

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 **S&P Global Ratings (“S&P”)** con fecha 18 de febrero de 2021, comunica que ha elevado las calificaciones asignadas a las siguientes Series de Bonos emitidos por el Fondo:

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

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

- **Serie A3: AAA (sf)**

Se adjunta la comunicación emitida por S&P.

Madrid, 19 de febrero de 2021.

BBVA RMBS 2 Spanish Ratings Raised On Three Classes; One Class Affirmed Following Criteria Revision

February 18, 2021

Overview

- We have reviewed BBVA RMBS 2 following the expansion of the global RMBS criteria's scope to include Spain, among other countries.
- We have raised our ratings on the class A4, B, and C notes. At the same time, we have affirmed our rating on the class A3 notes.
- BBVA RMBS 2 is a Spanish RMBS transaction, which closed in March 2007 and securitizes first-ranking mortgage loans. Banco Bilbao Vizcaya Argentaria originated the pool, which comprises loans granted to prime borrowers, mainly located in Catalonia, Andalucia, and Madrid.

MADRID (S&P Global Ratings) Feb. 18, 2021--S&P Global Ratings today raised its credit ratings on BBVA RMBS 2's class A4, B, and C notes to 'AAA (sf)' from 'AA+ (sf)', to 'AA (sf)' from 'A+ (sf)', and to 'BBB (sf)' from 'BB+ (sf)', respectively. At the same time, we have affirmed our 'AAA (sf)' rating on the class A3 notes.

Today's rating actions follow the implementation of our revised criteria and assumptions for assessing pools of Spanish residential loans (see "Related Criteria"). They also reflect our full analysis of the most recent information that we have received and the transaction's current structural features.

Upon expanding our global RMBS criteria to include Spanish transactions, we placed our ratings on the class A4, B, and C notes under criteria observation. Following our review of the transaction's performance and the application of our updated criteria for rating Spanish RMBS transactions, the ratings are no longer under criteria observation.

Our weighted-average foreclosure frequency (WAFF) assumptions have decreased due to the calculation of the effective loan-to-value (LTV) ratio, which is based on 80% original LTV (OLTV) and 20% current LTV (CLTV). Under our previous criteria, we used only the OLTV. Our WAFF assumptions also declined because of the transaction's decrease in arrears. In addition, our weighted-average loss severity (WALS) assumptions have decreased, due to the lower CLTV and lower market value declines. The reduction in our WALS is partially offset by the increase in our foreclosure cost assumptions.

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Table 1

Credit Analysis Results

Rating	WAFF (%)	WALS (%)	Credit coverage (%)
AAA	9.55	5.75	0.55
AA	6.62	3.78	0.25
A	5.16	2.00	0.10
BBB	3.99	2.00	0.08
BB	2.77	2.00	0.06
B	1.91	2.00	0.04

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

Loan-level arrears are low at 1.41%. Overall delinquencies remain well below our Spanish RMBS index (see "Related Research").

Cumulative defaults, defined as loans in arrears for a period equal to or greater than 12 months, represent 6.42% of the closing pool balance. The interest deferral trigger for class C is not at risk of being breached because it is defined at 10%, and we do not expect that this level will be reached in the near term.

Our analysis also considers the transaction's sensitivity to the potential repercussions of the coronavirus outbreak. Of the pool, 7% of loans are on payment holidays under the Spanish sectorial moratorium schemes, and the proportion of loans with either legal or sectorial payment holidays has remained higher than the market average, which is below 5%. The government approved a new payment holiday scheme available until March 31, 2021, where the payment holidays could last up to three months. In our analysis, we considered the potential impact of this extension and the liquidity risk the payment holidays could present should they become arrears in the future.

Our operational, counterparty, rating above the sovereign, and legal risk analyses remain unchanged since our last review. Therefore, the ratings assigned are not capped by any of these criteria.

The servicer, BBVA, has a standardized, integrated, and centralized servicing platform. It is a servicer for many Spanish RMBS transactions, and its transactions' historical performance has outperformed our Spanish RMBS index.

Credit enhancement available in BBVA RMBS 2 has increased since our previous review because:

- The sequential amortization of the notes; and
- The reserve fund has been replenished to 88.3% of its target level in December 2020. The reserve fund was fully depleted from September 2010 to September 2018, as it was used to provision for loans in foreclosure and in arrears over 12 months.

Our analysis indicates that the credit enhancement available for class A3 and A4 is commensurate with our 'AAA' rating. We have therefore affirmed our 'AAA (sf)' on class A3 and raised to 'AAA (sf)' from 'AA+ (sf)' the rating on class A4.

We have raised to 'AA (sf)' from 'A+ (sf)' and to 'BBB (sf)' from 'BB+ (sf)' our ratings on the class B and C notes, respectively. These notes could withstand stresses at higher ratings under our credit and cash flow analysis; however, we have limited our upgrade based on their overall credit

enhancement and position in the waterfall, the deterioration in the macroeconomic environment, and the risk that payment holidays could become arrears in the future.

S&P Global Ratings believes there remains high, albeit moderating, uncertainty about the evolution of the coronavirus pandemic and its economic effects. Vaccine production is ramping up and rollouts are gathering pace around the world. Widespread immunization, which will help pave the way for a return to more normal levels of social and economic activity, looks to be achievable by most developed economies by the end of the third quarter. However, some emerging markets may only be able to achieve widespread immunization by year-end or later. We use these assumptions about vaccine timing in assessing the economic and credit implications associated with the pandemic (see our research here: www.spglobal.com/ratings). As the situation evolves, we will update our assumptions and estimates accordingly.

Related Criteria

- Criteria | Structured Finance | General: Global Framework For Payment Structure And Cash Flow Analysis Of Structured Finance Securities, Dec. 22, 2020
- Criteria | Structured Finance | General: Methodology To Derive Stressed Interest Rates In Structured Finance, Oct. 18, 2019
- Criteria | Structured Finance | General: Counterparty Risk Framework: Methodology And Assumptions, March 8, 2019
- Criteria | Structured Finance | General: Incorporating Sovereign Risk In Rating Structured Finance Securities: Methodology And Assumptions, Jan. 30, 2019
- Criteria | Structured Finance | RMBS: Global Methodology And Assumptions: Assessing Pools Of Residential Loans, Jan. 25, 2019
- Legal Criteria: Structured Finance: Asset Isolation And Special-Purpose Entity Methodology, March 29, 2017
- Criteria | Structured Finance | General: Global Framework For Assessing Operational Risk In Structured Finance Transactions, Oct. 9, 2014
- General Criteria: Methodology Applied To Bank Branch-Supported Transactions, Oct. 14, 2013
- Criteria | Structured Finance | General: Global Derivative Agreement Criteria, June 24, 2013
- General Criteria: Principles Of Credit Ratings, Feb. 16, 2011
- Criteria | Structured Finance | General: Methodology For Servicer Risk Assessment, May 28, 2009

Related Research

- European RMBS Outlook 2021, Jan. 25, 2021
- Spanish Banks Need To Bolster Provisions, Cut Costs, And Preserve Capital In 2021, Jan. 25, 2021
- Certain Italian, Portuguese, And Spanish RMBS Ratings Placed Under Criteria Observation Due To Criteria Update, Jan. 8, 2021
- Global Criteria For Assessing Pools Of Residential Loans Updated To Include Seven European

BBVA RMBS 2 Spanish Ratings Raised On Three Classes; One Class Affirmed Following Criteria Revision

Jurisdictions, Jan. 8, 2021

- S&P Global Ratings Definitions, Jan. 5, 2021
- Spanish RMBS Index Report Q3 2020, Dec. 11, 2020
- European RMBS Index Report Q3 2020, Dec. 11, 2020
- BBVA RMBS 2 Spanish RMBS Ratings Raised On Three Classes Of Notes; One Class Affirmed Following Review, Nov. 3, 2020
- Spain Outlook Revised To Negative From Stable On Mounting Fiscal and Structural Challenges; Affirmed At 'A/A-1', Sept. 18, 2020
- Banking Industry Country Risk Assessment: Spain, June 18, 2020
- Residential Mortgage Market Outlooks Updated For 13 European Jurisdictions Following Revised Economic Forecasts, May 1, 2020
- 2017 EMEA RMBS Scenario And Sensitivity Analysis, July 6, 2017
- Global Structured Finance Scenario And Sensitivity Analysis 2016: The Effects Of The Top Five Macroeconomic Factors, Dec. 16, 2016
- European Structured Finance Scenario And Sensitivity Analysis 2016: The Effects Of The Top Five Macroeconomic Factors, Dec. 16, 2016

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