

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 **Axesor Conocer para Decidir, S.A. (“Axesor”)**, con fecha 27 de noviembre de 2018, comunica que ha confirmado la calificación asignada a los Bonos emitidos por el Fondo:

- **Bonos: A+ (sf)**

Se adjunta la comunicación emitida por Axesor.

Madrid, 29 de noviembre de 2018.


Bond rating

Issue: 1,584,000,000 €
 Structured Finance RMBS
 Rating
 Coupon: 3M+0.30 %
 Amortization: Sequential

Outlook: No Trend

First rating date: 24/11/2016
 Review date: 27/11/2018

Analysts
Senior Analyst

Gonzalo Ferri Ferri
 gferri@axesor-rating.es

Chief Rating Officer

Julián Villalba Checa
 jvillalba@axesor-rating.es

Content

1. Rating Rationale 3

Executive Summary

BBVA RMBS 17 FT is a granular securitization fund with static pool of first ranking, prime-secured loans, structured under Spanish legislation. The fund's target is to obtain funding and liquidity by issuing bonds. The collateral consists of a portfolio of residential mortgage loans originated by Banco Bilbao Vizcaya Argentaria S.A ("BBVA"). The legal maturity date is August 16, 2066.

Class	Rating	Notional (Thds€)	Coupon	Credit Enhancement	Legal Maturity Date
A	A+	1.406.407	EUR3M+0.30%	17.75%	16/08/2066
Loan B	NR	216.000	EUR3M+0.15%	4.44%	16/08/2066
Reserve Fund	-	72.000			

The rating addresses the timely payment of interest and the ultimate payment of principal on the Class A notes by the legal maturity date established in the prospectus. All figures in the report refer to the pool cut as of 30 September 2018.

Main Figures:

Main figures	
Issuer	BBVA RMBS 17 FT
Purpose	Liquidity and Funding
Fund Type	Closed
Asset Class	Residential Mortgage Loans
Originator/Seller/Service	BBVA
Constitution Date	21/11/2016
Closing Date	23/11/2016
Assets(Thds€)	1.606.658
Liabilities (Thds€)	1.622.407
Listing	AIAF
Settlement	IBERCLEAR
Call	10%
Payment Date	Quarterly (February, May, August, November)
1st Payment Date	16/02/2017
Legal Maturity Date	16/08/2066

Fuentes:BBVA

Sources of information

The credit rating assigned in this report has been requested by the rated entity, which has also taken part in the process. It is based on information provided by the rate entity.

From the time of issuance of the rating, the information provided by the management company, the originator or any other participant in the transaction will be reviewed and monitored as follows:

1. The quality of the Collateral.
2. The level of credit enhancement.
3. Counterparties.
4. Fund's Triggers.

The information was thoroughly reviewed to ensure that it is valid and consistent, and is considered satisfactory. Nevertheless, Axesor Rating assumes no responsibility for the accuracy of the information and the conclusions drawn from it.

Additional information

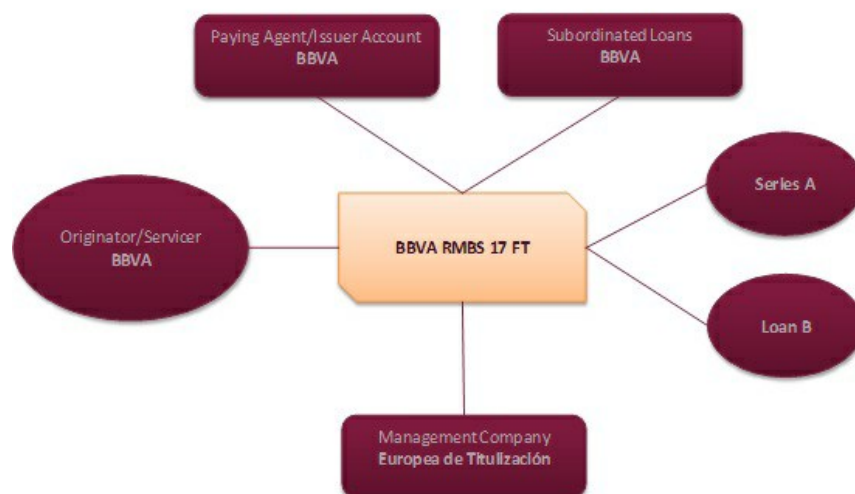
- ▶ The rating was carried out in accordance with Regulation (EC) N° 1060/2009 of the European Parliament and the Council of 16 September 2009, on credit rating agencies, and in accordance with the Structured Finance Rating Methodology that can be consulted on rating.axesor.es/en/about-axesor/methodology and according to the Structured Finance Rating scale available at rating.axesor.es/en/about-axesor/rating-scale.
- ▶ Axesor publishes data on the historical default rates of the rating categories, which are located in the central statistics repository CEREP, of the European Securities and Markets Authority (ESMA).
- ▶ In accordance with Article 6 (2), in conjunction with Annex I, section B (4) of the Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009, it is reported that during the last 12 months axesor has provided ancillary services to related third parties of the rated entity, but not to the rated entity. However, according to our Conflict of Interest Policy, it does not involve a conflict of interest, since the aggregate sale does not exceed 5% of net turnover.

Participants

Participants	Function
Banco Bilbao Vizcaya Argentaria S.A	Originator/Seller
Banco Bilbao Vizcaya Argentaria S.A	Servicer
BBVA and Europea de Titulización S.A	Arranger
Europea de Titulización S.A.	Management Company
Banco Bilbao Vizcaya Argentaria S.A	Paying Agent
Banco Bilbao Vizcaya Argentaria S.A	Issuer Account
Deloitte & Touche España, S.L.	Auditor
Uría Menéndez Abogados S.L.P	Legal Adviser

Fuentes: BBVA

Transaction Diagram



1. Rating Rationale

Axesor rating has affirmed its credit rating to A⁺_(sf) on the notes issued by BBVA RMBS 17 FT.

The rating addresses the timely payment of interests and the ultimate payment of principal on the Class A notes on the legal final maturity of August 2066.

BBVA RMBS 17 FT is a granular cash-flow securitization transaction of a €1.607MM static portfolio of Spanish mortgage loans originated by BBVA. The assets backing the notes are mortgage loans secured by residential properties located in Spain. The portfolio will be serviced by BBVA.

The portfolio has amortized in line with our expectation, at 90.13% of the initial portfolio balance. The portfolio remains granular with over 14,000 mortgages. The constant monthly prepayment rate for the last 3 months is 0.29%. Delinquency levels (over 90 days in arrears) remain very low at levels close to 0% and the pool has no defaulted assets to date due to the long default definition of 18 months.

The pool has exhibited improved credit metrics since the initial closing date and prior reviews. Axesor has recalculated its assumptions for the cash flow analysis. Additionally, Axesor conducted a sensitivity analysis to assess the impact on the rating of changes in the expected default and recovery rates, individually or combined over the base case assumptions.

Class A Sensitivities	
DR +20%	A
DR +40%	A-
RR -20%	A
RR -40%	A-
DR +20%&RR-20%	A
DR+40%&RR-40%	A-

Credit enhancement for the senior tranche has increased to 17.75% from 16.00% at the initial closing, due to the deleveraging of the transaction. Following the application of our credit and cash flow stresses, the available credit enhancement for the senior class notes is commensurate with A⁺_(sf) rating.

The transaction is exposed to counterparty risk through Banco Bilbao Vizcaya Argentaria S.A. as bank account provider and paying agent. The transaction's documented rating requirements for Banco Bilbao Vizcaya Argentaria S.A. under its different roles and its replacement mechanisms, adequately mitigate its exposure to counterparty risk.