

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 **Fitch Ratings** (“Fitch”) con fecha 5 de agosto de 2022, comunica que ha confirmado las calificaciones asignadas a las siguientes Series de Bonos emitidos por el Fondo:

- **Serie A3:** **A+sf**
- **Serie A4:** **A+sf**
- **Serie B:** **A-sf**
- **Serie C:** **BBB-sf**

Se adjunta la comunicación emitida por Fitch.

Madrid, 31 de agosto de 2022.

RATING ACTION COMMENTARY

Fitch Upgrades 9 Tranches of BBVA and Santander Spanish RMBS

Fri 05 Aug, 2022 - 9:08 ET

Fitch Ratings - Madrid - 05 Aug 2022: Fitch Ratings has upgraded four tranches of BBVA RMBS 1 and BBVA RMBS 3, and five tranches of Santander Hipotecario 3 Spanish RMBS. The remaining tranches have been affirmed. The Outlooks are Stable. A full list of rating actions is below.

RATING ACTIONS

ENTITY / DEBT ⚡	RATING ⚡	PRIOR ⚡
BBVA RMBS 1, FTA		
Class A3 ES0314147028	LT A+sf Rating Outlook Stable Affirmed	A+sf Rating Outlook Stable

Class B
ES0314147036

LT A+sf Rating Outlook Stable

A-sf Rating
Outlook
Stable

Upgrade

Class C
ES0314147044

LT BBsf Rating Outlook Stable

BB-sf Rating
Outlook
Stable

Upgrade

BBVA RMBS 2, FTA

Class A3
ES0314148026

LT A+sf Rating Outlook Stable

A+sf Rating
Outlook
Stable

Affirmed

Class A4
ES0314148034

LT A+sf Rating Outlook Stable

A+sf Rating
Outlook
Stable

Affirmed

Class B
ES0314148042

LT A-sf Rating Outlook Stable

A-sf Rating
Outlook
Stable

Affirmed

Class C
ES0314148059

LT BBB-sf Rating Outlook Stable

BBB-sf Rating
Outlook
Stable

Affirmed

FTA, Santander
Hipotecario 3

Class A1
ES0338093000

LT BBBsf Rating Outlook Stable

BBsf Rating
Outlook
Stable

Upgrade

Class A2 ES0338093018	LT	BBBsf Rating Outlook Stable		BBsf Rating Outlook Stable
		Upgrade		
Class A3 ES0338093026	LT	BBBsf Rating Outlook Stable		BBsf Rating Outlook Stable
		Upgrade		
Class B ES0338093034	LT	CCCsf	Upgrade	CCsf
Class C ES0338093042	LT	CCsf	Upgrade	Csf
Class D ES0338093059	LT	Csf	Affirmed	Csf
Class E ES0338093067	LT	Csf	Affirmed	Csf
Class F (RF) ES0338093075	LT	Csf	Affirmed	Csf
BBVA RMBS 3, FTA				
A2 ES0314149016	LT	BBBsf Rating Outlook Stable		BB+sf Rating Outlook Stable
		Upgrade		
B ES0314149032	LT	CCCsf	Upgrade	CCsf
C ES0314149040	LT	Csf	Affirmed	Csf

KEY RATING DRIVERS

Credit Enhancement to Increase: The rating actions reflect Fitch's view that the notes are sufficiently protected by credit enhancement (CE) to absorb the projected losses commensurate with prevailing and higher rating scenarios, despite CE for BBVA 1 and 2 dropping due to the switch to pro-rata amortisation and reserve fund (RF) amortisation.

Both transactions feature a reverse sequential mechanism that envisages tranche thickness targets for the class B notes (9.6% for BBVA 1, currently 16.1%, and 4.5% for BBVA 2, met) and class C notes (6.8% for BBVA 1, currently 11.4%, and 4.0% for BBVA 2, met). Fitch expects CE for BBVA 1 to decrease to around 20.3% for the class B notes and 10.7% for the class C notes (currently 30.9% and 14.8%, respectively), when the thickness targets are met. Once the targets are met, we expect CE levels to start increasing. For BBVA 3 and Santander 3, we expect CE to continue increasing given the prevailing sequential amortisation of the notes.

Switch to Pro-Rata Amortisation: BBVA 1 and 2 notes' amortisation switched to pro-rata with reverse sequential mechanism that envisions tranche thickness targets since last review (Jun-22 and Sep-21, respectively). Combined with RF amortisation, the switch led to a short-term decrease in CE levels.

Weaker Than Expected Recoveries: Fitch has applied a 25% haircut to the asset model estimated recovery rates (RR) for the BBVA RMBS transactions, considering the record of cumulative recoveries on defaults of about 34% as per the latest reporting date, which compares with an average of about 65% for the rest of Fitch-rated Spanish RMBS transactions. This is a variation from the European RMBS Criteria and has a maximum model-implied rating impact of minus four notches (BBVA 2's class B and C notes).

Payment Interruption Risk Caps Ratings: The transactions remain exposed to unmitigated payment interruption risk in the event of a servicer disruption, as Fitch deems the available structural mitigants insufficient to cover stressed senior fees, net swap payments and senior note interest due amounts while an alternative servicer arrangement is implemented. As a result, the maximum achievable rating remains 'A+sf', as per Fitch's Structured Finance and Covered Bonds Counterparty Rating Criteria.

BBVA 1 and BBVA 2 have an Environmental, Social and Governance (ESG) Relevance Score of '5' for Transaction & Collateral Structure due to unmitigated payment

interruption risk, which has a negative impact on the credit profile, and is highly relevant to the rating, resulting in a downward adjustment to the ratings of at least one notch.

BBVA 3 has an ESG Relevance Score of '4' for Transaction & Collateral Structure due to exposure to payment interruption risk, which could have a negative impact on the credit profile and is relevant to the ratings in conjunction with other factors. In addition, it has an ESG Relevance Score of '4' for Transaction Parties & Operational Risk due to the breach of account bank replacement triggers, which has a negative impact on the credit profile, and is relevant to the ratings in conjunction with other factors.

RATING SENSITIVITIES

Factors that could, individually or collectively, lead to negative rating action/downgrade:

The transactions' performance may be affected by changes in market conditions and economic environment. Weakening economic performance is strongly correlated to increasing levels of delinquencies and defaults that could reduce CE available to the notes. Unanticipated declines in recoveries could also result in lower net proceeds, which may make certain notes susceptible to negative rating action, depending on the extent of the decline in recoveries.

Fitch conducts sensitivity analyses by stressing both a transaction's base-case foreclosure frequency (FF) and RR assumptions, and examining the rating implications on all classes of issued notes. A 15% increase in WAFF and a 15% decrease in WARR indicate downgrades of up to five notches on the notes.

Factors that could, individually or collectively, lead to positive rating action/upgrade:

Stable to improved asset performance driven by stable delinquencies and defaults would lead to increasing CE levels and, potentially, upgrades. A decrease in WAFF of 15% and an increase in WARR of 15% indicate upgrades of no more than three notches on the notes.

For the senior notes, improved liquidity protection against a servicer disruption event. This because the ratings are currently capped at 'A+sf' due to unmitigated payment interruption risk.

BEST/WORST CASE RATING SCENARIO

International scale credit ratings of Structured Finance transactions have a best-case rating upgrade scenario (defined as the 99th percentile of rating transitions, measured in a positive direction) of seven notches over a three-year rating horizon; and a worst-case rating downgrade scenario (defined as the 99th percentile of rating transitions, measured in a negative direction) of seven notches over three years. The complete span of best- and worst-case scenario credit ratings for all rating categories ranges from 'AAAsf' to 'Dsf'. Best- and worst-case scenario credit ratings are based on historical performance. For more information about the methodology used to determine sector-specific best- and worst-case scenario credit ratings, visit <https://www.fitchratings.com/site/re/10111579>.

CRITERIA VARIATION

Fitch has applied a 25% haircut to the asset model estimated RR for the BBVA RMBS transactions, considering the record of cumulative recoveries on defaults of about 30 to 40% as per the latest reporting date. This compares with an average of about 65% for the rest of Spanish RMBS transactions rated by Fitch. This is a variation from the European RMBS Criteria and has a maximum model-implied rating impact of minus four notches (BBVA 2's class B and C notes).

USE OF THIRD PARTY DUE DILIGENCE PURSUANT TO SEC RULE 17G -10

Form ABS Due Diligence-15E was not provided to, or reviewed by, Fitch in relation to this rating action.

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. 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.

Fitch did not undertake a review of the information provided about the underlying asset pools ahead of the transactions' initial closing. The subsequent performance of the transactions over the years is consistent with the agency's expectations given the operating environment and Fitch is therefore satisfied that the asset pool information relied upon for its initial rating analysis was adequately reliable.

Overall, and together with any assumptions referred to above, 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.

REFERENCES FOR SUBSTANTIALLY MATERIAL SOURCE CITED AS KEY DRIVER OF RATING

The principal sources of information used in the analysis are described in the Applicable Criteria.

ESG CONSIDERATIONS

BBVA RMBS 1, FTA has an ESG Relevance Score of '5' for Transaction & Collateral Structure due to unmitigated payment interruption risk, which has a negative impact on the credit profile, and is highly relevant to the rating, resulting in a downward adjustment to the ratings of at least one notch.

BBVA RMBS 2, FTA has an ESG Relevance Score of '5' for Transaction & Collateral Structure due to unmitigated payment interruption risk, which has a negative impact on the credit profile, and is highly relevant to the rating, resulting in a downward adjustment to the ratings of at least one notch.

BBVA RMBS 3, FTA has an ESG Relevance Score of '4' for Transaction & Collateral Structure due to exposure to payment interruption risk, which could have a negative impact on the credit profile and is relevant to the ratings in conjunction with other factors. In addition, it has an ESG Relevance Score of '4' for Transaction Parties & Operational Risk due to the breach of account bank replacement triggers, which has a negative impact on the credit profile, and is relevant to the ratings in conjunction with other factors.

Unless otherwise disclosed in this section, the highest level of ESG credit relevance is a score of '3'. This means ESG issues are credit-neutral or have only a minimal credit impact on the entity, either due to their nature or the way in which they are being managed by the entity. For more information on Fitch's ESG Relevance Scores, visit www.fitchratings.com/esg

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APPLICABLE CRITERIA

[Structured Finance and Covered Bonds Interest Rate Stresses Rating Criteria \(pub. 20 Sep 2021\)](#)

[Global Structured Finance Rating Criteria \(pub. 26 Oct 2021\) \(including rating assumption sensitivity\)](#)

[European RMBS Rating Criteria \(pub. 23 May 2022\) \(including rating assumption sensitivity\)](#)

[Structured Finance and Covered Bonds Country Risk Rating Criteria \(pub. 15 Jul 2022\)](#)

[Structured Finance and Covered Bonds Counterparty Rating Criteria \(pub. 29 Jul 2022\)](#)

[Structured Finance and Covered Bonds Counterparty Rating Criteria: Derivative Addendum \(pub. 01 Aug 2022\)](#)

APPLICABLE MODELS

Numbers in parentheses accompanying applicable model(s) contain hyperlinks to criteria providing description of model(s).

Multi-Asset Cash Flow Model, v2.12.2 (1)

ResiGlobal Model: Europe, v1.8.1 (1)

ADDITIONAL DISCLOSURES

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ENDORSEMENT STATUS

BBVA RMBS 1, FTA	EU Issued, UK Endorsed
BBVA RMBS 2, FTA	EU Issued, UK Endorsed
BBVA RMBS 3, FTA	EU Issued, UK Endorsed
FTA, Santander Hipotecario 3	EU Issued, UK Endorsed

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Structured Finance Structured Finance: RMBS Europe Spain
