

Press Releases



Insight beyond the rating.

Date of Release: November 19, 2013

DBRS Confirms Ratings to BBVA RMBS 9 Fondo de Titulización de Activos

DBRS Ratings Limited (“DBRS”) has reviewed BBVA RMBS 9 Fondo de Titulización De Activos (the “Issuer”) and confirms the ratings of A (sf) to the Class A Notes (the “Notes”). The Notes are backed by a pool of mortgage loans secured by residential properties in Spain originated and serviced by Banco Bilbao Vizcaya Arengetaria S.A. (“BBVA”).

The pool 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 level of the Notes. The rating analysis incorporates a sovereign related stress component to address the impact of macroeconomic variables on collateral performance. Additionally, the updated cash flow analysis takes into account the removal of the interest rate swap which was terminated on 22 October 2013.

Credit enhancement for the Notes consists of a Cash Reserve Fund which also provides liquidity supports for the Notes. As of the 20 September 2013 payment date, the cumulative default ratio was 0.11%. Credit enhancement as a percentage of the non-defaulted loans for the Notes was 23.76%. The Cash Reserve Fund was equal to the target amount of EUR 265,475,000.

BBVA serves the role of Account Bank for the transaction as holder of the Treasury Account and the Paying Agent. The rating is above the Minimum Institution Rating given the rating of the Notes as described in the DBRS Legal Criteria for European Structured finance Transactions.

DBRS analysed the cash flows of the transaction using Intex Cash Flows Module to stress timely payment of interest and principal to the rated Notes.

Notes:

All figures are in Euros unless otherwise noted.

The principal methodology applicable is the 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.

This is the first rating action since the Notes were confirmed at A (sf) on 2 January 2013 following the Notes earlier being placed Under Review with Negative Implications due to a downgrade of the Kingdom of Spain’s sovereign rating, and an update to the Spanish Addenda for the DBRS Master European Residential Mortgage-Backed Securities Rating Methodology.

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

To assess the impact of the changing of 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 historical data. 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 pool of mortgages for the Issuer are 6.54% and 38.85%, respectively. The PD of 4.26% accounts for an additional sovereign stress which has been applied to capture the sovereign rating of the Kingdom of Spain.
- The Risk Sensitivity overview below illustrates the ratings expected for the Class A 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 A (sf), all else being equal. If the PD increases by 50% the rating for the Class A Notes would be expected to remain at A (sf), all else being equal. If both the LGD and PD increase by 50%, the rating of the Class A Notes would be expected to remain at A (sf), all else being equal.

Class A Risk Sensitivity:

- 25% increase in LGD, expected rating of A (sf).
- 50% increase in LGD, expected rating of A (sf).

- 25% increase in PD, expected rating of A (sf).
- 50% increase in PD, expected rating of A (sf).
- 25% increase in LGD and 25% increase in PD, expected rating of A (sf).
- 25% increase in LGD and 50% increase in PD, expected rating of A (sf).
- 50% increase in LGD and 25% increase in PD, expected rating of A (sf).
- 50% increase in LGD and 50% increase in PD, expected rating of A (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 Sánchez Rodríguez
Initial Rating Date: 12 October 2012
Initial Rating Committee Chair: Claire Mezzanotte

Last Rating Date: 2 January 2013

Lead Surveillance Analyst: Keith Gorman
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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
Derivative 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 9 FTA	Senior Notes	Confirmed	A (sf) --	Nov 19, 2013	EU
					US = USA Issued, NRSRO
					CA = Canada Issued, NRSRO
					EU = EU Issued
					E = EU Endorsed

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