

## Ratings Affirmed In Spanish RMBS Transaction BBVA RMBS 13 Following Review

**Primary Credit Analyst:**

Ignacio T Estruga, Madrid (34) 91-389-6964; ignacio.estruga@spglobal.com

**Secondary Contact:**

Isabel Plaza, Madrid (34) 91-788-7203; isabel.plaza@spglobal.com

### 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
A	A (sf)
B	BBB (sf)

Copyright © 2017 by Standard & Poor's Financial Services LLC. All rights reserved.

No content (including ratings, credit-related analyses and data, valuations, model, software or other application or output therefrom) or any part thereof (Content) may be modified, reverse engineered, reproduced or distributed in any form by any means, or stored in a database or retrieval system, without the prior written permission of Standard & Poor's Financial Services LLC or its affiliates (collectively, S&P). The Content shall not be used for any unlawful or unauthorized purposes. S&P and any third-party providers, as well as their directors, officers, shareholders, employees or agents (collectively S&P Parties) do not guarantee the accuracy, completeness, timeliness or availability of the Content. S&P Parties are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, for the results obtained from the use of the Content, or for the security or maintenance of any data input by the user. The Content is provided on an "as is" basis. S&P PARTIES DISCLAIM ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, FREEDOM FROM BUGS, SOFTWARE ERRORS OR DEFECTS, THAT THE CONTENT'S FUNCTIONING WILL BE UNINTERRUPTED, OR THAT THE CONTENT WILL OPERATE WITH ANY SOFTWARE OR HARDWARE CONFIGURATION. In no event shall S&P Parties be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs or losses caused by negligence) in connection with any use of the Content even if advised of the possibility of such damages.

Credit-related and other analyses, including ratings, and statements in the Content are statements of opinion as of the date they are expressed and not statements of fact. S&P's opinions, analyses, and rating acknowledgment decisions (described below) are not recommendations to purchase, hold, or sell any securities or to make any investment decisions, and do not address the suitability of any security. S&P assumes no obligation to update the Content following publication in any form or format. The Content should not be relied on and is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment and other business decisions. S&P does not act as a fiduciary or an investment advisor except where registered as such. While S&P has obtained information from sources it believes to be reliable, S&P does not perform an audit and undertakes no duty of due diligence or independent verification of any information it receives.

To the extent that regulatory authorities allow a rating agency to acknowledge in one jurisdiction a rating issued in another jurisdiction for certain regulatory purposes, S&P reserves the right to assign, withdraw, or suspend such acknowledgement at any time and in its sole discretion. S&P Parties disclaim any duty whatsoever arising out of the assignment, withdrawal, or suspension of an acknowledgment as well as any liability for any damage alleged to have been suffered on account thereof.

S&P keeps certain activities of its business units separate from each other in order to preserve the independence and objectivity of their respective activities. As a result, certain business units of S&P may have information that is not available to other S&P business units. S&P has established policies and procedures to maintain the confidentiality of certain nonpublic information received in connection with each analytical process.

S&P may receive compensation for its ratings and certain analyses, normally from issuers or underwriters of securities or from obligors. S&P reserves the right to disseminate its opinions and analyses. S&P's public ratings and analyses are made available on its Web sites, [www.standardandpoors.com](http://www.standardandpoors.com) (free of charge), and [www.ratingsdirect.com](http://www.ratingsdirect.com) and [www.globalcreditportal.com](http://www.globalcreditportal.com) (subscription) and [www.spcapitaliq.com](http://www.spcapitaliq.com) (subscription) and may be distributed through other means, including via S&P publications and third-party redistributors. Additional information about our ratings fees is available at [www.standardandpoors.com/usratingsfees](http://www.standardandpoors.com/usratingsfees).

STANDARD & POOR'S, S&P and RATINGSDIRECT are registered trademarks of Standard & Poor's Financial Services LLC.