

Press Releases



Insight beyond the rating.

Date of Release: March 6, 2014

DBRS Confirms Ratings to BBVA RMBS 11

DBRS Ratings Limited (“DBRS”) has reviewed BBVA RMBS 11 Fondo de Titulización de Activos (the “Issuer”) and confirms the ratings to the following classes of Notes:

- Class A confirmed at AA (sf)
- Class B confirmed at BBB (sf)
- Class C confirmed at B (high) (sf)

The Notes are backed by a portfolio of mortgage loans secured by residential properties in Spain originated and serviced by Banco Bilbao Vizcaya Argentaria S.A. (“BBVA”).

The portfolio of mortgages supporting the transaction is performing within DBRS expectations and the available credit enhancement for the Notes is sufficient to cover DBRS expected losses at the current rating levels of the Notes. The rating analysis incorporates a sovereign related stress component to address the impact of macroeconomic variables on collateral performance.

As of 31 January 2014, the current 90+ delinquency ratio as a percentage of the performing balance of the portfolio was 0.71%, while the cumulative default ratio was 0.04%.

Credit enhancement (as a percentage of the performing collateral balance) for the Class A Notes equal to 28.42% consists of subordination of the Class B and Class C Notes (15.00%) and a Cash Reserve Fund (13.42%). Credit enhancement for the Class B Notes equal to 19.32% consists of subordination of the Class C Notes (5.89%) and a Cash Reserve Fund (13.42%). Credit enhancement for Class C Notes equal to 13.42% consists solely of the Cash Reserve Fund, which also provides liquidity to each Class of Notes. The Issuer also has an Interest Reserve Fund which is available to make interest payment to the Class A Notes.

BBVA is currently rated ‘A’ by DBRS. The Issuer has a replacement trigger for the Treasury Account; where, in the event BBVA were to be downgraded below “BBB” by DBRS, the Management Company shall find a replacement institution, which is rated at least “BBB” by DBRS. However, the DBRS Legal Criteria for European Structured Finance Transactions as of 13 June 2013 refers to the

Account Bank having the “minimum rating [of ‘A’ with respect to a “AAA” or “AA” transaction]...combined with a provision to replace within 30 calendar days of a downgrade below that level, is generally sufficient to mitigate the risk of that counterparty’s default such that risk may not need to be specifically modelled.” Given the combination of the current rating of BBVA and the replacement provision described above, additional cash flow analysis for the Class A Notes included scenarios where the transaction did not benefit from the Cash Reserve Fund. In these scenarios, the available credit enhancement to the Class A Notes was sufficient to cover DBRS expected losses at the AA (sf) rating level.

BBVA serves the role of Account Bank for the transaction as holder of the Treasury Account and the Paying Agent. The rating of BBVA and the Treasury Account replacement language are above the Minimum Institution Rating given the highest rating assigned to the Notes as described in the DBRS Legal criteria for European Structured Finance Transactions.

Notes:

All figures are in euros unless otherwise noted.

The principal methodology applicable is Master European Structured Finance Surveillance Methodology.

Other methodologies and criteria referenced in this transaction are listed at the end of this press release.

This can be found on www.dbrs.com at:
<http://www.dbrs.com/about/methodologies>

For a more detailed discussion of sovereign risk impact on Structured Finance ratings, please refer to DBRS commentary “The Effect of Sovereign Risk on Securitisations in the Euro Area” on:
<http://www.dbrs.com/industries/bucket/id/10036/name/commentaries/>

The sources of information used for this rating include investor reports provided by Europea de Titulización, S.G.F.T., S.A. and data from the European DataWarehouse.

DBRS considers the information available to it for the purposes of providing this rating was of satisfactory quality.

DBRS does not audit the information it receives in connection with the rating process, and it does not and cannot independently verify that information in every instance.

The last rating action on this transaction took place on 2 January 2013, when the ratings to the Class A, Class B and Class C Notes were confirmed..

Information regarding DBRS ratings, including definitions, policies and methodologies are available on www.dbrs.com.

To assess the impact of the changing the transaction parameters on the rating, DBRS considered the following stress scenarios, as compared to the parameters used to determine the rating:

- DBRS expected a base case Probability of Default (PD) and Loss Given Default (LGD) for the pool based on a review of the current portfolio of mortgages. Adverse changes to asset performance may cause stresses to base case assumptions and therefore have a negative effect on credit ratings.

- The base case PD and LGD for the current portfolio of mortgages for the Issuer are 5.58% and 45.50%, respectively. The PD of 5.58% accounts for an additional sovereign stress which has been applied to capture the current sovereign rating of the Kingdom of Spain.

- The Risk Sensitivity overview below illustrates the ratings expected for the Class A Notes, Class B Notes and Class C Notes if the PD and LGD increase by a certain percentage over the base case assumption. For example, if the LGD increases by 50% the rating for the Class A Notes would be expected to remain at AA (sf), all else being equal. If the PD increased by 50% the rating for the Class A Notes would be expected to remain at AA (sf), all else being equal. If both the PD and LGD increased by 50% the rating for the Class A Notes would be expected to remain at AA (sf).

Series A Risk Sensitivity:

- 25% increase in LGD, expected rating of AA (sf).
- 50% increase in LGD, expected rating of AA (sf).
- 25% increase in PD, expected rating of AA (sf).
- 50% increase in PD, expected rating of AA (sf).
- 25% increase in LGD and 25% increase in PD, expected rating of AA (sf).
- 25% increase in LGD and 50% increase in PD, expected rating of AA (sf).
- 50% increase in LGD and 25% increase in PD, expected rating of AA (sf).
- 50% increase in LGD and 25% increase in PD, expected rating of AA (sf).

Series B Risk Sensitivity:

- 25% increase in LGD, expected rating of BBB (sf).
- 50% increase in LGD, expected rating of BBB (sf).
- 25% increase in PD, expected rating of BBB (sf).
- 50% increase in PD, expected rating of BBB (sf).
- 25% increase in LGD and 25% increase in PD, expected rating of BBB (sf).
- 25% increase in LGD and 50% increase in PD, expected rating of BBB (sf).
- 50% increase in LGD and 25% increase in PD, expected rating of BBB (sf).
- 50% increase in LGD and 25% increase in PD, expected rating of BBB (sf).

Series C Risk Sensitivity:

- 25% increase in LGD, expected rating of B (high) (sf).
- 50% increase in LGD, expected rating of B (high) (sf).
- 25% increase in PD, expected rating of B (high) (sf).

- 50% increase in PD, expected rating of B (high) (sf).
- 25% increase in LGD and 25% increase in PD, expected rating of B (high) (sf).
- 25% increase in LGD and 50% increase in PD, expected rating of B (high) (sf).
- 50% increase in LGD and 25% increase in PD, expected rating of B (high) (sf).
- 50% increase in LGD and 25% increase in PD, expected rating of B (high) (sf).

For further information on DBRS historic default rates published by the European Securities and Markets Administration (“ESMA”) in a central repository, see:
<http://cerep.esma.europa.eu/cerep-web/statistics/defaults.xhtml>.

Ratings assigned by DBRS Ratings Limited are subject to EU regulations only.

Initial Lead Analyst: David Sanchez
Initial Rating Date: 11 June 2012
Initial Rating Committee Chair: Erin Stafford

Last Rating Date: 2 January 2013
Lead Surveillance Analyst: Keith Gorman
Rating Committee Chair: Quincy Tang

DBRS Ratings Limited
1 Minster Court, 10th Floor
Mincing Lane
London
EC3R 7AA
United Kingdom

Registered in England and Wales: No. 7139960

The rating methodologies and criteria used in the analysis of this transaction can be found at:
<http://www.dbrs.com/about/methodologies>

Legal Criteria for European Structured Finance Transactions
Master European Structured Finance Surveillance Methodology
Operational Risk Assessment for European Structured Finance Servicers
Master European Residential Mortgage-Backed Securities Rating Methodology and Jurisdictional Addenda
Unified Interest Rate Model for European Securitisations

Ratings

Issuer	Debt Rated	Rating Action	Rating	Trend	Notes Published	Issued
BBVA RMBS 11 Fondo de Titulización de Activos	Class A	Confirmed	AA (sf)	--	Mar 6, 2014	EU
BBVA RMBS 11 Fondo de Titulización de Activos	Class B	Confirmed	BBB (sf)	--	Mar 6, 2014	EU
BBVA RMBS 11 Fondo de Titulización de Activos	Class C	Confirmed	B (high) (sf)	--	Mar 6, 2014	EU

US = USA Issued, NRSRO
CA = Canada Issued, NRSRO
EU = EU Issued
E = [EU Endorsed](#)

ALL DBRS RATINGS ARE SUBJECT TO DISCLAIMERS AND CERTAIN LIMITATIONS. PLEASE READ THESE [DISCLAIMERS AND LIMITATIONS](#) AND ADDITIONAL INFORMATION REGARDING DBRS RATINGS, INCLUDING [DEFINITIONS](#), [POLICIES](#), [RATING SCALES](#) AND [METHODOLOGIES](#).

Contacts

Keith Gorman
Senior Vice President - EU Structured Finance
+44 20 7855 6671
kgorman@dbrs.com

David Sanchez Rodriguez
Vice President - ABS/RMBS
+44 207 855 6605
dsanchez@dbrs.com

Elisa Scalco
Senior Financial Analyst
+44 20 7855 6681
escalco@dbrs.com

Copyright © 2014, DBRS Limited, DBRS, Inc. and DBRS Ratings Limited (collectively, DBRS). All rights reserved. The information upon which DBRS ratings and reports are based is obtained by DBRS from sources DBRS believes to be accurate and reliable. DBRS does not audit the information it receives in connection with the rating process, and it does not and cannot independently verify that information in every instance. The extent of any factual investigation or independent verification depends on facts and circumstances. DBRS ratings, reports and any other information provided by DBRS are provided "as is" and without representation or warranty of any kind. DBRS hereby disclaims any representation or warranty, express or implied, as to the accuracy, timeliness, completeness, merchantability, fitness for any particular purpose or non-infringement of any of such information. In no event shall DBRS or its directors, officers, employees, independent contractors, agents and representatives (collectively, DBRS Representatives) be liable (1) for any inaccuracy, delay, loss of data, interruption in service, error or omission or for any damages resulting therefrom, or (2) for any direct, indirect, incidental, special, compensatory or consequential damages arising from any use of ratings and rating reports or arising from any error (negligent or otherwise) or other circumstance or contingency within or outside the control of DBRS or any DBRS Representative, in connection with or related to obtaining, collecting, compiling, analyzing, interpreting, communicating, publishing or delivering any such information. Ratings and other opinions issued by DBRS are, and must be construed solely as, statements of opinion and not statements of fact as to credit worthiness or recommendations to purchase, sell or hold any securities. A report providing a DBRS rating is neither a prospectus nor a substitute for the information assembled, verified and presented to investors by the issuer and its agents in connection with the sale of the securities. DBRS receives compensation for its rating activities from issuers, insurers, guarantors and/or underwriters of debt

securities for assigning ratings and from subscribers to its website. DBRS is not responsible for the content or operation of third party websites accessed through hypertext or other computer links and DBRS shall have no liability to any person or entity for the use of such third party websites. This publication may not be reproduced, retransmitted or distributed in any form without the prior written consent of DBRS. ALL DBRS RATINGS ARE SUBJECT TO DISCLAIMERS AND CERTAIN LIMITATIONS. PLEASE READ THESE DISCLAIMERS AND LIMITATIONS AT <http://www.dbrs.com/about/disclaimer>. ADDITIONAL INFORMATION REGARDING DBRS RATINGS, INCLUDING DEFINITIONS, POLICIES, RATING SCALES AND METHODOLOGIES, ARE AVAILABLE ON <http://www.dbrs.com>.