

Hecho Relevante de

BBVA RMBS 18 FONDO DE TITULIZACIÓN

En virtud de lo establecido en el Folleto Informativo de **BBVA RMBS 18 FONDO DE TITULIZACIÓN** (el “Fondo”) se comunica a la COMISIÓN NACIONAL DEL MERCADO DE VALORES el presente hecho relevante:

- La Agencia de Calificación **DBRS Ratings Limited (“DBRS”)**, con fecha 21 de noviembre de 2019, comunica que ha confirmado la calificación asignada a los Bonos emitidos por el Fondo:
 - **Bonos: AA (sf)**

Se adjunta la comunicación emitida por DBRS.

Madrid, 22 de noviembre de 2019.

DBRS Morningstar Confirms Ratings of Two BBVA RMBS Transactions

RMBS

DBRS Ratings GmbH (DBRS Morningstar) confirmed its A (high) (sf) and AA (sf) ratings of the Series A Notes (together, the Rated Notes) issued by BBVA RMBS 17 FT (BBVA17) and BBVA RMBS 18 FT (BBVA18), respectively.

The ratings of the Rated Notes address the timely payment of interest and ultimate payment of principal on or before the legal final maturity date of each transaction.

The confirmations follow an annual review of the transactions and are based on the following analytical considerations:

- Portfolio performance, in terms of delinquencies, defaults and losses.
- Portfolio default rate (PD), loss given default (LGD) and expected loss assumptions on the remaining receivables.
- Current available credit enhancement to the Rated Notes to cover the expected losses at their respective rating levels.

BBVA17 is a securitisation of residential mortgage loans originated by Banco Bilbao Vizcaya Argentaria S.A. (BBVA) in Spain and BBVA18 is a securitisation of Spanish residential mortgage loans originated by BBVA, Catalunya Banc S.A. (CX) and UNIMM Banc (UNIMM) in Spain. UNIMM and CX are currently owned by BBVA. Both transactions used the proceeds of the Series A notes and Loan B to fund the purchase of the mortgage portfolios from BBVA, which is also the servicer of the portfolios. In addition, BBVA provided separate additional subordinated loans to fund both the initial expenses and the respective reserve funds.

PORTFOLIO PERFORMANCE

The performance of both transactions remains within DBRS Morningstar expectations.

BBVA17: As of 31 October 2019, loans more than three months delinquent represented 0.10% over the portfolio balance. Gross cumulative defaults amounted to 0.02% of the original collateral balance.

BBVA18: As of 31 October 2019, loans more than three months delinquent represented 0.24% over the portfolio balance. Gross cumulative defaults amounted to 0.03% of the original collateral balance.

PORTFOLIO ASSUMPTIONS

DBRS Morningstar conducted a loan-by-loan analysis on the remaining pool of each transaction. For BBVA17, DBRS Morningstar updated its base case PD and LGD assumptions on the remaining portfolio collateral pool to 7.2% and 18.1% from 7.8% and 20.0%, respectively. For BBVA18, DBRS Morningstar updated its base case PD and LGD assumptions on the remaining portfolio collateral pool to 7.4% and 33.7% from 8.1% and 37.0%, respectively.

CREDIT ENHANCEMENT

BBVA17: Series A Notes are supported by the subordinated B Loan (EUR 216.0 million) and the credit enhancement on the Series A Notes has increased to 19.1%, as of the September 2019 payment date, up from 17.7% one year ago. This is due to the

amortisation of the Series A Notes.

BBVA18: The transaction structure is similar as the Series A Notes are also supported by a subordinated B Loan (EUR 342.0 million). The credit enhancement on the Series A Notes has increased to 26.6%, as of the August 2019 payment date, up from 25.0% one year ago. This is also due to the amortisation of the Series A Notes.

Each transaction benefits from an amortising reserve fund that provides liquidity support and credit support to cover shortfalls on the payment of senior fees, interest and principal shortfalls on the Rated Notes and the subordinated B Loan (once the Rated Notes are fully redeemed). Currently the reserve funds are both at their target level.

BBVA acts as the account bank for both transactions. Based on the account bank reference rating of BBVA at A (high), which is one notch below the DBRS Morningstar Long-Term Critical Obligations Rating (COR) of AA (low), the downgrade provisions outlined in the transaction documents, and other mitigating factors inherent in the transaction structure, DBRS Morningstar considers the risk arising from the exposure to the account bank to be consistent with the ratings assigned to the Series A Notes in each transaction, as described in DBRS Morningstar's "Legal Criteria for European Structured Finance Transactions" methodology.

The transaction structures were analysed in Intex DealMaker.

Notes:

All figures are in euros unless otherwise noted.

The principal methodology applicable to the ratings is the "Master European Structured Finance Surveillance Methodology". DBRS Morningstar has applied the principal methodology consistently and conducted a review of the transactions in accordance with the principal methodology.

A review of the transactions legal documents was not conducted as the legal documents have remained unchanged since the most recent rating actions.

Other methodologies referenced in this transactions are listed at the end of this press release. These may be found on www.dbrs.com at: <http://www.dbrs.com/about/methodologies>.

For a more detailed discussion of the sovereign risk impact on Structured Finance ratings, please refer to "Appendix C: The Impact of Sovereign Ratings on Other DBRS Credit Ratings" of the "Global Methodology for Rating Sovereign Governments" at: <https://www.dbrs.com/research/350410/global-methodology-for-rating-sovereign-governments>.

The sources of data and information used for these ratings include investor reports provided by the Management Company, Europea de Titulización S.A., S.G.F.T., and loan-level data provided by the European DataWarehouse GmbH.

DBRS Morningstar did not rely upon third-party due diligence in order to conduct its analysis.

At the time of the initial rating of both transactions, DBRS Morningstar was supplied with third-party assessments. However, this did not impact the rating analysis.

DBRS Morningstar considers the data and information available to it for the purposes of providing these ratings to be of satisfactory quality.

DBRS Morningstar does not audit or independently verify the data or information it receives in connection with the rating process.

The last rating action on these transactions took place on 21 November 2018, when DBRS Morningstar confirmed the ratings of the Rated Notes at their current rating levels.

The lead analyst responsibilities for the transactions have been transferred to Alfonso Candelas.

Information regarding DBRS Morningstar ratings, including definitions, policies and methodologies is available at www.dbrs.com.

To assess the impact of changing the transaction parameters on the ratings, DBRS Morningstar considered the following stress scenarios as compared with the parameters used to determine the rating (the Base Case):

- DBRS Morningstar expected a lifetime base case PD and LGD for the pool based on a review of the current assets. Adverse changes to asset performance may cause stresses to base case assumptions and therefore have a negative effect on credit ratings.
- The base case PD and LGD of the current pool of loans for BBVA17 are 7.2% and 18.1%, respectively, and for BBVA18 are 7.4% and 33.7%, respectively.
- The risk sensitivity overview below illustrates the ratings expected if the PD and LGD increase by a certain percentage over the base case assumption. For example, if the LGD increases by 50%, the rating of the BBVA17 Series A Notes would be expected to remain at A (high) (sf), assuming no change in the PD. If the PD increases by 50%, the rating of the Series A Notes would also be expected to remain at A (high) (sf), assuming no change in the LGD. Furthermore, if both the PD and LGD increase by 50%, the rating of the Series A Notes would also be expected to remain at A (high) (sf).

BBVA17 - Series A Notes Risk Sensitivity:

- 25% increase in LGD, expected rating of A (high) (sf)
- 50% increase in LGD, expected rating of A (high) (sf)
- 25% increase in PD, expected rating of A (high) (sf)
- 50% increase in PD, expected rating of A (high) (sf)
- 25% increase in PD and 25% increase in LGD, expected rating of A (high) (sf)
- 25% increase in PD and 50% increase in LGD, expected rating of A (high) (sf)
- 50% increase in PD and 25% increase in LGD, expected rating of A (high) (sf)
- 50% increase in PD and 50% increase in LGD, expected rating of A (high) (sf)

BBVA18 - Series A Notes Risk Sensitivity:

- 25% increase in LGD, expected rating of AA (sf)
- 50% increase in LGD, expected rating of AA (sf)
- 25% increase in PD, expected rating of AA (sf)
- 50% increase in PD, expected rating of AA (sf)
- 25% increase in PD and 25% increase in LGD, expected rating of AA (sf)
- 25% increase in PD and 50% increase in LGD, expected rating of AA (sf)
- 50% increase in PD and 25% increase in LGD, expected rating of AA (sf)
- 50% increase in PD and 50% increase in LGD, expected rating of AA (low) (sf)

For further information on DBRS Morningstar historical default rates published by the European Securities and Markets Authority (ESMA) in a central repository, see:

<http://cerep.esma.europa.eu/cerep-web/statistics/defaults.xhtml>.

Ratings assigned by DBRS Ratings GmbH are subject to EU and US regulations only.

Lead Analyst: Alfonso Candelas, Senior Vice President

Rating Committee Chair: Christian Aufsatz, Managing Director

Initial Rating Date: BBVA17: 15 November 2016; BBVA18: 14 November 2017

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The rating methodologies used in the analysis of this transaction can be found at: <http://www.dbrs.com/about/methodologies>.


- Legal Criteria for European Structured Finance Transactions
- Master European Structured Finance Surveillance Methodology
- Operational Risk Assessment for European Structured Finance Servicers
- European RMBS Insight Methodology
- European RMBS Insight: Spanish Addendum
- Interest Rate Stresses for European Structured Finance Transactions

A description of how DBRS Morningstar analyses structured finance transactions and how the methodologies are collectively applied can be found at: <http://www.dbrs.com/research/278375>.


For more information on these credits or on this industry, visit www.dbrs.com or contact us at info@dbrs.com.

Ratings

BBVA RMBS 17 FT

Date Issued	Debt Rated	Action	Rating	Trend	Issued
21-Nov-19	Class A notes (ES0305217004)	Confirmed	A (high) (sf)	--	

BBVA RMBS 18 FT

Date Issued	Debt Rated	Action	Rating	Trend	Issued
21-Nov-19	Series A Notes	Confirmed	AA (sf)	--	

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