Otra Información Relevante de **BBVA RMBS 20 FONDO DE TITULIZACIÓN**

En virtud de lo establecido en el Folleto Informativo de **BBVA RMBS 20 FONDO DE TITULIZACIÓN** (el "**Fondo**") se comunica a la COMISIÓN NACIONAL DEL MERCADO DE VALORES la presente información relevante:

La Agencia de Calificación **Scope Ratings GmbH ("Scope")** con fecha 2 de noviembre de 2023, comunica que ha afirmado la calificación asignada a la siguiente Serie de Bonos emitidos por el Fondo:

- **Serie A:** **AAA_{SF}**

Asimismo, ha elevado la calificación de las restantes Series de Bonos:

- **Serie B:** **$A\text{-}_{SF}$** (anterior calificación: **$BBB+_{SF}$**)

Se adjunta la comunicación emitida por Scope.

Madrid, 3 de noviembre de 2023.

THURSDAY, 02/11/2023 - Scope Ratings GmbH

Scope upgrades class B and affirms class A notes issued by BBVA RMBS 20, FT- Spain RMBS

Scope upgrades the class B and affirms the class A notes issued by BBVA RMBS 20, FT following its periodic review

Rating action

Scope Ratings GmbH (Scope) has performed the following rating actions after completing a monitoring review of the notes issued by BBVA RMBS 20, FT:

- Class A (ISIN ES0305567002): EUR 1,836.8m outstanding amount: affirmed at AAA_{SF}
- Class B (ISIN ES0305567010): EUR 150.0m outstanding amount: upgraded to A-SF from $BBB+_{SF}$

Transaction overview

BBVA RMBS 20 FT is a EUR 2,500m static cash securitisation consisting of prime residential mortgage loans originated and serviced by Banco Bilbao Vizcaya Argentaria SA (BBVA) and extended to individual borrowers to finance properties in Spain, issued in June 2021. A detailed description of the transaction features and analytical assumptions, at closing, can be found in the **transaction´s rating report**, available at Scope´s website.

As of the reporting cut-off date, September 2023, the underlying portfolio has an expected remaining weighted average life of 22.8 years. The transaction has shown sound performance in line with our expectations. The current portfolio is at 74.56% of the initial portfolio. Credit enhancement on the series A and B notes stands at 13.7% and 6.2%, respectively.

Rating rationale

The review addressed i) the observed performance of the collateral as of the review cut-off date: ii) Scope's forward-looking performance assumptions, in the context of the expected macroeconomic environment over the remaining life of the transaction; iii) the transaction's updated asset and liability structure: and iv) the issuer's exposure to key transaction parties.

Beyond the key rating drivers addressed further below, the main analytical considerations addressed during this periodic review are:

Observed collateral performance[1]: The portfolio continued to perform well since the last monitoring. The following key metrics, as of the reporting cut-off date, reflect the overall good portfolio performance: low cumulative default rate at 0.10%; low 90 days-past-due dynamic delinquency rate at 0.11%; and an annualised constant prepayment rate of 6.00%.

Key structural features[1,2]: Class A and Class B notes credit enhancement has increased, respectively, to 13.7% and 6.2%, from 11.0% and 5.0% at closing. The structure benefits from an interest rate swap with BBVA, which protects the notes from interest rate risk and provides 1% of excess spread.

Counterparty risk[2]: The key transaction counterparties continue to support the ratings. No rating-change drivers related to counterparty risks have taken place since Scope's last rating action.

Key rating drivers

The key rating drivers continue to be aligned with those disclosed in the **rating action release** dated 28 November 2022.

Key rating-change drivers

All else equal, the following factors may constitute upside or downside rating drivers:

- A material deviation of observed transaction performance from Scope's forward-looking performance assumptions.

- Material changes in Scope's forward-looking macro-economic outlook.

All else equal, the following factor may constitute upside rating drivers:

- Continued deleveraging of the capital structure and the reduction of the transaction's risk horizon.

All else equal, the following factor may constitute downside rating drivers:

- A significant deterioration in BBVA's credit profile may adversely impact the ratings of Series B.

- Spanish macroeconomic uncertainty in relation to the global geopolitical context. The current geopolitical tensions may weigh negatively on collateral pool performance, as higher inflation may affect the capacity of borrowers to repay.

Quantitative analysis and assumptions

Scope used a proprietary cash flow model to calculate the expected loss and expected weighted average life of each rated tranche, considering the transaction's assets and liability structure. Asset cash flows are projected based on the securitised portfolio amortisation schedule and on performance assumptions agreed on by the rating committee, which reflect the characteristics and quality of the portfolio. The model replicates the transaction's key structural features, including the capital structure, the order of priority of the issuer's liabilities, and enhancement features such as excess spread and cash reserves.

The key analytical assumptions remain unchanged and include the following: an inverse-gaussian distribution of the portfolio's remaining lifetime defaults, with a mean of 2.8% and a coefficient of variation of 95.5%; rating-conditional recovery rates ranging from 65% under a B scenario to 39% under a AAA scenario; high and low constant prepayment rate scenarios of 5% and 0%, respectively; and stressed senior fees of 0.35%.

Sensitivity analysis

Scope tested the resilience of the credit rating against deviations in the main input parameters: the portfolio mean default rate and the portfolio recovery rate. This analysis has the sole purpose of illustrating the sensitivity of the rating to input assumptions and is not indicative of expected or likely scenarios.

- A 50% increase in the mean default rate assumption has a zero-notch quantitative impact on the class A, and a zero-notch quantitative impact on the class B notes.

- 50% decrease in Scope's rating-conditional recovery rate assumptions has a zero-notch quantitative impact on the class A notes and a zero-notch quantitative impact on the class B notes.

Rating driver references

1. Transaction documents (Confidential)
2. Investor reports

Stress testing

Stress testing was performed by applying Credit-Rating-adjusted recovery rate assumptions.

Cash flow analysis

Scope Ratings performed a cash flow analysis of the transaction with the use of Scope Rating's Cash Flow Structured Finance Expected Loss Model Version 1.2, incorporating default and recovery rate assumptions over the portfolio's amortisation period, taking into account the transaction's main structural features, such as the notes' priorities of payment, the notes' size and coupons. The outcome of the analysis is an expected loss and an expected weighted average life for the notes.

Methodology

The methodologies used for these Credit Ratings, (General Structured Finance Rating Methodology, 25 January 2023; Counterparty Risk Methodology, 13 July 2023), are available on https://scoperatings.com/governance-and-policies/rating-governance/methodologies.
The model used for these Credit Ratings is (Cash Flow Structured Finance Expected Loss Model Version 1.2), available in Scope Ratings' list of models, published under https://scoperatings.com/governance-and-policies/rating-governance/methodologies.
Information on the meaning of each Credit Rating category, including definitions of default, recoveries, Outlooks and Under Review, can be viewed in 'Rating Definitions – Credit Ratings, Ancillary and Other Services', published on https://www.scoperatings.com/governance-and-policies/rating-governance/definitions-and-scales. Historical default rates of the entities rated by Scope Ratings can be viewed in the Credit Rating performance report at https://scoperatings.com/governance-and-policies/regulatory/eu-regulation. Also refer to the central platform (CEREP) of the European Securities and Markets Authority (ESMA): http://cerep.esma.europa.eu/cerep-web/statistics/defaults.xhtml. A comprehensive clarification of Scope Ratings' definitions of default and Credit Rating notations can be found at https://www.scoperatings.com/governance-and-policies/rating-governance/definitions-and-scales. Guidance and information on how environmental, social or governance factors (ESG factors) are incorporated into the Credit Rating can be found in the respective sections of the methodologies or guidance documents provided on https://scoperatings.com/governance-and-policies/rating-governance/methodologies.

Solicitation, key sources and quality of information

The Rated Entity and/or its Related Third Parties participated in the Credit Rating process.
The following substantially material sources of information were used to prepare the Credit Ratings: public domain, the Rated Entity, the Rated Entities' Related Third Parties, third parties and Scope Ratings' internal sources.
Scope Ratings considers the quality of information available to Scope Ratings on the Rated Entity or instrument to be satisfactory. The information and data supporting these Credit Ratings originate from sources Scope Ratings considers to be reliable and accurate. Scope Ratings does not, however, independently verify the reliability and accuracy of the information and data.
Scope Ratings has received a third-party asset due diligence assessment/asset audit at closing. The external due diligence assessment/asset audit was considered when preparing the Credit Ratings and it has no impact on the Credit Ratings.
Prior to the issuance of the Credit Rating action, the Rated Entity was given the opportunity to review the Credit Ratings and the principal grounds on which the Credit Ratings are based. Following that review, the Credit Ratings were not amended before being issued.

Regulatory disclosures

These Credit Ratings are issued by Scope Ratings GmbH, Lennéstraße 5, D-10785 Berlin, Tel +49 30 27891-0. The Credit Ratings are UK-endorsed.
Lead analyst: Martin Hartmann, Director

Person responsible for approval of the Credit Ratings: Antonio Casado, Executive Director

The Credit Ratings were first released by Scope Ratings on 15 June 2021. The Credit Ratings were last updated on 28 November 2022.

Potential conflicts

See www.scoperatings.com under Governance & Policies/Regulatory for a list of potential conflicts of interest disclosures related to the issuance of Credit Ratings.

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