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 mayo de 2023, comunica que ha elevado la calificación asignada a la siguiente Serie de Bonos emitidos por el Fondo:

- **Serie C**: **BBB+sf** (anterior **BBB-sf**)

Asimismo, Fitch ha confirmado la calificación asignada a las restantes Series de Bonos:

- **Serie A4: A+sf**
- **Serie B: A-sf**

Se adjunta la comunicación emitida por Fitch.

Madrid, 8 de mayo de 2023.

FitchRatings

RATING ACTION COMMENTARY

Fitch Upgrades 6 Tranches of 4 Spanish RMBS

Fri 05 May, 2023 - 10:12 ET

Fitch Ratings - Madrid - 05 May 2023: Fitch Ratings has upgraded six tranches of BBVA RMBS 1, BBVA RMBS 2, BBVA RMBS 3 and Santander Hipotecario 3. The remaining tranches have been affirmed. The Rating Outlooks are Stable. A full list of rating actions is detailed 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	Affirmed	A+sf Rating Outlook Stable
Class C ES0314147044	LT	BBBsf Rating Outlook Stable	Upgrade	BBsf Rating Outlook Stable
BBVA RMBS 2, FTA				
Class A4 ES0314148034	LT	A+sf Rating Outlook Stable	Affirmed	A+sf Rating Outlook Stable
Class B ES0314148042	LT	A-sf Rating Outlook Stable	Affirmed	A-sf Rating Outlook Stable
Class C ES0314148059	LT	BBB+sf Rating Outlook Stable	Upgrade	BBB-sf Rating Outlook Stable

FTA, Santander Hipotecario 3				
Class A1 ES0338093000	LT	A-sf Rating Outlook Stable	Upgrade	BBBsf Rating Outlook Stable
Class A2 ES0338093018	LT	A-sf Rating Outlook Stable	Upgrade	BBBsf Rating Outlook Stable
Class A3 ES0338093026	LT	A-sf Rating Outlook Stable	Upgrade	BBBsf Rating Outlook Stable
Class B ES0338093034	LT	CCCsf	Affirmed	CCCsf
Class C ES0338093042	LT	CCsf	Affirmed	CCsf
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	A-sf Rating Outlook Stable	Upgrade	BBBsf Rating Outlook Stable
B ES0314149032	LT	CCCsf	Affirmed	CCCsf
C ES0314149040	LT	Csf	Affirmed	Csf

VIEW ADDITIONAL RATING DETAILS

TRANSACTION SUMMARY

The transactions comprise Spanish mortgages serviced by Banco Bilbao Vizcaya Argentaria S.A. (BBB+/Stable/F2) and Banco Santander S.A. (A-/Stable/F2).

KEY RATING DRIVERS

Iberian Recovery-Rate Assumptions Updated: In the update of its European RMBS Rating Criteria amended on 29 March 2023, Fitch updated its recovery rate assumptions for Spain. The changes reduced the house price decline and foreclosure sale adjustment assumptions, which has a positive impact on recovery rates and, consequently, Fitch's expected loss in Spanish RMBS transactions.

The upgrades of BBVA 1 and BBVA 2 class C notes, and BBVA 3 and Santander 3 class A notes reflect the updated criteria. These, alongside with BBVA 2 class B notes, have therefore been removed from Under Criteria Observation.

Payment Interruption Risk: Fitch views the transactions as being exposed to payment interruption risk in the event of a servicer disruption. In times of economic stress, we expect the available reserve funds (which remain fully depleted for BBVA 3 and Santander 3 and do not have a sufficiently robust performance record for BBVA 1 and BBVA 2) to be insufficient to cover senior fees, net swap payments and senior notes' interest during the period needed to implement alternative servicing arrangements. The notes' maximum achievable ratings are commensurate with the 'Asf' category, in line with Fitch's Structured Finance and Covered Bonds Counterparty Rating Criteria.

Counterparty Risk Constraints: For the BBVA deals the derivative provider has not complied with contractually defined minimum ratings and remedial actions, resulting in the ratings of each bond being capped at the higher of the counterparty's applicable rating (BBVA, Derivative Counterparty Rating A-) and the rating that can be supported by transaction cash flows on an unhedged basis. This is in accordance with Fitch's Structure Finance and Covered Bonds Counterparty Rating Criteria as we view the derivatives as material for the rating analysis.

Moreover, BBVA 3's class A2 notes are also capped at 'A+sf', reflecting the absence of counterparty remedial actions when the transaction account bank (BBVA, which is an operational continuity bank) failed to meet the contractually defined minimum ratings. Nonetheless, this rating cap is not a driver of the prevailing rating as it is higher than the 'A-' cap linked to the derivative analysis.

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 their corresponding ratings. For BBVA 1, Fitch expects CE to decrease to around 20.3% for the class A notes and 10.7% for the class B notes (currently at 25.5% and 12.7%, respectively), driven by the pro-rata amortisation features with a reverse sequential mechanism until the targeted shares of the notes as a percentage of the total current note balances are met. Once the targets are met, CE levels are expected to remain broadly stable as it is the current situation for BBVA 2. For BBVA 3, we expect CE to continue increasing given the prevailing sequential amortisation of the notes.

The negative CE ratios on BBVA 3's and Santander 3's class B and lower notes, are reflected in the low sub-investment-grade ratings on the notes.

Mild Weakening in Asset Performance: The rating actions reflect Fitch's expectation of a mild deterioration of asset performance, as weaker macroeconomic conditions and inflationary pressures erode real household wages and disposable income, especially for more vulnerable borrowers like self-employed individuals.

The transactions have low shares of loans in arrears over 90 days (less than 0.5% as of the latest reporting dates) and are protected by substantial portfolio seasoning of more than 15 years. Nevertheless, rising interest rates may contribute to downside performance risk as the majority of the loans within the deals are floating-rate mortgages, which are exposed to payment shocks.

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, resulting in a downward adjustment to the ratings by at least one notch.

RATING SENSITIVITIES

Factors that Could, Individually or Collectively, Lead to Negative Rating Action/Downgrade

-Long-term asset performance deterioration such as increased delinquencies or larger defaults, which could be driven by changes to macroeconomic conditions, interest-rate increases or borrower behaviour

Factors that Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade

-For the senior notes that remain capped at 'A+sf' due to unmitigated payment interruption risk, improved liquidity protection against a servicer disruption event could support upgrades

- Remedial actions on the transaction account bank and derivative provider that became ineligible as per contractually defined triggers

-Increase in CE, as the transactions deleverage, to fully compensate for the credit losses and cash-flow stresses that are commensurate with higher ratings, all else being equal

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 recovery rates for the BBVA RMBS transactions, considering the record of cumulative recoveries on defaults of about 34% as per the latest reporting date. This compares against an average of about 65% observed 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 two notches.

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.

For Santander 3, because the latest loan-by-loan portfolio data sourced from the trustee included original property valuations that deviated materially from the values considered historically linked to an original loan to value of around 92%, Fitch used the prior loan level data available and removed loans that would have amortised to date. Fitch views the ResiGlobal model output of this transaction to adequately capture the risky attributes of the portfolio, which is also influenced by the high granularity of the portfolio and its static nature.

PUBLIC RATINGS WITH CREDIT LINKAGE TO OTHER RATINGS

BBVA 2 class B and BBVA 3 class A2 note ratings are capped at and linked to BBVA's 'A-' Derivative Counterparty Rating, given the absence of remedial actions after the derivative provider breached contractual minimum ratings.

ESG CONSIDERATIONS

BBVA 1 and BBVA 2 have 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 by at least one notch.

In addition, these transactions have an ESG Relevance Score of '4' for Transaction Parties & Operational Risk due to the breach of the derivative provider's minimum ratings, which has a negative impact on the credit profile, and is relevant to the ratings in conjunction with other factors.

BBVA 3 has an ESG Relevance Score of '4' for Transaction & Collateral Structure due to the exposure to payment interruption risk, which has 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 the account bank replacement triggers and the derivative provider's minimum ratings, which has a negative impact on the credit profile, and is relevant to the ratings in conjunction with other factors.

Santander 3 has an ESG Relevance Score of '4' for Transaction & Collateral Structure due to exposure to payment interruption risk, which has a negative impact on the credit profile, and is relevant to the ratings in conjunction with other factors.

FTA, Santander Hipotecario 3 has an ESG Relevance Score of '4' for Transaction Parties & Operational Risk due to the breach of the 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 Counterparty Rating Criteria: Derivative Addendum (pub. 01 Aug 2022)

Structured Finance and Covered Bonds Interest Rate Stresses Rating Criteria (pub. 28 Dec 2022)

Structured Finance and Covered Bonds Country Risk Rating Criteria (pub. 10 Feb 2023)

Global Structured Finance Rating Criteria (pub. 01 Mar 2023) (including rating assumption sensitivity)

Structured Finance and Covered Bonds Counterparty Rating Criteria (pub. 14 Mar 2023)

European RMBS Rating Criteria - Amended (pub. 29 Mar 2023) (including rating assumption sensitivity)

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, v1.8.6 (1)

ADDITIONAL DISCLOSURES

Dodd-Frank Rating Information Disclosure Form

Solicitation Status

Endorsement Policy

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

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