria S.A	Originator/Seller
Banco Bilbao Vizcaya Argentaria S.A	Servicer
BBVA and Europea de titulización S.A.	Arranger
Europea de titulización S.A.	Management Company
Banco Bilbao Vizcaya Argentaria S.A	Paying Agent
Banco Bilbao Vizcaya Argentaria S.A	Issuer Account
Deloitte&Touche España, S.L.	Auditor
J&A Garrigues, S.L.P	Legal Adviser

2.4 Transaction Diagram



Madrid, 20 April 2018

Julián Villalba Checa
Chief Analytical Officer

Luis Bel Codeso
Head of Structured Finance

3 Rating Rationale

Axesior rating has upgraded from AA_(sf) to AA_(sf) the senior notes issued by BBVA RMBS 16 FT.

The rating addresses the timely payment of interests and the ultimate payment of principal on the Class A notes on legal final maturity in August 2064.

BBVA RMBS 16 FT is a granular cash-flow securitization transaction of a EUR 1420MM static portfolio of Spanish mortgage loans originated by BBVA. The assets backing the notes are mortgage loans secured by residential properties located in Spain. The portfolio will be serviced by BBVA.

The portfolio has amortised in line with our expectation, at 88.75% of the initial portfolio balance. The portfolio remains granular with over 10,000 mortgages. The cumulative constant prepayment rate to date is 2.44%. Delinquency levels (over 90 days in arrears) remain low at 0.19% and the transaction has 0.05% of defaulted assets.

The pool has exhibited improved credit metrics since the initial closing date and prior reviews. The rating upgrade of the notes reflect the continued improvement in the pool's credit performance. Axesior recalculated its assumptions for the cash flow analysis (Base case default rate and recovery rate of 3.82% and 61.08% respectively, and for AA_(sf) scenario resulted in a default rate and recovery rate of 20.71% and 36.04% respectively). Additionally, Axesior conducted a sensitivity analysis to assess the impact on the rating of changes in the expected default and recovery rates, individually or combined over the base case assumptions.

Class A	
PD +20%	AA _(sf)
PD +40%	A ⁺ _(sf)
RR -20%	AA _(sf)
RR -40%	A ⁺ _(sf)
PD +20% & RR -20%	A ⁺ _(sf)
PD +40% & RR -40%	A _(sf)

Credit enhancement for the senior tranche has increased to 22.28% from 20.00% at the initial closing, due to the deleveraging of the transaction. Following the application of our credit and cash flow stresses, the available credit enhancement for the senior class notes is commensurate with a AA_(sf) rating.

The transaction is exposed to counterparty risk through Banco Bilbao Vizcaya Argentaria S.A. as bank account provider and paying agent. The transaction's documented rating requirements for Banco Bilbao Vizcaya Argentaria S.A. under its different roles and its replacement mechanisms adequately mitigate its exposure to counterparty risk.

4 Monitoring

From the time of issuance of the rating, the information provided by the management company, the originator or any other participant in the transaction will be reviewed and monitored as follows:

- The quality of the Collateral
- The level of credit enhancement
- Counterparties

As a rule, the frequency of review of the rating will be annually but it might be subject to a prior review under any events that may affect the credit quality of the notes.

5 Methodology

Axesor applied the following methodology to conduct the analysis of the transaction: STRUCTURED FINANCE CRITERIA.

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The credit rating contained in this document has been elaborated in accordance with the Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 regarding credit rating agencies and in accordance with the methodology developed by the AGENCY to this effect. Further details regarding this methodology can be consulted in the corporate website www.axesor-rating.es.

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