





Date of Release: December 4, 2015

## **DBRS Upgrades Rating on Notes Issued by Bankia PYME I FTA**

DBRS Ratings Limited (DBRS) has today upgraded its rating to AA (low) (sf) from A (low) (sf) on the EUR 87,557,589.00 Series of Notes issued by Bankia PYME I FTA (the Issuer).

The transaction is a cash flow securitisation collateralised by a portfolio of bank loans originated by Bankia S.A. (Bankia) to self-employed individuals and small- and medium-sized enterprises based in Spain.

The rating on the Series of Notes addresses the timely payment of interest and the ultimate payment of principal payable on or before the Final Maturity Date in July 2053.

The rating actions reflect an annual review of the transaction. The Series of Notes are currently at 19.39% of their initial balance after almost two years since closing. Given this deleveraging, the current credit enhancement available has increased considerably, while the transaction performance is in line with DBRS's expectations.

As of the 14 October 2015 payment date, 1-3 months delinquencies, 3-6 months delinquencies, 6-12 months delinquencies and over 12 months delinquencies were 1.596%, 0.149%, 0.509% and 0.910% of the original collateral balance, respectively, while the cumulative gross default ratio was 0.430% of the original collateral balance.

The Reserve Fund (RF) is available to cover missed senior fees and interest and principal payments on the Series of Notes and Loan B throughout the life of the deal. The current balance of the RF is at its required level of €22,575,000.00.

Bankia is the Originator and Servicer for this transaction. Banco Bilbao Vizcaya Argentaria, S.A. (BBVA) is the account bank provider of the transaction since 23 July 2015, when the account bank was transferred from Bankia to BBVA. BBVA public rating by DBRS is currently at "A," which complies with the Minimum Institution Rating given the rating assigned to the Series of Notes, as described in DBRS's Legal Criteria for European Structured Finance Transactions methodology.

Notes:

All figures are in euros unless otherwise noted.

The principal methodology applicable is Rating CLOs Backed by Loans to European Small and Medium-Sized Enterprises (SMEs). DBRS has applied the principal methodology consistently and conducted a review of the transaction in accordance with the principal methodology.

DBRS conducted a review of the amendment to the account bank agreement. The other transaction legal documents have remained unchanged since the most recent rating action, and were not reviewed.

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

This may be found on [www.dbrs.com](http://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's "The Effect of Sovereign Risk on Securitizations in the Euro Area" commentary on <http://www.dbrs.com/industries/bucket/id/10036/name/commentaries/>.

The sources of information used for this rating include information provided by Europea de Titulizacion S.A., S.G.F.T., and loan level data from the European DataWarehouse GmbH.

DBRS does not rely upon third-party due diligence in order to conduct its analysis.

DBRS was not supplied with third-party assessments. However, this did not impact the rating analysis.

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 4 December 2014, when DBRS upgraded the rating on the Series of Notes to A (low) (sf) from BBB (high) (sf).

Information regarding DBRS ratings, including definitions, policies and methodologies is available at [www.dbrs.com](http://www.dbrs.com).

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

-- Probability of default (PD) rates used: base case PD of 4.73%, and a 10% and 20% increase in

the base case PD.

-- Recovery rates used: base case recovery rates, corresponding to a recovery rate of 19.63% at the AA (low) (sf) stress level for the Series of Notes, a 10% and 20% decrease in the base case recovery rates.

DBRS concludes that either a hypothetical increase of the base PD by 20% or a hypothetical decrease of the Recovery Rate by 20%, ceteris paribus, would produce model results suggesting a confirmation of the Series of Notes at their current rating. A scenario combining both a hypothetical increase in the PD by 20% and a hypothetical decrease in the Recovery Rate by 20% would also lead to model results suggesting a confirmation of the current rating.

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: Simon Ross

Initial Rating Date: 20 December 2013

Initial Rating Committee Chair: Jerry van Koolbergen

Lead Surveillance Analyst: Alfonso Candelas

Rating Committee Chair: Jerry van Koolbergen

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 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
- Rating CLOs Backed by Loans to European Small and Medium-Sized Enterprises (SMEs)
- Operational Risk Assessment for European Structured Finance Servicers
- Unified Interest Rate Model for European Securitisations
- Cash Flow Assumptions for Corporate Credit Securitizations
- Rating CLOs and CDOs of Large Corporate Credit.
- Master European Residential Mortgage-Backed Securities Rating Methodology and

## Jurisdictional Addenda

A description of how DBRS analyses structured finance transactions and how the methodologies are collectively applied can be found at: <http://www.dbrs.com/research/278375>.

## Ratings

Issuer	Debt Rated	Rating Action	Rating	Trend	Notes Published	Issued
<a href="#">Bankia PYME I FTA</a>	Series of Notes	Upgraded	AA (low) (sf) --		Dec 4, 2015	EU

US = USA Issued, NRSRO  
CA = Canada Issued, NRSRO  
EU = EU Issued  
E = [EU Endorsed](#)  
[Unsolicited Participating](#)  
[Unsolicited Non-participating](#)

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

Alfonso Candelas  
Vice President, EU Surveillance - Global Structured Finance  
+44 20 7855 6624  
[acandelasbernal@dbrs.com](mailto:acandelasbernal@dbrs.com)

Francesco Amato  
Financial Analyst, EU Surveillance - Global Structured Finance  
+44 20 7855 6631  
[famato@dbrs.com](mailto:famato@dbrs.com)

Jerry van Koolbergen  
Managing Director, Head of US and European SC - Global Structured Finance  
+1 212 806 3260  
[jvankoolbergen@dbrs.com](mailto:jvankoolbergen@dbrs.com)

Copyright © 2015, 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 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 creditworthiness 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>.



[close Request a DBRS.com Trial Now!](#) or [Contact Us](#) to get started.