

Hecho Relevante de

BBVA RMBS 3 FONDO DE TITULIZACION DE ACTIVOS

En virtud de lo establecido en el Folleto Informativo de **BBVA RMBS 3 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 29 de julio de 2016, comunica que ha confirmado las calificaciones asignadas a las siguientes Series de Bonos emitidos por el Fondo:
 - **Serie A1:** CCCsf
 - **Serie A2:** CCCsf
 - **Serie B:** CCsf
 - **Serie C:** CCsf

Se adjunta la comunicación emitida por Fitch.

Madrid, 2 de agosto de 2016.

Mario Masiá Vicente
Director General

Fitch Affirms BBVA RMBS Series; Outlook Stable

Fitch Ratings-London-29 July 2016: Fitch Ratings has affirmed the BBVA RMBS series, three Spanish prime RMBS originated and serviced by Banco Bilbao Vizcaya Argentaria (BBVA; A-/Stable/F2). A full list of rating actions is below.

KEY RATING DRIVERS

Stabilising Asset Performance

Over the last 12 months, the volume of defaulted assets, as a percentage of the initial pool balance, has increased to between 5.7% (BBVA 1) and 13.1% (BBVA 3) from between 4.0% (BBVA 2) and 9.7% (BBVA 3). The increase is mainly due to the recognition 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, in the volume of defaulted claims in August 2015. Nevertheless, Fitch notes that the pipeline of defaulted assets has remained broadly stable since. Assets more than three months in arrears have been developing better than the Fitch Spain All Prime index as of November 2011 and are currently around 0.4% for BBVA 1 and BBVA 2 and 0.6% For BBVA 3.

Declining Principal Deficiency Ledgers (PDL)

The PDL balances in BBVA 1 and BBVA 2 have declined over the last year, reflecting an improvement in asset performance and larger recovery income. The PDL balance in BBVA 3 decreased over the last six months, but is still relatively high at 11.4% of the outstanding note balance as of April 2016. For BBVA 1, the PDL has decreased to 0.3% of the outstanding note balance and the PDL in BBVA 2 decreased to 2.1% as of May 2016.

Interest Deferral Triggers Breached

The inclusion of subjective defaults in the balance of doubtful loans triggered the deferral of mezzanine and junior notes interest for BBVA 3. This is material for the class B and C notes because cumulative defaults are currently reported at 13.1%, which exceeds the 12.5% interest deferral trigger established in the documentation.

Payment Holidays and Loan Modifications

Fitch attached higher probabilities of default to loans currently on payment holiday and loans that have undergone an extension of their original maturity. This stress is to account for the weaker borrower profile, compared with loans that are not exercising the payment holiday option or have not undergone a maturity extension. The agency assumed payment holidays equal to between 8.9% of the current pool (BBVA 1) and 21.7% (BBVA 3), while tenor extensions are assumed between 0.8% of the current pool (BBVA 2) and 1.2% (BBVA 3). The proportions are assumed equal to the previous year's data due to lack of updated information. The results of the analysis show that the ratings are resilient to the stresses.

Missing Portfolio Information

The latest data tapes do not include any information about proportion of broker-originated loans, loans with flexible amortisation profile and granted for purchase of second homes. As a result, Fitch used data available from previous year pool tapes. The agency assumed that between 22.1% of the current pool (BBVA 2) and 27.6% (BBVA 3) are broker-originated loans, between 71.5% of the current pool (BBVA 1) and 86.2% (BBVA 3) are loans with flexible amortisation, between 1.7% of the current pool (BBVA 1) and 2.8% (BBVA 2) are loans granted for purchase of second homes and 5.6% in BBVA 3 are loans granted for non-home acquisition purposes.

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. 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.

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 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.

SOURCES OF INFORMATION

The information below was used in the analysis.

- Loan-by-loan data provided by Europea de Titulizacion as of February and March 2016
- Loan-by-loan data provided by Europea de Titulizacion as of end-June 2015
- Transaction reporting provided by Europea de Titulizacion as of end-June 2016
- Loan enforcement details provided by Europea de Titulizacion as of end-June 2015

MODELS

The models below were used in the analysis. Click on the link for a description of the model.

- ResiEMEA

ResiEMEA (<https://www.fitchratings.com/site/fitch-home/rmbs/resiemea.htm>)

- EMEA RMBS Surveillance Model

EMEA RMBS Surveillance Model (https://www.fitchratings.com/web_content/pages/rmbs/emea-rmbs-surveillance-model.htm)

- EMEA Cash Flow Model

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

Fitch has affirmed the following ratings:

BBVA RMBS 1, FTA:

Class A2 (ISIN ES0314147010): affirmed at 'BBsf'; Outlook Stable

Class A3 (ISIN ES0314147028): affirmed at 'BBsf'; Outlook Stable

Class B (ISIN ES0314147036): affirmed at 'CCCs'; Recovery Estimate 100% from 75%

Class C (ISIN ES0314147044): affirmed at 'CCsf'; Recovery Estimate 30% from 0%

BBVA RMBS 2, FTA:

Class A2 (ISIN ES0314148018): affirmed at 'Bsf'; Outlook Stable

Class A3 (ISIN ES0314148026): affirmed at 'Bsf'; Outlook Stable

Class A4 (ISIN ES0314148034): affirmed at 'Bsf'; Outlook Stable

Class B (ISIN ES0314148042): affirmed at 'CCCs'; Recovery Estimate 90% from 65%

Class C (ISIN ES0314148059): affirmed at 'CCsf'; Recovery Estimate 0%

BBVA RMBS 3, FTA:

Class A1 (ISIN ES0314149008): affirmed at 'CCCs'; Recovery Estimate 100% from 90%

Class A2 (ISIN ES0314149016): affirmed at 'CCCs'; Recovery Estimate 100% from 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
Robbie Sargent
Senior Director
+44 20 3530 1404

Media Relations: Athos Larkou, London, Tel: +44 203 530 1549, Email:
athos.larkou@fitchratings.com.

Additional information is available at www.fitchratings.com.

Applicable Criteria

Counterparty Criteria for Structured Finance and Covered Bonds (pub. 18 Jul 2016)
(https://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=884963)
Counterparty Criteria for Structured Finance and Covered Bonds: Derivative Addendum (pub. 18 Jul 2016)
(https://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=884964)
Criteria Addendum: Spain - Residential Mortgage Assumptions (pub. 28 Jul 2016)
(https://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=885440)
Criteria for Interest Rate Stresses in Structured Finance Transactions and Covered Bonds (pub. 17 May 2016)
(https://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=879815)
Criteria for Rating Caps and Limitations in Global Structured Finance Transactions (pub. 16 Jun 2016)
(https://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=882401)
Criteria for Servicing Continuity Risk in Structured Finance (pub. 17 Dec 2015)
(https://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=875586)
Criteria for Sovereign Risk in Developed Markets for Structured Finance and Covered Bonds (pub. 20 Feb 2015)
(https://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=862115)
EMEA RMBS Rating Criteria (pub. 18 May 2016)
(https://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=881836)
Fitch's Interest Rate Stress Assumptions for Structured Finance and Covered Bonds - Excel File (pub. 17 May 2016)
(https://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=880522)
Global Structured Finance Rating Criteria (pub. 27 Jun 2016)
(https://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=883130)

Additional Disclosures

Dodd-Frank Rating Information Disclosure Form
(https://www.fitchratings.com/creditdesk/press_releases/content/ridf_frame.cfm?pr_id=1009724)
Solicitation Status (https://www.fitchratings.com/gws/en/disclosure/solicitation?pr_id=1009724)
Endorsement Policy (<https://www.fitchratings.com/jsp/creditdesk/PolicyRegulation.faces?context=2&detail=31>)

ALL FITCH CREDIT RATINGS ARE SUBJECT TO CERTAIN LIMITATIONS AND DISCLAIMERS. PLEASE READ THESE LIMITATIONS AND DISCLAIMERS BY FOLLOWING THIS LINK: [HTTP://FITCHRATINGS.COM/UNDERSTANDINGCREDITRATINGS](http://FITCHRATINGS.COM/UNDERSTANDINGCREDITRATINGS) (<http://fitchratings.com/understandingcreditratings>). IN ADDITION, RATING DEFINITIONS AND THE TERMS OF USE OF SUCH RATINGS ARE AVAILABLE ON THE AGENCY'S PUBLIC WEBSITE '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. 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.

Endorsement Policy - 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.