Hecho Relevante de BBVA RMBS 2 FONDO DE TITULIZACION DE ACTIVOS

En virtud de lo establecido en el Folleto Informativo de BBVA RMBS 2 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 10 de agosto de 2015, comunica que ha subido las calificaciones asignadas a las siguientes Series de Bonos emitidos por el Fondo:
  - Serie A2: Bsf (anterior CCCsf, perspectiva estable)
  - Serie A3: Bsf (anterior CCCsf, perspectiva estable)
  - Serie A4: Bsf (anterior CCCsf, perspectiva estable)
  - Serie B: CCCsf (anterior CCsf)

Asimismo, Fitch ha confirmado la calificación asignada a la restante Series de Bonos:
  - Serie C: CCsf

Se adjunta la comunicación emitida por Fitch.

Madrid, 11 de agosto de 2015.

Mario Masiá Vicente
Director General
Fitch Ratings-London-10 August 2015: Fitch Ratings has upgraded four tranches of BBVA RMBS series and affirmed nine others. The series comprise three Spanish prime RMBS originated and serviced by Banco Bilbao Vizcaya Argentaria (BBVA; A-/Stable/F2). A full list of rating actions is available below.

KEY RATING DRIVERS
Additional Information Clarifies Subjective Defaults
Fitch has received additional information from the trustee Europea de Titilizacion (EdT) about the management of subjective defaults, defined as loans whose underlying property has been taken into possession by the SPV prior to the loan reaching the 12-months default classification.

The trustee confirmed that subjective defaults have been excluded from the balance of gross defaults and removed from the outstanding portfolio balance when the property is repossessed by the SPV.

Contrary to the agency's previous understanding, subjective defaults are being provisioned within the waterfall of payments with available excess spread and cash reserves, currently fully depleted. EdT has confirmed to Fitch that the cumulative balance of defaulted assets, inclusive of subjective defaults, has reached 5.4% of the initial portfolio balance in BBVA 1 and in BBVA 2 and 12.5% in BBVA 3 (compared with 4% for BBVA 1 and 2 and 9.7% for BBVA 3 without subjective defaults).

The clarification about provisioning has triggered the revision of Fitch assumptions regarding available credit enhancement across the transactions, which has led to today's upgrade of BBVA RMBS 2 notes and the revision of Outlooks.

Subjective Defaults Distort Asset Performance
Fitch would have expected most subjective defaults to be classified and reported as doubtful loans, rather than removed from collateral balance. In Fitch's opinion, unreported subjective defaults imply that the arrears ratios are a poor performance indicator, and the removal of subjective defaults from the collateral balance makes the estimation of principal collections from underlying borrowers challenging.

Interest Deferral Triggers Delayed
The exclusion of subjective defaults from the balance of doubtful loans implies that the deferral of mezzanine and junior notes interest could be delayed. This is material for tranche C of BBVA 3 because cumulative defaults are currently reported at 9.7%, just below the 10% interest deferral trigger established in the documentation. If subjective defaults are added to the doubtful classification cumulative default would be 12.5%, implying that the class C interest deferral trigger would have been breached.

RATING SENSITIVITIES
Deterioration in asset performance or recovery expectations beyond Fitch's standard assumptions would trigger negative rating action.

DUE DILIGENCE USAGE
No third party due diligence was provided or reviewed 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 pool and the transaction. There were no findings that were material to this 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.
-Information about subjective defaults provided by Europea de Titulizacion as of end-June 2015.
-Loan-by-loan data provided by Europea de Titulizacion as of end-June 2015.
-Loan enforcement data provided by Europea de Titulizacion as of end-June 2015.
-Transaction reporting provided by Europea de Titulizacion as of end-June 2015.

MODELS
<a href="https://www.fitchratings.com/web_content/pages/rmbs/emea-rmbs-surveillance-model.htm">EMEA RMBS Surveillance Model.</a>

BBVA RMBS 1, FTA:
Class A2 (ISIN ES0314147010): affirmed at 'BBsf'; Outlook revised to Stable from Negative
Class A3 (ISIN ES0314147028): affirmed at 'BBsf'; Outlook revised to Stable from Negative
Class B (ISIN ES0314147036): affirmed at 'CCCsf'; Recovery Estimate 75%
Class C (ISIN ES0314147044): affirmed at 'CCsf'; Recovery Estimate 0%

BBVA RMBS 2, FTA:
Class A2 (ISIN ES0314148018): upgraded to 'Bsfs' from 'CCCsf'; Outlook Stable
Class A3 (ISIN ES0314148026): upgraded to 'Bsfs' from 'CCCsf'; Outlook Stable
Class A4 (ISIN ES0314148034): upgraded to 'Bsfs' from 'CCCsf'; Outlook Stable
Class B (ISIN ES0314148042): upgraded to 'CCCsfs' from 'CCsf'; Recovery Estimate 65%
Class C (ISIN ES0314148059): affirmed at 'CCsf'; Recovery Estimate 0%

BBVA RMBS 3, FTA:
Class A1 (ISIN ES0314149008): affirmed at 'CCCsfs'; Recovery Estimate 90%
Class A2 (ISIN ES0314149016): affirmed at 'CCCsfs'; Recovery Estimate 90%
Class B (ISIN ES0314149032): affirmed at 'CCsf'; Recovery Estimate 0%
Class C (ISIN ES0314149040): affirmed at 'CCsf'; Recovery Estimate 0%

Contacts:
Lead Surveillance Analyst
Francesco Lanni
Associate Director
+44 20 3530 1685
Fitch Ratings Limited
30 North Colonnade
London E14 5GN
Committee Chairperson
Juan David Garcia
Senior Director
+34 91 702 5774

Media Relations: Peter Fitzpatrick, London, Tel: +44 20 3530 1103, Email: peter.fitzpatrick@fitchratings.com; Athos Larkou, London, Tel: +44 203 530 1549, Email: athos.larkou@fitchratings.com.

Additional information is available at www.fitchratings.com.

Applicable Criteria

EMEA Residential Mortgage Loss Criteria (pub. 31 Mar 2015)

Counterparty Criteria for Structured Finance and Covered Bonds (pub. 14 May 2014)

Counterparty Criteria for Structured Finance and Covered Bonds: Derivative Addendum (pub. 14 May 2014)

Criteria Addendum: Spain - Residential Mortgage Assumptions (pub. 10 Jun 2015)

Criteria for Rating Caps and Limitations in Global Structured Finance Transactions (pub. 28 May 2014)

Criteria for Sovereign Risk in Developed Markets for Structured Finance and Covered Bonds (pub. 20 Feb 2015)

EMEA RMBS Cash Flow Analysis Criteria (pub. 31 Mar 2015)

EMEA RMBS Master Rating Criteria (pub. 31 Mar 2015)

Global Structured Finance Rating Criteria (pub. 06 Jul 2015)

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