

**Hecho Relevante de**

**BBVA RMBS 17 FONDO DE TITULIZACIÓN**

En virtud de lo establecido en el Folleto Informativo de **BBVA RMBS 17 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 2018, comunica que ha confirmado la calificación asignada a los Bonos emitidos por el Fondo:
  - **Bonos: A (high) (sf)**

Se adjunta la comunicación emitida por DBRS.

Madrid, 23 de noviembre de 2018.



Press Release

# DBRS Confirms Rating of Class A Notes of BBVA RMBS 17 FT

RMBS

November 21, 2018

DBRS Ratings Limited (DBRS) confirmed its A (high) (sf) rating of the Class A notes issued by BBVA RMBS 17 FT (the Issuer).

The rating of the Class A notes addresses the timely payment of interest and ultimate payment of principal on or before the legal final maturity date.

The confirmation follows an annual review of the transaction and is based on the following analytical considerations:

-- Portfolio performance, in terms of delinquencies, defaults and losses.

<https://www.dbrs.com/research/336182/dbrs-confirms-rating-of-class-a-notes-of-bbva-rmbs-17-ft>

## Issuers

BBVA RMBS 17 FT

## Contacts



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-- Portfolio default rate (PD), loss given default (LGD) and expected loss assumptions on the remaining receivables.

-- Current available credit enhancement to the notes to cover the expected losses at the A (high) (sf) rating level.

BBVA RMBS 17 FT is a securitisation of residential mortgage loans originated and serviced by Banco Bilbao Vizcaya Argentaria S.A. (BBVA) in Spain. The Issuer used the proceeds of the Class A notes and Loan B to fund the purchase of the mortgage portfolio from the Seller.

BBVA provided separate additional subordinated loans to fund both the initial expenses and the Reserve Fund.

#### PORTFOLIO PERFORMANCE

As of August 2018, two- to three-month arrears represented 0.1% of the outstanding portfolio balance, up from 0.0% in August 2017. As of August 2018, the 90+ delinquency ratio was 0.1%, up from 0.0% in August 2017. As of August 2018, the cumulative default ratio was 0.0%.

#### PORTFOLIO ASSUMPTIONS

DBRS conducted a loan-by-loan analysis on the remaining pool and updated its PD and LGD assumptions on the remaining portfolio collateral pool to 22.4% and 35.0%, respectively, at the A (high) (sf) rating level.

#### CREDIT ENHANCEMENT

As of the August 2018 payment date, credit enhancement to the Class A notes was 17.8%, up from 16.0% at the DBRS initial rating. The transaction also benefits from an amortising reserve fund which is available to cover senior expenses as well as interest and principal on the Class A notes until the notes paid in full. The reserve fund is currently at its target level of EUR 72 million.

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BBVA acts as the account bank for the transaction. The account bank reference rating of A (high) - being one notch below the DBRS public Long-Term Critical Obligations Rating of BBVA of AA (low) - is consistent with the Minimum Institution Rating given the rating assigned to the Class A notes, as described in DBRS's "Legal Criteria for European Structured Finance Transactions" methodology.

Notes:

All figures are in euros unless otherwise noted.

The principal methodology applicable to the rating is the "Master European Structured Finance Surveillance Methodology".

DBRS has applied the principal methodology consistently and conducted a review of the transaction in accordance with the principal methodology.

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

Other methodologies referenced in this transaction are listed at the end of this press release. These may be found on [www.dbrs.com](http://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 "Rating Sovereign Governments" methodology at: <http://dbrs.com/research/319564/rating-sovereign-governments.pdf>.

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

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

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

DBRS considers the data and information available to it for the purpose of providing this rating to be of satisfactory quality.

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

The last rating action on this transaction took place on 21 November 2017, when DBRS confirmed its rating of the Class A notes.

The lead analyst responsibilities for this transaction have been transferred to Franceco Amato.

Information regarding DBRS ratings, including definitions, policies and methodologies is available at [www.dbrs.com](http://www.dbrs.com).

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

- DBRS 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 the Issuer are 7.8% and 20.0%, 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 Class 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 Class A notes would 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 Class A notes would be expected to remain at A (high) (sf).

#### Class 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)

For further information on DBRS historic 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>.

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

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Lead Analyst: Francesco Amato, Financial Analyst

Rating Committee Chair: Christian Aufsatz, Managing Director

Initial Rating Date: 15 November 2016

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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 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 this credit or on this industry, visit [www.dbrs.com](http://www.dbrs.com) or contact us at [info@dbrs.com](mailto:info@dbrs.com).

## Ratings

Date Issued	Debt Rated	Action	Rating	Trend	Issued i
21-Nov-18	Class A notes (ES0305217004)	Confirmed	A (high) (sf)	--	EU

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## Related Documents

### Methodology Used:

Master European Structured Finance Surveillance Methodology / March 27, 2018

European RMBS Insight Methodology / April 12, 2018

Legal Criteria for European Structured Finance Transactions / September 11, 2018

European RMBS Insight: Spanish Addendum / October 2, 2018

Interest Rate Stresses for European Structured Finance Transactions / October 10, 2018

Operational Risk Assessment for European Structured Finance Servicers / November 8, 2018



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