

Otra Información Relevante de BBVA RMBS 11 FONDO DE TITULIZACIÓN DE ACTIVOS

En virtud de lo establecido en el Folleto Informativo de **BBVA RMBS 11 FONDO DE TITULIZACIÓN DE ACTIVOS** (el “Fondo”) se comunica a la COMISIÓN NACIONAL DEL MERCADO DE VALORES el presente hecho relevante:

- La Agencia de Calificación **Standard & Poor’s Global Ratings (“S&P”)**, con fecha 23 de febrero de 2021, comunica que ha elevado la calificación asignada a la siguiente Serie de Bonos emitidos por el Fondo:
 - **Serie C: BBB+ (sf)** (anterior **BBB- (sf)**)

Asimismo, S&P ha afirmado las calificaciones asignadas a las restantes Series de Bonos:

- **Serie A: A- (sf)**
- **Serie B: A- (sf)**

Se adjunta la comunicación emitida por S&P.

Madrid, 25 de febrero de 2021.



(/en_US/web/guest/home) BBVA RMBS 11 Spanish RMBS Rating Raised On One Class; Two Classes Affirmed Following Criteria Revision

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Overview

We have reviewed BBVA RMBS 11 following the expansion of the global RMBS criteria's scope to include Spain, among other countries.

We have raised our rating on the class C notes. At the same time, we have affirmed our ratings on the class A and B notes. BBVA RMBS 11 is a Spanish RMBS transaction, which securitizes a portfolio of first-ranking mortgage loans granted to Spanish residents.

MADRID (S&P Global Ratings) Feb. 23, 2021--S&P Global Ratings today raised its credit rating on BBVA RMBS 11, Fondo de Titulizacion de Activos's class C notes to 'BBB+ (sf)' from 'BBB- (sf)'. At the same time, we have affirmed our 'A- (sf)' ratings on the class A and B notes.

Today's rating actions follow the implementation of our revised criteria and assumptions for assessing pools of Spanish residential loans (see "Related Criteria"). They also reflect our full analysis of the most recent information that we have received and the transaction's current structural features.

Upon expanding our global RMBS criteria to include Spanish transactions, we placed our rating on the class C notes under criteria observation. Following our review of the transaction's performance and the application of our updated criteria for rating Spanish RMBS transactions, the rating is no longer under criteria observation.

Our weighted-average foreclosure frequency (WAFF) assumptions have decreased due to the calculation of the effective loan-to-value (LTV) ratio, which is based on 80% original LTV (OLTV) and 20% current LTV (CLTV). Under our previous criteria, we used only the OLTV. Our WAFF assumptions also declined because of the transaction's decrease in arrears. In addition, our weighted-average loss severity (WALS) assumptions have decreased, due to the lower CLTV and lower market value declines. The reduction in our WALS is partially offset by the increase in our foreclosure cost assumptions.

Table 1

Rating	WAFF (%)	Credit Analysis Results	
		WALS (%)	Credit coverage (%)
AAA	22.22	36.99	8.22
AA	15.29	32.82	5.02
A	11.78	24.62	2.90

BBB	8.99	20.11	1.81
BB	6.04	16.95	1.02
B	3.96	14.11	0.56

WAFF--Weighted-average foreclosure frequency. WALs--Weighted-average loss severity.

Loan-level arrears are low at 0.83%. Overall delinquencies remain well below our Spanish RMBS index (see "Related Research").

Cumulative defaults, defined as loans in arrears for a period equal to or greater than 18 months, represent 2.17% of the closing pool balance. The interest deferral trigger for class C is not at risk of being breached because it is defined at 10.0%, and we do not expect that this level will be reached in the near term.

Our analysis also considers the transaction's sensitivity to the potential repercussions of the coronavirus outbreak. Of the pool, 5% of loans are on payment holidays under the Spanish sectorial moratorium schemes, and the proportion of loans with either legal or sectorial payment holidays is slightly higher than the market average (below 5%). The government approved a new payment holiday scheme available until March 31, 2021, where the payment holidays could last up to three months. In our analysis, we considered the potential impact of the scheme's extension and the risk the payment holidays could present should they become arrears or defaults in the future.

Our operational, rating above the sovereign, and legal risk analyses remain unchanged since our last review. Therefore, the ratings assigned are not capped by any of these criteria.

We consider that the transaction's documented replacement mechanisms adequately mitigate its counterparty risk exposure to BBVA, as bank account provider, up to a 'A-' rating under our current counterparty criteria. Therefore, our ratings on the notes are capped at 'A- (sf)' by our counterparty criteria.

The servicer, BBVA, has a standardized, integrated, and centralized servicing platform. It is a servicer for many Spanish RMBS transactions, and its transactions' historical performance has outperformed our Spanish RMBS index.

Credit enhancement available in BBVA RMBS 11 has increased since our previous review because the notes amortize sequentially and the reserve fund is at its required level.

We have raised to 'BBB+ (sf)' from 'BBB- (sf)' our rating on the class C notes. The class C notes could withstand stresses at a higher rating than the current rating assigned. However, we have limited our upgrade based on their overall credit enhancement and position in the waterfall, the deterioration in the macroeconomic environment, and the risk that payment holidays could become arrears in the future. At the same time, we have affirmed our 'A- (sf)' ratings on the class A and B notes. Our ratings on class A and B notes are capped at 'A- (sf)' by our counterparty criteria.

S&P Global Ratings believes there remains high, albeit moderating, uncertainty about the evolution of the coronavirus pandemic and its economic effects. Vaccine production is ramping up and rollouts are gathering pace around the world. Widespread immunization, which will help pave the way for a return to more normal levels of social and economic activity, looks to be achievable by most developed economies by the end of the third quarter. However, some emerging markets may only be able to achieve widespread immunization by year-end or later. We use these assumptions about vaccine timing in assessing the economic and credit implications associated with the pandemic (see our research here: www.spglobal.com/ratings). As the situation evolves, we will update our assumptions and estimates accordingly.

Related Criteria

Criteria | Structured Finance | General: Global Framework For Payment Structure And Cash Flow Analysis Of Structured Finance Securities (/en_US/web/guest/article/-/view/sourceld/11734324), Dec. 22, 2020

Criteria | Structured Finance | General: Methodology To Derive Stressed Interest Rates In Structured Finance (/en_US/web/guest/article/-/view/sourceld/11140277), Oct. 18, 2019

Criteria | Structured Finance | General: Counterparty Risk Framework: Methodology And Assumptions (/en_US/web/guest/article/-/view/sourceld/10861340), March 8, 2019

Criteria | Structured Finance | General: Incorporating Sovereign Risk In Rating Structured Finance Securities: Methodology And Assumptions (/en_US/web/guest/article/-/view/sourceld/10836964), Jan. 30, 2019

Criteria | Structured Finance | RMBS: Global Methodology And Assumptions: Assessing Pools Of Residential Loans (/en_US/web/guest/article/-/view/sourceld/10808991), Jan. 25, 2019

Legal Criteria: Structured Finance: Asset Isolation And Special-Purpose Entity Methodology (/en_US/web/guest/article/-/view/sourceld/9733017), March 29, 2017

Criteria | Structured Finance | General: Global Framework For Assessing Operational Risk In Structured Finance Transactions (/en_US/web/guest/article/-/view/sourceld/8737366), Oct. 9, 2014

General Criteria: Principles Of Credit Ratings (/en_US/web/guest/article/-/view/sourceld/6485398), Feb. 16, 2011

Criteria | Structured Finance | General: Methodology For Servicer Risk Assessment
 (/en_US/web/guest/article/-/view/sourceld/5428209), May 28, 2009

Related Research

European RMBS Outlook 2021 (/en_US/web/guest/article/-/view/sourceld/11799532), Jan. 25, 2021
 Certain Italian, Portuguese, And Spanish RMBS Ratings Placed Under Criteria Observation Due To Criteria Update
 (/en_US/web/guest/article/-/view/sourceld/11796195), Jan. 8, 2021
 Global Criteria For Assessing Pools Of Residential Loans Updated To Include Seven European Jurisdictions
 (/en_US/web/guest/article/-/view/sourceld/11794605), Jan. 8, 2021
 Spanish Banks Need To Bolster Provisions, Cut Costs, And Preserve Capital In 2021
 (/en_US/web/guest/article/-/view/sourceld/11808306), Jan. 25, 2021
 S&P Global Ratings Definitions (/en_US/web/guest/article/-/view/sourceld/504352), Jan. 5, 2021
 Spanish RMBS Index Report Q3 2020 (/en_US/web/guest/article/-/view/sourceld/11744833), Dec. 11, 2020
 European RMBS Index Report Q3 2020 (<https://www.capitaliq.com/CIQDotNet/CreditResearch/SPResearch.aspx?articleId=&ArtObjectid=11744504&ArtRevId=2&sid=&ind=A&>), Dec. 11, 2020
 Spain Outlook Revised To Negative From Stable On Mounting Fiscal and Structural Challenges; Affirmed At 'A/A-1'
 (/en_US/web/guest/article/-/view/sourceld/11653485), Sept. 18, 2020
 Banking Industry Country Risk Assessment: Spain (/en_US/web/guest/article/-/view/sourceld/11523497), June 18, 2020
 Residential Mortgage Market Outlooks Updated For 13 European Jurisdictions Following Revised Economic Forecasts
 (/en_US/web/guest/article/-/view/sourceld/11475804), May 1, 2020
 Various Rating Actions Taken On BBVA RMBS 11 And 13's Spanish RMBS Notes Following Review
 (/en_US/web/guest/article/-/view/sourceld/11001673), May 29, 2019
 2017 EMEA RMBS Scenario And Sensitivity Analysis (/en_US/web/guest/article/-/view/sourceld/10156650), July 6, 2017
 Global Structured Finance Scenario And Sensitivity Analysis 2016: The Effects Of The Top Five Macroeconomic Factors
 (/en_US/web/guest/article/-/view/sourceld/9913417), Dec. 16, 2016
 Regulatory Disclosures For Each Credit Rating Including Ratings List Table
 (/en_US/web/guest/article/-/view/sourceld/100049148?pu=true)
 Disclosures include requirements relating to press releases or reports published in accordance with Article 10(1), 10(2), and 10(5), and Annex I, Section D, I, 1, 2, 2a, 4, and 5. These requirements are available by rating via the link titled "Regulatory Disclosure" and include, but are not limited to:

Key Elements Underlying The Credit Rating

ESG Credit Factors

Solicited Or Unsolicited Status

Analysts Primarily Responsible For The Credit Rating

Office Responsible For The Credit Rating

Materials Used In The Credit Rating Process

Criteria Applied

Models Applied, Loss, And Cash Flow Analysis Performed

Scenario Analysis

Sensitivity Analysis

Risk Warning, Understanding Credit Rating Categorizations, And Criteria

Rated Entity Notification

Ancillary And Additional Services

Attributes And Limitations Of The Credit Rating

Information Specific To Structured Finance And Securitization Instruments

'sf' Identifier

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