Otra Información Relevante de BBVA RMBS 17 FONDO DE TITULIZACIÓN

En virtud de lo establecido en el Folleto Informativo de **BBVA RMBS 17 FONDO DE TITULIZACIÓN** (el "**Fondo**") se comunica a la COMISIÓN NACIONAL DEL MERCADO DE VALORES la presente información relevante:

La Agencia de Calificación **Ethifinance Rating ("Ethifinance"),** con fecha 31 de octubre de 2023, comunica que ha elevado la calificación asignada a los Bonos emitidos por el Fondo:

- **Bonos**: **AA+ (sf)** **(**anteriormente, **AA (sf))**

Se adjunta la comunicación emitida por Ethifinance.

Madrid, 2 de noviembre de 2023

First rating date: 24/11/2016
Review date: 31/10/2023

Contacts

Director Structured Finance & FIG
Claudio Bustamante, CFA
claudio.bustamante@ethifinance.com

Senior Associate Structured Finance
Brianda Paulina Torres Arvizo
brianda.torres@ethifinance.com

Chief Rating Officer
Guillermo Cruz Martínez
guillermo.cruz@ethifinance.com

Content

Rating Action

EthiFinance Ratings ("the Agency") upgrades the credit rating from “$AA_{(sf)}$” to “$AA+_{(sf)}$” to the Bonds issued by BBVA RMBS 17, FT.

Executive Summary

BBVA RMBS 17 FT (the "Fund"), is a granular securitization fund with a static pool of first-ranking prime residential mortgage loans granted to individuals, secured over properties located in Spain and structured under the Spanish Legislation. The Fund was established with the goal of obtaining liquidity. The residential mortgage loans were originated by Banco Bilbao Vizcaya Argentaria S.A. (“BBVA”) and assigned to the Fund in November 2016. The legal maturity date is August 16, 2066.

In order to correctly assess the Fund’s current and future performance EthiFinance Ratings considers the macroeconomic environment, and factors such as the prepayment rate, the delinquency rate, and the Loan-to-Value of the portfolio. These indicators are closely monitored by EthiFinance Ratings in order to determine how they could potentially impact the Fund, with special emphasis on the impact they could have on the Bonds’ credit enhancement. The credit enhancements of the Bonds are the B Loan and the Reserve Fund.

Class	Rating	Initial Balance (million €)	Outstanding Balance (millions €)	Coupon	Credit Enhancement August 2023	Credit Enhancement September 2022
Bonds	AA+(sf)	1584,0	714,6	EUR 3M + 0.30%	30,95%	25,66%
B Loan	Not Rated	216,0	216,0	EUR 3M + 0.15%	7,74%	6,42%
Reserve Fund	-	72,0	72,0	-	-	-

Rating Fundamentals

- **The Credit Enhancement of the Bond has increased to 30.95%.** Since the last Rating report, the credit enhancement of the Bond has increased in 5.29pp. A higher credit enhancement strengthens the creditworthiness of the Bonds as now the Fund can absorb a higher percentage of losses before the Bonds suffer any losses.
- **The Conditional Prepayment Rate (CPR) has been significantly high for the past 16 months.** The last 16-month average of the monthly CPR is 12.52% which is 9.76pp higher than the historical average of the monthly CPR. The steep increase of the CPR has resulted in a faster amortization of the Bonds and an increase of the credit enhancement.
- **The Fund has had a steep rise in delinquencies since the beginning of 2022.** Since the end of December 2021, the 3+ month delinquent loans outstanding balance has increased by 72.9%, and the 18+ month delinquent loans outstanding balance increased by 67.4%. This is a consequence of tighter macroeconomic conditions, with increasing interest rates and high inflation. Despite the fact that there has been a significant increase in the outstanding balance of the delinquent loans the delinquency rate is still in acceptable level with a 3-month rate of 0.32 % and an 18-month rate of 0.20%.
- **For 6 months there have been almost no recoveries of delinquent loans.** The vintage recovery analysis shows that only the 2023 vintage has made a recovery in the past 6 months. The recovery of the 2023 vintage was 0.04% of its total balance in the last 6 months. It is worth noting that all vintages have recovered more than 20% of their balance and that the 2017 vintage has been fully recovered.
- **There has been a significant increase in the interest accrued by the residential mortgage loans.** Since August 2022, the weighted average interest rate increased 3.54pp to 5.51%. The increase has been driven by the growth of the reference interest rate of the loans. There has

also been an increase in the number of loans that pay a fixed interest rate. At the end of September 2023, the loans that pay a fixed interest rate represent 1.71% of the portfolio's outstanding balance.

Sensitivity analysis

Factors that could (individually or collectively) impact the rating

- **Positive factors (↑).**

A significant increase in the Credit Enhancement as a result of faster amortization of the Bonds, in conjunction with a similar amortization of the loans. Additionally, a decrease in the delinquency rates and/or the Loan-to-Value can lead to an upgrade of the credit rating. Furthermore, an improvement in the macroeconomic scenario can also have a positive impact on the creditworthiness of the Bonds.

- **Negative factors (↓).**

An economic scenario that stresses the debtors' payment capacity would increase the delinquency rate and slow the amortization of the loans, which would add negative pressure to the operation and diminish, to a certain extent, the speed at which the Bonds are being amortized.

Description of the Transaction

BBVA RMBS 17, FT is a granular securitization fund with a static pool of first-ranking prime residential mortgage loans granted to individuals, secured over properties located in Spain, and structured under Spanish Legislation. The Fund issued in November 2016 Bond for a total balance of €1,584 million. The Fund was established with the goal of obtaining funding and liquidity. The residential mortgage loans were originated by Banco Bilbao Vizcaya Argentaria S.A. ("BBVA") and assigned to The Fund in November 2016. BBVA is the servicer of mortgage loans. The transaction is managed by Europea de Titulización S.A, S.G.F.T. ("EdT"). The legal maturity date is August 16, 2066.

Description	
Issuer	BBVA RMBS 17 FT
Purpose	Liquidity and Funding
Asset class	Residential Mortgage Loans
Originator/Seller/Servicer	BBVA
Constitution Date	11/21/16
Closing Date	11/23/66
Residential Mortage Loans balance (as of 31/08/2023)	922.592.236 €
Liabilities: Series A Notes balance + B Loan balance + Reserve Fund (as of 31/08/2023)	1.002.638.074 €
Treasury Account (as of 31/08/2023)	79.225.410 €
Listing	AIAF
Settlement	IBERCLEAR
Clean-Up Call	10%
Payment Dates	Quarterly (February, May, August, November)

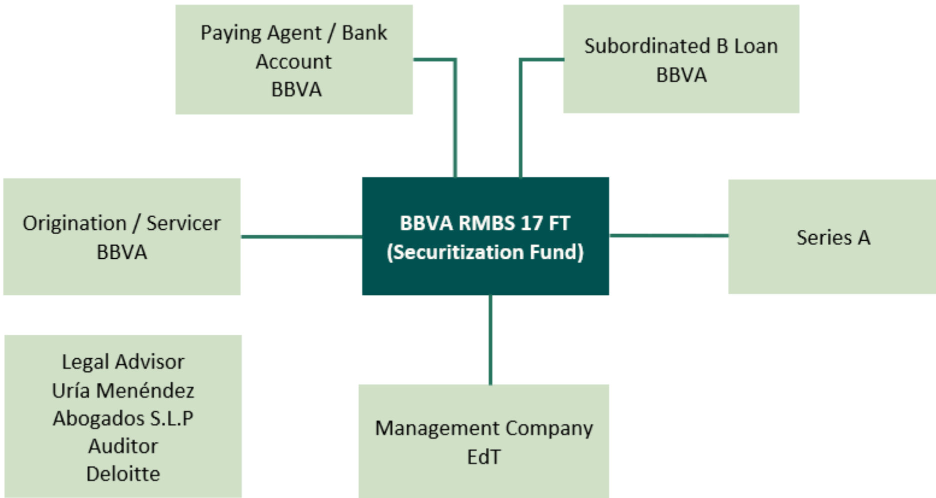
Source: EdT

Participants

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

Source: EdT

Operation Diagram



Description of the Servicer

Banco Bilbao Vizcaya Argentaria, S.A. ("BBVA") is the third largest banking institution in Spain in terms of total assets. In addition to maintaining a leading position in the Spanish market, it is the largest financial institution in Mexico and has leading franchises in Turkey and South America. BBVA's business model encompasses retail banking, wholesale banking, insurance, and asset management activities.

In addition to its good geographical and business diversification, BBVA shows higher profitability and efficiency than its main peers. BBVA manifests a great commitment to digitalization in order to leverage the growth of its business. However, BBVA's exposure to emerging economies, as well as the expected deterioration in the credit quality of debtors in light of the current economic outlook, could affect the Bank's financial profile.

BBVA acts as servicer, bank account provider, and paying agent of the transaction. In October 2023, EthiFinance Ratings confirmed the long-term credit rating of BBVA at “A”.

1. Collateral Characteristics

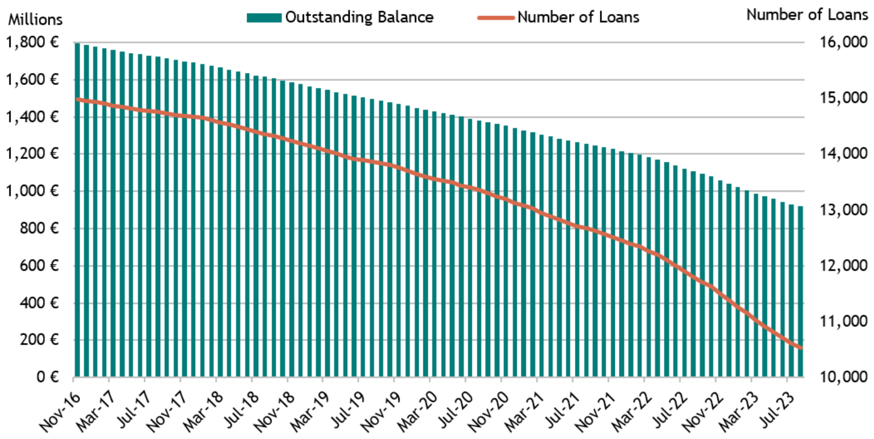
1.1 Portfolio Performance

Since the last Rating Report, the number of loans in the Fund's portfolio has decreased by 1,185, partly due to their natural amortization and the rest to an abrupt increase in the prepayments. The weighted average seasoning and weighted average time to maturity have also been affected by the prepayment as, in general, the loans that have been fully paid had a long seasoning period and a short time to maturity.

Metrics	Sep-22	Aug-23	Difference (%)
Number of Outstanding Loans	11,713	10,528	-10.1%
Weighted Average Seasoning (Months)	92	103	11.4%
Weighted Average Maturity (Months)	284	276	-2.8%

The following graph shows the evolution of the principal amortization of the Fund's portfolio of loans as well as the outstanding number of loans. As can be seen in the graph, in the past months the amortization speed of the underlying loans has increased significantly, driven by an abrupt increase in prepayments. At the end of August 2023, the historical monthly average change of the portfolio's outstanding balance is -0.81%, while the 12-average is -1.52%.

Portfolio's Remaining Balance

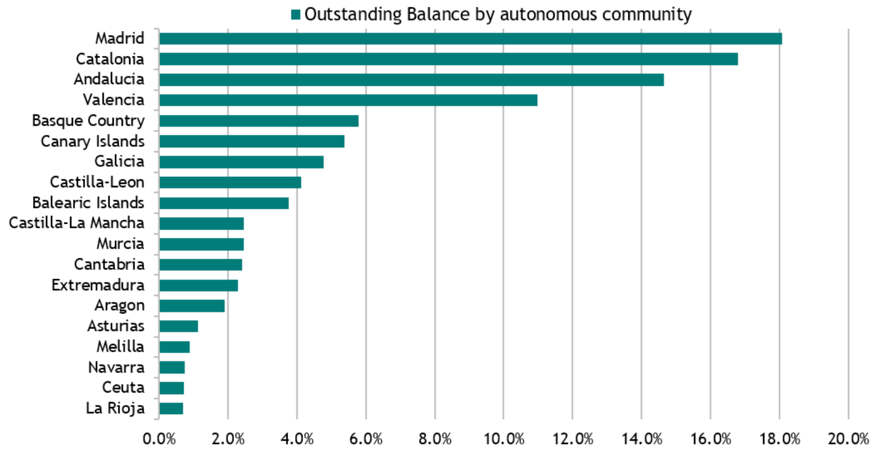


Source: EdT and EthiFinance Ratings

1.2 Distribution of the Underlying Assets

The geographical distribution of the loans by their outstanding balance has not suffered significant changes since the last Rating Report. The most significant change has been a decrease in the weight of 1.06pp in the case of Madrid, in part due to the natural amortization of the loans, but mainly due to prepayments. Since the end of December 2022, the weight of the top three regions, Madrid, Catalonia, and Andalusia, is less than 50%, at the end of August 2023 these three regions represented 49.50% of the outstanding balance of the portfolio.

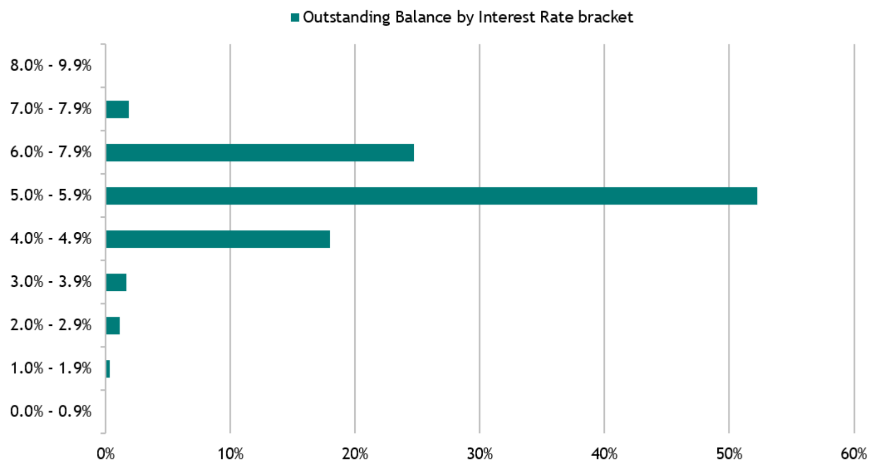
Outstanding Balance by autonomous community



Source: EdT and EthiFinance Ratings

As a consequence of the current economic scenario, there has been a considerable increase in the interest rate paid by loans in a relatively short amount of time. As a reference, from August 2022 to August 2023 the weighted average interest rate of the portfolio has increased 3.54pp, from 1.97% to 5.51%.

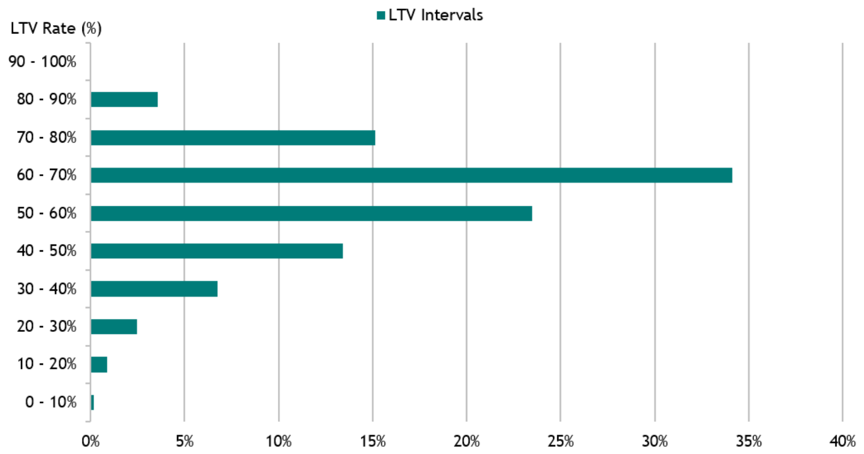
Outstanding Balance by Interest rate bracket



Source: EdT and EthiFinance Ratings

There has not been a significant change in the LTV distribution of the portfolio beyond its natural evolution due to the principal amortization of the loans. The weighted average Loan-to-value of the has decreased from 60.73% in August 2022 to 58.56% in August 2023.

Outstanding Balance by LTV bracket

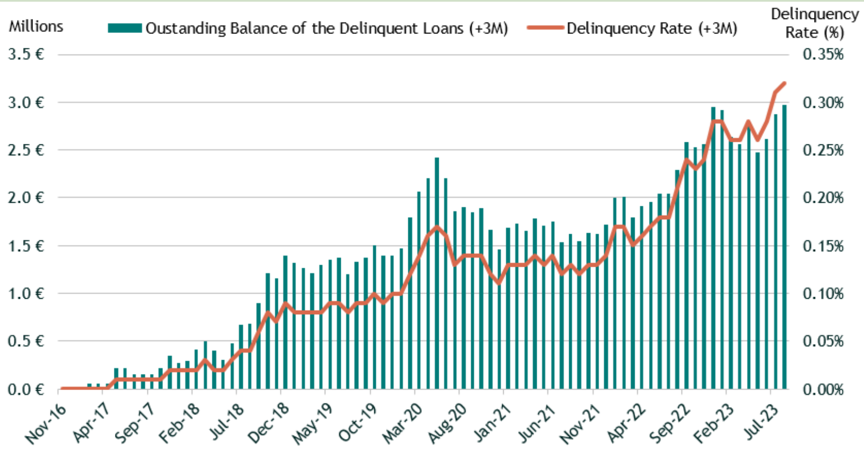


Source: EdT and EthiFinance Ratings

1.3 Delinquency Rate +3 months and +18 months

Since August 2022 the outstanding balance of the 3+ months delinquent loans have increased by 30.0%, going from €2.29 million in August 2022 to €2.97 million in August 2023. This increase is partly responsible for more than half the 0.11pp growth of the delinquency rate seen during the same period. The rest of the growth of the delinquency rate is a consequence of the decrease of the loan portfolio outstanding balance caused by the natural amortization of the loans and loan prepayments.

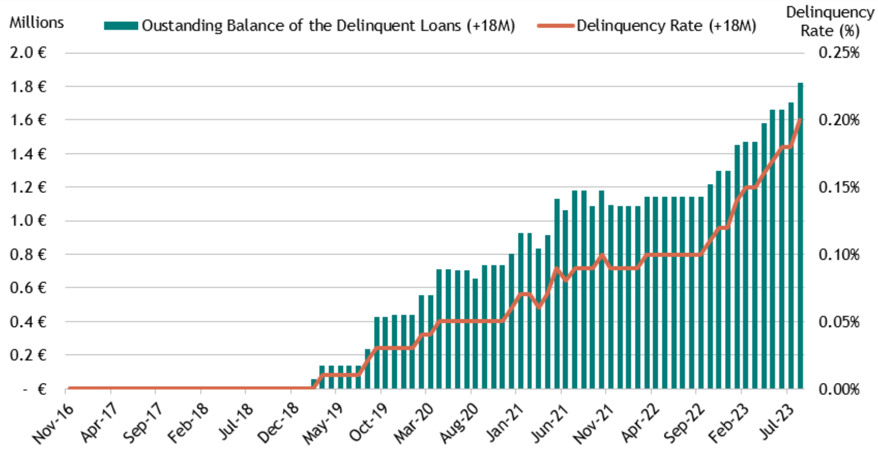
Delinquency rate by Outstanding balance (+3M)



Source: EdT and EthiFinance Ratings

The 18+ month delinquency rate has doubled since the last Rating Report. Just like in the case of the 3+ month delinquency rate, more than half of this growth can be attributed to the increase of the outstanding balance of the 18+ month delinquent loans, and the rest of the growth can be attributed to a lower outstanding balance of the loan portfolio.

Delinquency rate by Outstanding balance (+18M)

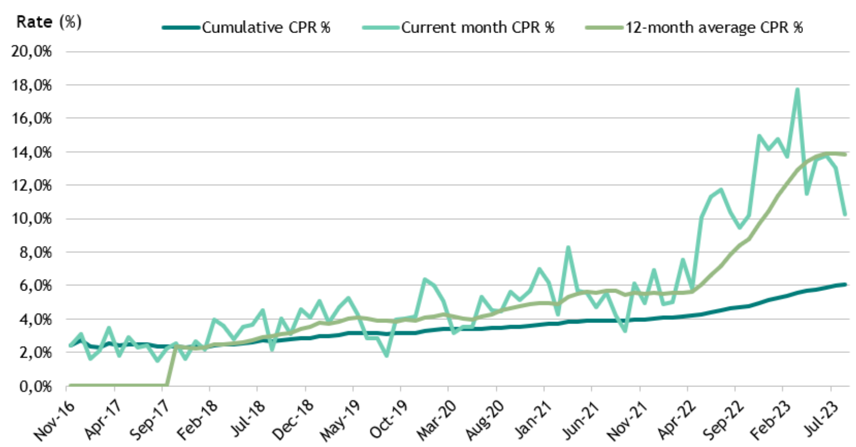


Source: EdT and EthiFinance Ratings

1.4 Annual Conditional Prepayment Rate

The following graph shows the evolution of the cumulative CPR or historical CPR, the current month CPR (the current month annualized SMM), and the 12-month average of the current month CPR. The Fund has been experiencing, since May 2022, a steep increase in the CPR, reaching its maximum value of 17.7% in March 2023. The sudden increase in the prepayment has been triggered by the increase in the reference interest rate of the loans. Since reaching its maximum level the annualized SMM has shown a decreasing trend.

Conditional Prepayment Rate (CPR%)

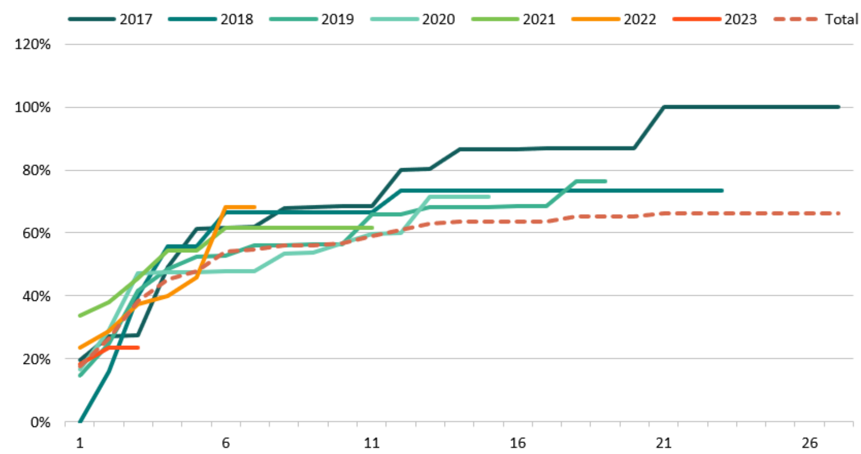


Source: EdT and EthiFinance Ratings

1.5 Recovery Rate

The Recovery Rate Vintage graph shows the percentage recovered of the loans that reached 3+ months in arrears during a specific year. The graph shows the evolution of the recovery rate every 3 months. The recovery in the past six months has been 0% for most vintages, with the exception of the 2023 vintage which recovered 0.04% of its total balance in the last trimester, the cumulative recovery of this vintage is 23.67%. The lack of recovery is one of the reasons that the outstanding balance of the delinquent loans has grown in the past months, as recoveries help diminish the growth of this balance.

Cumulative Vintage Recovery (+3M) detailed by trimester



Source: EdT and EthiFinance Ratings

2. Quantitative Analysis

To determine the weighted average PD of the portfolio, EthiFinance Ratings uses a factor model that considers factors such as the debtor's employment status, the payment frequency, the original and current LTV, the seasoning of the loan, the debtor's nationality, the time to maturity of loans and the original PD of the loan, among others. The resulting weighted average PD of the portfolio is 3.07%, a small improvement since the last Rating Report (3.29% in September 2022), as a result of a more mature portfolio with a longer seasoning, a lower time to maturity, and lower LTV.

The weighted average Recovery Rate (RR) of the portfolio for each rating level is obtained using EthiFinance Rating's Market Decline Value matrix and the report of "Índices de Precios de la Vivienda" published by the "Instituto Nacional de Estadística", the outputs are later used in the sensibility analysis.

The weighted average PD of the portfolio is used in the "EthiFinance Ratings" model in order to obtain a table in which each rating level is assigned the Default Rate the structure must withstand to achieve said rating level. This table, in conjunction with the recovery rates, is used in the sensibility analysis, which consists of various stress scenarios, to determine the credit rating of the Fund.

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:

- Public information from public access sources.
- 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) o by a third participant in the transaction, shall be reviewed and analyzed with the aim to assess the following issues:

- The performance of the credit quality of the assets comprising the collateral of the Fund.
- The level of credit enhancement.
- The evolution of the quantitative triggers of the Fund.
- 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, EthiFinance Ratings 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 https://www.ethifinance.com/en/ratings/methodologies and according to the Structured Finance Rating scale available at https://www.ethifinance.com/en/ratings/ratingScale.
- EthiFinance Ratings 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 EthiFinance Ratings has not provided ancillary services to the rated entity or its related third parties.
- The issued credit rating has been notified to the rated entity, and has not been modified since.

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