

Otra información relevante de**BBVA RMBS 16 FONDO DE TITULIZACIÓN**

En virtud de lo establecido en el Folleto Informativo de **BBVA RMBS 16 FONDO DE TITULIZACIÓN** (el “Fondo”) se comunica a la COMISIÓN NACIONAL DEL MERCADO DE VALORES la presente información relevante:

- La Agencia de Calificación **AXESOR RISK MANAGEMENT S.L.U** (“**Axesor**”), con fecha 4 de mayo de 2020, comunica que mantiene la calificación asignada los Bonos emitidos por el Fondo:

- **Serie A: AA(sf)**

Se adjunta la comunicación emitida por Axesor.

Madrid, 4 de mayo de 2020.



Structured Finance

RMBS

Issue: 1,344,000,000 EUR

Coupon: EUR3M + 0.50%

Amortization: sequential

First rating date: 10/05/2016

Review date: 04/05/2020

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Executive Summary

BBVA RMBS 16 FT (the "Fund") is a granular securitisation fund with a static pool of first-ranking residential mortgage loans granted to individuals, secured over properties located in Spain and structured under Spanish legislation. The fund's target was to obtain funding and liquidity by issuing bonds. The residential mortgage loans were originated by Banco Bilbao Vizcaya Argentaria S.A ("BBVA") and assigned to the Fund on May 2016. BBVA is the servicer of the mortgage loans. The transaction is managed by Europea de Titulización, S.A., SGFT ("EdT"). The legal maturity date is August 17, 2064.

Class	Rating	Outstanding Principal Balance (€)	Coupon	Credit Enhancement ¹	Legal Maturity Date
A	AA _(sf)	977,042,035	EUR 3M + 0.50%	25.95%	17/08/2064
Loan B	NR ²	256,000,000	EUR 3M + 0.15%	20.76%	17/08/2064
Reserve Fund	-	64,000,000			

¹* Credit enhancement as of last payment date (17/02/2020).

²* NR = Non-rated

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 regarding the Notes, refer to the last payment date 17/02/2020. The figures in the report related to the collateral, refer to the end of February 2020.

Main Figures:

Main figures	
Issuer	BBVA RMBS 16 FT
Purpose	Liquidity and Funding
Asset class	Residential Mortgage Loans
Originator/Seller/Servicer	BBVA
Constitution Date	09/05/2016
Closing Date	11/05/2016
Assets balance (as of 29/02/2020)	€ 1,228,300,228.24
Series A Notes balance + Loan B balance	€ 1,233,042,035.20
Listing	AIAF
Settlement	IBERCLEAR
Clean-Up Call	10%
Payment Date	Quarterly (February, May, August, November)

Source: EdT

Content

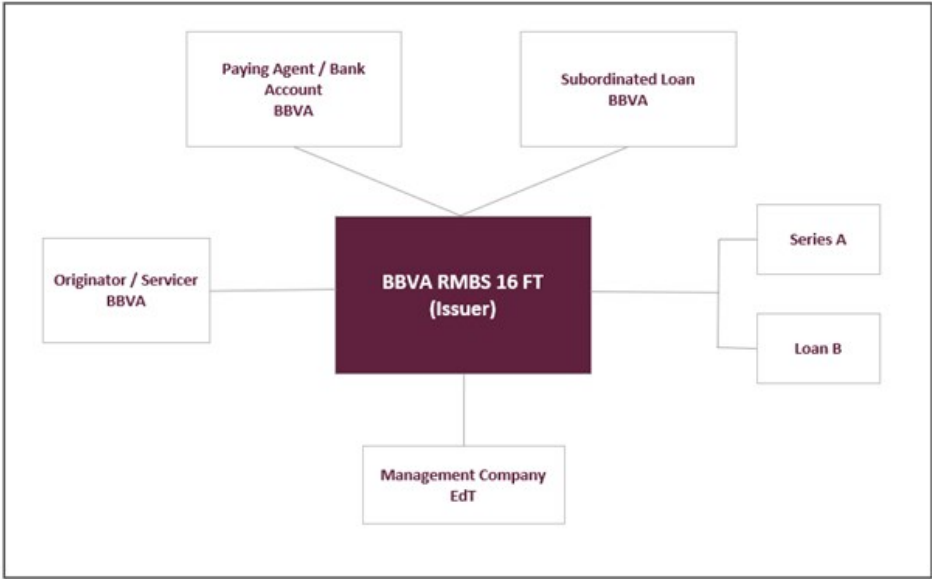
1. Rating Rationale 3

Participants

Participants	Role
Banco Bilbao Vizcaya Argentaria, S.A.	Originator/Seller
Banco Bilbao Vizcaya Argentaria, S.A.	Servicer
BBVA and EdT	Arrangers
Europea de Titulización S.A., SGFT	Management Company
Banco Bilbao Vizcaya Argentaria S.A	Paying Agent
Banco Bilbao Vizcaya Argentaria S.A	Bank Account
Deloitte & Touche España, S.L..	Auditor of the assets assigned to the Fund
J&A Garrigues, S.L.P	Legal Advisor

Source: EdT

Transaction Diagram



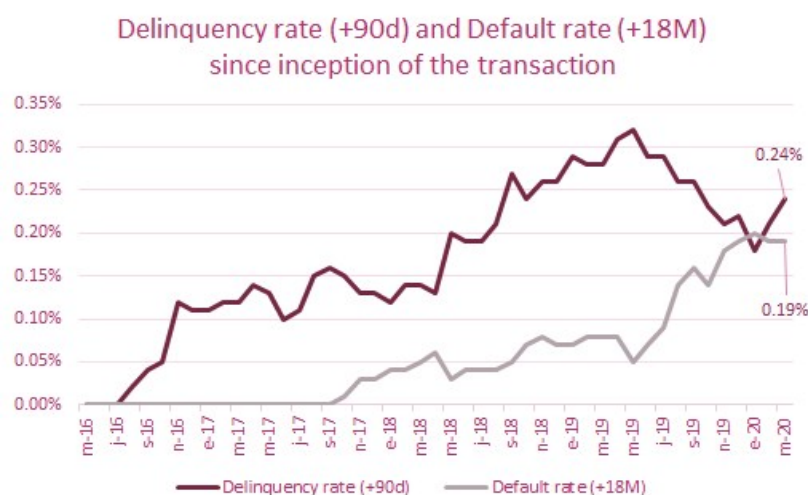
1. Rating Rationale

Axesor rating has affirmed the rating $AA_{(sf)}$ for the Series A Notes issued by BBVA RMBS 16 FT.

The rating addresses the timely payment of interest and the ultimate payment of principal on Series A Notes on the legal final maturity of August 2064.

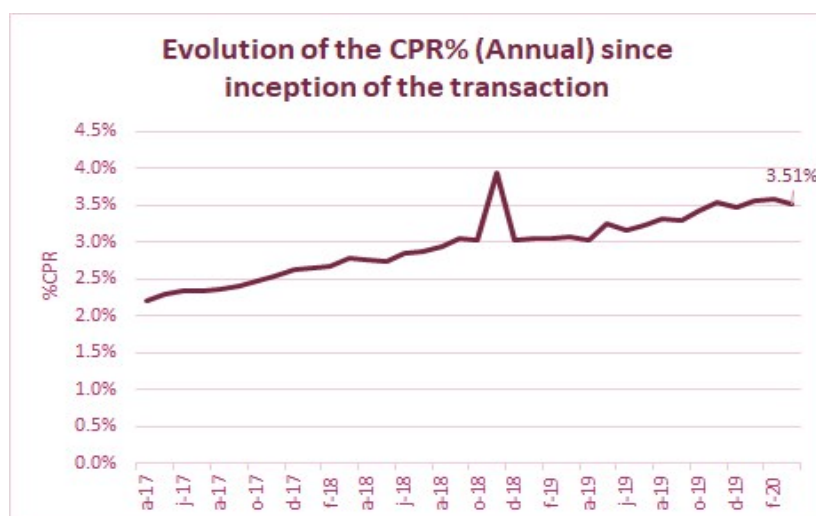
BBVA RMBS 16 FT is a granular cash-flow securitization transaction of a € 1,600 MM at issuance date of a static portfolio of mortgage loans secured by residential properties located in Spain. The mortgage loans were originated by BBVA. The servicer of the portfolio is BBVA.

The portfolio has amortised in line with our expectation, at 77.06% of the initial portfolio balance. The portfolio remains granular with 10,229 outstanding mortgage loans at month-end closing of February 2020. As of 31 March 2020, the portfolio reported a low delinquency ratio +90d and up to +18m of 0.24% and a default rate of 0.19% (2,3MM of outstanding balance). The following graph shows the evolution of both, the dynamic delinquency rate and the default rate, since the inception of the transaction:



Source: EdT

Regarding the annual conditional prepayment rate (CPR%), has experienced a light increase until reaching the 3.51% rate (compared to the previous 3.04% level reported one year ago).



Source: EdT

Credit enhancement for the Series A Notes has increased from 20.00% at the initial closing up to the current 25.95% level, due to the deleveraging of the transaction. The credit enhancement is mainly provided by the current subordination of the Loan B (20.76%) and the reserve fund (5.19%). According to the results of the application of our credit and cash flow stresses, the available credit enhancement for the Series A Notes commensurate with a AA_(sf) rating.

The outbreak of the coronavirus disease (Covid-19) could negatively impact some transaction metrics, such as the delinquency or the default rates, in the following months. However, such impact is still uncertain, and the economic performance for the rest of 2020 and the following year, will depend on the pandemic evolution in the coming weeks. As recently published, Axesor expects a deep contraction of the economy at least of -5,5% in 2020 due to the foreseeable extension health crisis of its negative effects towards the summer season. This scenario is still conditioned by the significant uncertainties surrounding forecasts that are very sensitive to the real length of this health crisis and the lockdown measures that accompany it as well as their recent reinforcement by limiting all physical economic activity except for those defined as essential by the Royal Decree-Law that approved the state of alarm. The Covid-19 and the resulting lockdown measures have caused a contraction in the Spanish economy, leading to sharp increases in unemployment rates and income reductions for many borrowers. Axesor anticipates that the delinquency rate could rise in the coming months.

On 17 March 2020, the Spanish government approved the Royal Decree-Law 8/2020 that, among other measures, offered one month mortgage moratorium to borrowers affected by the coronavirus outbreak. Later, on 31 March 2020, the Spanish government also approved the Royal Decree-Law 11/2020, which extended the mortgage moratorium up to 3 months. However, some requirements have to be fulfilled in order to make borrowers eligible for the moratorium payment. Unfortunately, at the date of the present report, we have no data in order to assess how many borrowers in the transaction have applied for it and are eligible for the moratorium payment. It is important to keep in mind that the payment moratorium only applies to mortgages on primary homes.

The subordination of the Loan B and the reserve fund (fully replenished at its required level) will allow the Fund to better manage timing mismatches between available portfolio collections and payment obligations.

The rating of the notes reflect the stability in the pool's credit performance. Axesor has updated its assumptions for the cash flow analysis (a PD of 3.40% which resulted in default rate of 20.1% for AA_(sf) scenario). Additionally, in order to assess the rating impact due to changes in the expected default and recovery rates, either individually or combined, over the base case assumptions, Axesor conducted a sensitivity analysis

Sensitivity Analysis	Series A Notes rating
DR +20%	AA _(sf)
DR +40%	A _(sf)
RR -20%	AA _(sf)
RR -40%	AA _(sf)
DR +20% & RR-20%	A _(sf)
DR+40% & RR-40%	A _(sf)

The transaction is exposed to counterparty risk through BBVA as bank account provider and paying agent. The transaction's documented rating requirements for BBVA under its different roles and its replacement mechanisms, adequately mitigate its exposure to counterparty risk. On 17/12/2019 Axesor confirmed the long term credit rating of BBVA at A+.

Regulatory information

Sources of information

The credit rating assigned in this report has been made solicited by the originator of the assets, taking part in the process. The credit rating is based in:

1. Public information from public access sources.
2. Information provided by the originator of assets assigned or that shall be assigned to the securitization fund.

From the time of the assignment of the credit rating, all information provided by the originator of the assets, by the servicer of the assets (other than the originator) or by a third participant in the transaction, shall be reviewed and analyzed with the aim to assess the following issues:

1. The performance of the credit quality of the assets comprising the collateral of the Fund.
2. The level of credit enhancement.
3. The evolution of the quantitative triggers of the Fund.
4. The evolution of the qualitative triggers (counterparty risks).

The information has been thoroughly reviewed to ensure that it is valid, coherent and consistent and it is considered as satisfactory. Nevertheless, Axesor Rating assumes no responsibility for the accuracy of the information provided 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 www.axesor-rating.com/en/about-axesor/methodology and according to the Structured Finance Rating scale available at www.axesor-rating.com/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.
- The issued credit rating has been notified to the rated entity, and has not been modified since.

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