

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 2018, 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, 23 de noviembre de 2018.



Press Release

DBRS Confirms Rating of Series A Notes of BBVA RMBS 18 FT

RMBS

November 21, 2018

DBRS Ratings Limited (DBRS) confirmed its AA (sf) rating of the Series A Notes issued by BBVA RMBS 18 FT (the Issuer).

The rating of the Series 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/336184/dbrs-confirms-rating-of-series-a-notes-of-bbva-rmbs-18-ft>

Issuers

BBVA RMBS 18 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 AA (sf) rating level.

BBVA RMBS 18 FT is a securitisation of Spanish residential mortgage loans originated by the Banco Bilbao Vizcaya Argentaria S.A. (BBVA), Catalunya Banc S.A. (CX) and UNIMM Banc (UNIMM) in Spain. BBVA acquired CX in April 2015. Subsequently, CX absorbed and merged with BBVA. The Issuer used the proceeds of the Series A notes and Loan B to fund the purchase of the mortgage portfolio from the Seller. BBVA is also the servicer of the portfolio. In addition, BBVA provided separate additional subordinated loans to fund both the initial expenses and the Reserve Fund.

PORTFOLIO PERFORMANCE

As of September 2018, two- to three-month arrears represented 0.2% of the outstanding portfolio balance, up from 0.1% in March 2018. As of September 2018, the 90+ delinquency ratio was 0.1%, up from 0.0% in March 2018. As of September 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 26.4% and 50.2%, respectively, at the AA (sf) rating level.

CREDIT ENHANCEMENT

As of the September 2018 payment date, credit enhancement to the Series A Notes was 25.0%, up from 23.9% 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

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utilising reserve fund which is available to cover senior expenses as well as interest and principal on the Series A notes until the notes are paid in full. The reserve fund is currently at its target level of EUR 88.2 million.

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 Series 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 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 22 November 2017, when DBRS finalised its provisional ratings of the notes.

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

Information regarding DBRS ratings, including definitions, policies and methodologies is available at 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 8.1% and 37.0%, 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 Series A Notes would be expected to remain at AA (sf), assuming no change in the PD. If the PD increases by 50%, the rating of the Series A Notes would be expected to remain at AA (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 be expected to remain at AA (sf).

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 (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>.

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

Lead Analyst: Francesco Amato, Financial Analyst

Rating Committee Chair: Christian Aufsatz, Managing Director

Initial Rating Date: 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 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 or contact us at info@dbrs.com.

Ratings

Date Issued	Debt Rated	Action	Rating	Trend	Issued i
21-Nov-18	Series A Notes	Confirmed	AA (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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<http://www.dbrs.com/research/225752/highlights.pdf>.

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