Otra información 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 la presente información relevante:

La Agencia de Calificación **Standard & Poor's Global Ratings ("S&P")** con fecha 30 de julio de 2019, comunica que ha elevado las calificaciones asignadas a las siguientes Series de Bonos emitidos por el Fondo:

- **Serie A3**: **AAA (sf)** (anterior **AA- (sf)**)
- **Serie A4**: **AA (sf)** (anterior **A- (sf)**)
- **Serie B:** **A (sf)** (anterior **BBB (sf)**)
- **Serie C**: **BB (sf)** (anterior **B- (sf)**)

Asimismo, S&P ha confirmado la calificación asignada a la restante Serie de Bonos:

- **Serie A2: AAA (sf)**

Se adjunta la comunicación emitida por S&P.

Madrid, 23 de noviembre de 2020.

S&P Global Ratings

(/en_US/web/guest/home)

BBVA RMBS 2 Spanish RMBS Ratings Raised On Four Classes; One Affirmed

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View Analyst Contact Information

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Ratings List

Issuer

BBVA RMBS 2, Fondo de Titulizacion de Activos

Class	Rating to	Rating from
A3	AAA (sf)	AA- (sf)
A4	AA (sf)	A- (sf)
B	A (sf)	BBB (sf)
C	BB (sf)	B- (sf)

Class	Rating
A2	AAA (sf)

Overview

Following our review of BBVA RMBS 2 under our relevant criteria, we have raised our ratings on the class A3, A4, B, and C notes and affirmed our rating on the class A2 notes.

BBVA RMBS 2 is a Spanish RMBS transaction that closed in March 2007, which securitizes a portfolio of first-ranking mortgage loans granted to Spanish residents.

MADRID (S&P Global Ratings) June 30, 2019--S&P Global Ratings today raised to 'AAA (sf)' from 'AA- (sf)', to 'AA (sf)' from 'A- (sf)', to 'A (sf)' from 'BBB (sf)', and to 'BB (sf)' from 'B- (sf)' its ratings on BBVA RMBS 2, Fondo de Titulizacion de Activos' class A3, A4, B, and C notes. At the same time, we affirmed our 'AAA (sf)' rating on the class A2 notes.

Today's rating actions follow the application of our relevant criteria and our full analysis of the most recent transaction information that we have received, and they reflect the transaction's current structural features (see "Related Criteria").

The analytical framework in our revised structured finance sovereign risk criteria assesses a security's ability to withstand a sovereign default scenario (see "Incorporating Sovereign Risk In Rating Structured Finance Securities: Methodology And Assumptions (/en_US/web/guest/article/-/view/sourceId/10836964)," published on Jan. 30, 2019). These criteria classify the sensitivity of this transaction as low. Therefore, the highest rating that we can assign to the tranches in this transaction is six notches above the unsolicited Spanish sovereign rating, or 'AAA (sf)', if certain conditions are met.

In order to rate a structured finance tranche above a sovereign that is rated 'A+' and below, we account for the impact of a sovereign default to determine if under such stress the security continues to meet its obligations. For Spanish transactions, we typically use asset-class specific assumptions from our standard 'A' run to replicate the impact of the sovereign default scenario.

Societe Generale S.A. (Madrid Branch) is the transaction bank account provider while Banco Bilbao Vizcaya (BBVA; A-/Stable/A-2) provides an interest rate swap. The transaction's documented replacement mechanisms adequately mitigate its counterparty risk exposure, up to a 'AAA' rating (see "Counterparty Risk Framework: Methodology And Assumptions (/en_US/web/guest/article/-/view/sourceId/10861340)," published on March 8, 2019).

Our European residential loans criteria, as applicable to Spanish residential loans, establish how our loan-level analysis incorporates our current opinion of the local market outlook (see "Methodology And Assumptions: Assessing Pools Of European Residential Loans (/en_US/web/guest/article/-/view/sourceId/10154538)," published on Aug. 4, 2017). Our current outlook for the Spanish housing and mortgage markets, as well as for the overall economy in Spain, is benign.

Below are the credit analysis results after applying our European residential loans criteria to this transaction.

Credit Analysis Results

BBVA RMBS 2, Fondo de Titulizacion de Activos

Rating level	WAFF (%)	WALS (%)
AAA	12.68	23.33
AA	8.78	16.77
A	6.60	8.31
BBB	4.90	4.93
BB	3.29	3.17
B	2.00	2.00

WAFF--Weighted-average foreclosure frequency. WALS--Weighted-average loss severity.

BBVA RMBS 2's class A2, A3, and A4 notes continue to pay sequentially in that order. Credit enhancement has increased to 92.25% from 81.55%, to 70.75% from 62.11%, and to 12.52% from 9.46% for classes A2, A3, and A4, respectively, based on a sequential paydown within the senior notes, since our last review (see "Various Rating Actions Taken In Spanish RMBS Transaction BBVA RMBS 2 FTA Following Review (/en_US/web/guest/article/-/view/sourceId/10592689)," published July 9, 2018). Similarly, the class B notes' credit enhancement has increased to 6.28% from 3.82%. The class C notes are no longer undercollateralized, and their credit enhancement has increased to 0.74% from -1.20% because the amortization deficit has been cured.

The transaction's performance has improved significantly since our last review. The reserve fund has started to replenish, and it will provide further credit enhancement to the notes. Additionally, the cumulative defaults in the transaction are still far from reaching the interest deferral trigger for the class C notes, set at 10.0%.

BBVA continues to actively service the portfolio, accelerating the recoveries of defaulted assets. That has contributed to eliminating the undercollateralization as well as replenishing the reserve fund.

The borrowers have the option of extending and reducing the maturity of the underlying loans, as well as to request a reduced margin. We have incorporated these flexibilities in our cash flow analysis.

Following the application of our revised criteria, we have determined that our assigned ratings on the classes of notes in this transaction should be the lower of (i) the rating as capped by our sovereign risk criteria, (ii) the rating as capped by our counterparty criteria, or (iii) the rating that the class of notes can attain under our European residential loans criteria.

Under our credit and cash flow analysis, the class A4, B, and C notes could withstand our stresses at a higher rating level than their current ratings; however, the ratings were constrained by additional factors we considered. First, we considered these classes' relative position in the capital structure and their lower and different credit enhancement compared to that of the senior notes. Second, the collateral comprises mortgages originated before the financial crisis, and the transaction has performed worse than the other BBVA deals we rate. We have therefore raised to 'AA (sf)', 'A (sf)', and 'BB (sf)', from 'A- (sf)', 'BBB (sf)', and 'B- (sf)', respectively, our ratings on these classes of notes.

We have raised our rating to 'AAA (sf)' on BBVA RMBS 2's class A3 notes and affirmed our 'AAA (sf)' rating on its class A2 notes. Under our credit and cash flow analysis, the class A2 and A3 notes could withstand our stresses at 'AAA', given the increase in credit enhancement and improved performance.

BBVA RMBS 2 is a Spanish residential mortgage-backed securities transaction, which closed in March 2007. The transaction securitizes a pool of first-ranking mortgage loans granted to prime borrowers, which BBVA originated. The portfolio is mainly located in Catalonia, Andalusia, and Madrid.

Related Criteria

Criteria | Structured Finance | General: Counterparty Risk Framework: Methodology And Assumptions (/en_US/web/guest/article/-/view/sourceId/10861340), March 8, 2019

Criteria | Structured Finance | General: Incorporating Sovereign Risk In Rating Structured Finance Securities: Methodology And Assumptions (/en_US/web/guest/article/-/view/sourceId/10836964), Jan. 30, 2019

Criteria | Structured Finance | General: Methodology And Assumptions: Assessing Pools Of European Residential Loans (/en_US/web/guest/article/-/view/sourceId/10154538), Aug. 4, 2017
Legal Criteria: Structured Finance: Asset Isolation And Special-Purpose Entity Methodology (/en_US/web/guest/article/-/view/sourceId/9733017), March 29, 2017
Criteria | Structured Finance | General: Methodology: Criteria For Global Structured Finance Transactions Subject To A Change In Payment Priorities Or Sale Of Collateral Upon A Nonmonetary EOD (/en_US/web/guest/article/-/view/sourceId/9049216), March 2, 2015
Criteria | Structured Finance | General: Global Framework For Assessing Operational Risk In Structured Finance Transactions (/en_US/web/guest/article/-/view/sourceId/8737366), Oct. 9, 2014
General Criteria: Methodology Applied To Bank Branch-Supported Transactions (/en_US/web/guest/article/-/view/sourceId/8130806), Oct. 14, 2013
Criteria | Structured Finance | General: Global Derivative Agreement Criteria (/en_US/web/guest/article/-/view/sourceId/8058839), June 24, 2013
Criteria - Structured Finance - General: Criteria Methodology Applied To Fees, Expenses, And Indemnifications (/en_US/web/guest/article/-/view/sourceId/7430465), July 12, 2012
General Criteria: Methodology: Credit Stability Criteria (/en_US/web/guest/article/-/view/sourceId/5961504), May 3, 2010
Criteria - Structured Finance - General: Standard & Poor's Revises Criteria Methodology For Servicer Risk Assessment (/en_US/web/guest/article/-/view/sourceId/5428209), May 28, 2009

Related Research

Spain 'A-/A-2' Ratings Affirmed; Outlook Positive (/en_US/web/guest/article/-/view/sourceId/10914629), March 22, 2019
Spanish RMBS Index Report Q1 2019 (/en_US/web/guest/article/-/view/sourceId/10987832), May 28, 2019
Why 2019 Could Be A Good Year For Spanish RMBS Ratings (/en_US/web/guest/article/-/view/sourceId/10866061), Feb. 6, 2019
Various Rating Actions Taken In Spanish RMBS Transaction BBVA RMBS 2 FTA Following Review (/en_US/web/guest/article/-/view/sourceId/10592689), July 9, 2018
Outlook Assumptions For The Spanish Residential Mortgage Market (/en_US/web/guest/article/-/view/sourceId/10501493), April 17, 2018
2017 EMEA RMBS Scenario And Sensitivity Analysis (/en_US/web/guest/article/-/view/sourceId/10156650), July 6, 2017
Global Structured Finance Scenario And Sensitivity Analysis 2016: The Effects Of The Top Five Macroeconomic Factors (/en_US/web/guest/article/-/view/sourceId/9913417), Dec. 16, 2016
European Structured Finance Scenario And Sensitivity Analysis 2016: The Effects Of The Top Five Macroeconomic Factors (/en_US/web/guest/article/-/view/sourceId/9914948), Dec. 16, 2016

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