

Ratings Affirmed In Spanish RMBS Transaction BBVA RMBS 13 Following Review

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OVERVIEW

- We have reviewed BBVA RMBS 13's performance by conducting our credit and cash flow analysis and by applying our relevant criteria.
- Following our review, we have affirmed our 'A (sf)' and 'BBB (sf)' ratings on the classes A and B notes.
- BBVA RMBS 13 is a Spanish RMBS transaction, which securitizes a portfolio of first-ranking mortgage loans granted to Spanish residents.

MADRID (S&P Global Ratings) March 22, 2017--S&P Global Ratings today affirmed its 'A (sf)' and 'BBB (sf)' credit ratings on BBVA RMBS 13, Fondo de Titulizacion de Activos' class A and B notes.

Today's rating actions follow the application of our related criteria and our credit and cash flow analysis of the transaction (see "Related Criteria").

In line with other transactions backed by Banco Bilbao Vizcaya Argentaria S.A. (BBVA) originated loans, delinquencies have remained stable, and are below our Spanish residential mortgage-backed securities (RMBS) index (see "Spanish RMBS Index Report Q3 2016," published on Dec. 13, 2016). Loans 30+ days in arrears were 0.97% as of the December 2016 investor report. Cumulative defaults since closing in July 2014 have accrued up to 0.27% of the closing collateral balance. Our weighted-average foreclosure frequency (WAFF) assumptions have

slightly decreased since our previous full review due to the positive effect of the pool seasoning (see "Rating Raised On Spanish RMBS Transaction BBVA RMBS 13's Class A Notes Following Sovereign Upgrade," published on March 14, 2016).

In addition, our weighted-average loss severity (WALS) assumptions have improved at all rating levels as the transaction has benefitted from the decrease in the weighted-average current loan-to-value (LTV) ratios and our lower market value decline assumption.

The notes redeem sequentially and the reserve fund has remained fully funded, which has increased the available credit enhancement for all classes of notes.

We have determined that our assigned rating on each class of notes in this transaction should be the lower of (i) the rating as capped by our current counterparty criteria, (ii) the rating that the class of notes can attain under our European residential loans criteria, and (iii) the rating as capped by our structured finance ratings above the sovereign criteria (RAS criteria; see "Related Criteria").

Our current counterparty criteria cap our ratings on the notes in this transaction at 'A (sf)'. We consider that the documented replacement mechanisms adequately mitigate counterparty risk exposure to BBVA, as bank account provider, up to a 'A' rating level (see "Counterparty Risk Framework Methodology And Assumptions," published on June 25, 2013).

Under our European residential loans criteria, the class A and B notes have sufficient credit enhancement to withstand our stresses at the 'A' and 'BBB' rating levels, respectively (see "Methodology And Assumptions: Assessing Pools Of European Residential Loans," published on Dec. 23, 2016). The class A notes have sufficient credit enhancement to withstand a severe stress scenario under our RAS criteria, and can therefore be rated up to two notches above our long-term rating on Spain (BBB+/Stable/A-2), or 'A' (see "Ratings Above The Sovereign - Structured Finance: Methodology And Assumptions," published on Aug. 8, 2016).

Taking these factors into account, we have therefore affirmed our 'A (sf)' and 'BBB (sf)' ratings on the class A and B notes based on the results of our credit and cash flow analysis and the application of our criteria.

BBVA RMBS 13 is a Spanish RMBS transaction, which closed in July 2014. The transaction securitizes a pool of first-ranking mortgage loans granted to prime borrowers, which BBVA originated. The portfolio is mainly in Andalucía, Catalonia, and Madrid.

RELATED CRITERIA

- Criteria - Structured Finance - General: Methodology And Assumptions: Assessing Pools Of European Residential Loans - Dec. 23, 2016

- Criteria - Structured Finance - General: Ratings Above The Sovereign - Structured Finance: Methodology And Assumptions - Aug. 8, 2016
- Criteria - Structured Finance - General: Methodology: Criteria For Global Structured Finance Transactions Subject To A Change In Payment Priorities Or Sale Of Collateral Upon A Nonmonetary EOD, March 02, 2015
- Criteria - Structured Finance - General: Global Framework For Assessing Operational Risk In Structured Finance Transactions, Oct. 09, 2014
- Legal Criteria: Europe Asset Isolation And Special-Purpose Entity Criteria--Structured Finance, Sept. 13, 2013
- Criteria - Structured Finance - General: Counterparty Risk Framework Methodology And Assumptions, June 25, 2013
- Criteria - Structured Finance - General: Criteria Methodology Applied To Fees, Expenses, And Indemnifications, July 12, 2012
- General Criteria: Methodology: Credit Stability Criteria, May 03, 2010
- Criteria - Structured Finance - General: Standard & Poor's Revises Criteria Methodology For Servicer Risk Assessment - May 28, 2009

RELATED RESEARCH

- European Structured Finance Scenario And Sensitivity Analysis 2016: The Effects Of The Top Five Macroeconomic Factors, Dec. 16, 2016
- Global Structured Finance Scenario And Sensitivity Analysis 2016: The Effects Of The Top Five Macroeconomic Factors, Dec. 16, 2016
- Spanish RMBS Index Report Q3 2016, Dec. 13, 2016
- Rating Raised On Spanish RMBS Transaction BBVA RMBS 13's Class A Notes Following Sovereign Upgrade, Mar. 14, 2016
- 2015 EMEA RMBS Scenario And Sensitivity Analysis, Aug. 6, 2015
- Various Rating Actions Taken In Spanish RMBS Transactions BBVA RMBS 12 And 13 Following Application Of Updated Criteria, Jan. 23, 2015

RATINGS LIST

BBVA RMBS 13, Fondo de Titulizacion de Activos

€4.1 Billion Residential Mortgage-Backed Floating-Rate Notes

Ratings Affirmed

Class	Rating
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A	A (sf)
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B	BBB (sf)
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