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 20 de abril de 2018, comunica que ha elevado las calificaciones asignadas a las siguientes Series de Bonos emitidos por el Fondo:

- Serie A2: BBBsf, perspectiva estable (anterior Bsf, perspectiva en evolución)
- Serie A3: BBBsf, perspectiva estable (anterior Bsf, perspectiva en evolución)
- Serie A4: BBBsf, perspectiva estable (anterior Bsf, perspectiva en evolución)
- Serie B: BB-sf, perspectiva estable (anterior CCCsf, perspectiva en evolución)

Asimismo, Fitch ha confirmado la calificación asignada a la restante Serie de Bonos:

- Serie C: CCsf , recobro estimado 60%

Se adjunta la comunicación emitida por Fitch.

Madrid, 23 de abril de 2018.

José Luis Casillas González
Apoderado

Paula Torres Esperante
Apoderada
Fitch Ratings-London-20 April 2018: Fitch Ratings has upgraded eight tranches of the BBVA RMBS series and affirmed five other tranches. All tranches have been removed from Rating Watch Evolving.

The series are three Spanish prime RMBS originated and serviced by Banco Bilbao Vizcaya Argentaria (BBVA; A-/Stable/F2). A full list of rating actions is below.

**BBVA RMBS 1, FTA:**
- Class A2 (ISIN ES0314147010): upgraded to 'BBB+sf' from 'BBsf'; removed from RWE; Outlook Stable
- Class A3 (ISIN ES0314147028): upgraded to 'BBB+sf' from 'BBsf'; removed from RWE; Outlook Stable
- Class B (ISIN ES0314147036): upgraded to 'B+sf' from 'CCCsf'; removed from RWE; Outlook Stable
- Class C (ISIN ES0314147044): upgraded to 'CCCsf' from 'CCsf'; removed from RWE; Recovery Estimate maintained at 30%

**BBVA RMBS 2, FTA:**
- Class A2 (ISIN ES0314148018): upgraded to 'BBBsf' from 'Bsf'; removed from RWE; Outlook Stable
- Class A3 (ISIN ES0314148026): upgraded to 'BBBsf' from 'Bsf'; removed from RWE; Outlook Stable
- Class A4 (ISIN ES0314148034): upgraded to 'BBBsf' from 'Bsf'; removed from RWE; Outlook Stable
- Class B (ISIN ES0314148042): upgraded to 'BB-sf' from 'CCCsf'; removed from RWE; Outlook Stable
- Class C (ISIN ES0314148059): affirmed at 'CCsf'; removed from RWE; Recovery Estimate revised to 60% from 0%

**BBVA RMBS 3, FTA:**
- Class A1 (ISIN ES0314149008): affirmed at 'CCCsf'; removed from RWE; Recovery Estimate maintained at 100%
- Class A2 (ISIN ES0314149016): affirmed at 'CCCsf'; removed from RWE; Recovery Estimate maintained at 100%
- Class B (ISIN ES0314149032): affirmed at 'CCsf'; removed from RWE; Recovery
Estimate maintained at 0%
Class C (ISIN ES0314149040): affirmed at 'CCsf'; removed from RWE; Recovery
Estimate maintained at 0%

KEY RATING DRIVERS
European RMBS Rating Criteria
The rating actions reflect the application of Fitch's new European RMBS Rating
Criteria. The upgrades and affirmations reflect the levels of credit enhancement
(CE) relative to Fitch's asset performance expectations as per the agency's latest
rating criteria.

Stable Asset Performance
As of the respective cut-off dates the transactions reported total delinquent loan
balances were broadly stable at 8.1%, 7.4% and 5.7% for BBVA RMBS 1, BBVA
RMBS 2 and BBVA RMBS 3 respectively, as a percentage of the total balance of
performing and delinquent loans. The balances of loans with more than three
payments in arrears were also little changed at 0.4%, 0.5% and 0.6% for BBVA
RMBS 1, BBVA RMBS 2 and BBVA RMBS 3 respectively.

Performance Adjustment Factor
The calculated performance adjustment factor for each transaction was lower than
100%. However, Fitch applied a floor at 100% to take into account the lack of
detailed data regarding loan restructuring and payment loans extensions and the
potential effect that these may have had upon historical default rates.

Credit Enhancement (CE)
For BBVA RMBS 1, the class A, B and C notes are amortising on a sequential
basis and Fitch expects this to continue given that the reserve fund remains under
target. Among the class A notes, the A2 and A3 continue to amortise on a
sequential basis. In a stress scenario the class A2 and A3 notes will amortise pro-
prata, therefore Fitch has treated the A1 and A2 notes as pari-passu for the purpose
of calculating CE of 20%. Fitch has calculated CE of 8.9% and 1% for the class B
and C notes respectively.

For BBVA RMBS 2, the class, A, B and C notes are amortising on a sequential
basis and Fitch expects this to continue given that the reserve fund remains under
target. Among the class A notes, the A2, A3 and A4 notes continue to amortise on
a sequential basis. In a stress scenario the class A2, A3 and A4 notes will amortise
pro-rata therefore Fitch has treated the class A1, A2 and A3 notes as pari-passu
for the purpose of calculating CE of 9.7%. Fitch has calculated CE of 4% and
negative 1% for the class B and C notes respectively.

For BBVA RMBS 3, the class, A, B and C notes are amortising on a sequential
basis and Fitch expects this to continue given that the reserve fund remains under target. Among the class A notes, the A1, A2 and A3 notes are amortising in a pro-rata basis since the performance trigger has been breached. Fitch has treated the A1, A2 and A3 notes as pari-passu for the purpose of calculating CE of 3.4%. Fitch has calculated CE of a negative 7.1% and a negative 13.1% for the class B and C notes respectively.

Counterparty Risk
The note ratings are not constrained by counterparty arrangements.

VARIATIONS FROM CRITERIA
The transaction loan-level data shows low historical recovery rates on defaulted loans where the property sale proceeds have been received (i.e. closed loans). As of the latest cut-off dates, the calculated average recovery rates on closed loans was 36%, 43% and 34% for BBVA RMBS 1, BBVA RMBS 2, and BBVA RMBS 3 respectively. Increased average recovery rates are calculated for loans defaulted in 2014 and afterwards, and such cases are relatively small in number. It is also to be noted that future recovery rates would likely be higher than historical recovery rates due to the improved macroeconomic and housing market conditions in Spain. To take into account the low historical recovery rates Fitch applied a loan-level manual valuation adjustment of 20% to all loans in the portfolios for the three transactions.

RATING SENSITIVITIES
A better-than-expected resolution of existing pool of defaulted receivables and an increase in the observed recovery rate could have a positive impact on the note ratings.

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 effects on asset performance and negative rating implications.

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 provided by European Data Warehouse as at February 2018
- Investor reporting provided by Europea de Titulizacion as at March 2018
- Updates from EDT dated April 2018

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

EMEA RMBS Surveillance Model.
(https://www.fitchratings.com/site/structuredfinance/rmbs/emearsrm)

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Additional information is available on www.fitchratings.com
Applicable Criteria
European RMBS Rating Criteria (pub. 02 Feb 2018) (https://www.fitchratings.com/site/re/10018676)
Global Structured Finance Rating Criteria (pub. 03 May 2017) (https://www.fitchratings.com/site/re/897411)
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/10027773)
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