



## Ratings On Classes B And C Raised In Spanish Auto ABS Deal BBVA Autos 1, Class A Notes Affirmed

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**OVERVIEW**

- BBVA Autos 1's performance has raised and credit enhancement now supports higher ratings on the junior notes and an affirmation of the senior notes.
- We have raised our ratings on BBVA Autos 1's class B and C notes and affirmed our rating on the class A notes.
- This transaction securitizes a portfolio of unsecured auto loans granted in Spain by BBVA.

MADRID (Standard & Poor's) Dec. 10, 2010--Standard & Poor's Ratings Services today raised its credit ratings on BBVA Autos 1 Fondo de Titulizacion de Activos' class B and C notes. At the same time, we affirmed our ratings on the class A notes (see list below).

Today's rating actions follow our review of the transaction's performance.

BBVA originated the underlying asset pool, which consists of unsecured performing loans made to individuals in Spain to purchase a new car. BBVA originated these loans between 1997 and the beginning of 2004.

Our analysis indicates that the current levels of credit enhancement available to the transaction's rated classes has significantly increased since June 2009 due to the amortization of the senior notes.

The transaction has also benefited from a nonamortizing subordinated credit agreement, which is currently at 18% of the outstanding notes balance and provides up to €20 million of credit enhancement. Additionally, the relative

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percentage of enhancement provided will increase as the assets continue to pay down.

BBVA Autos 1 closed in October 2004 and the revolving period ended two years later. As of today, the outstanding pool balance is 10.88% of the pool balance at closing.

In our view, the underlying collateral pool, which is very seasoned, has performed robustly, showing relatively low levels of delinquencies and defaults. According to our calculation, 90+ day delinquent loans net of defaulted loans account for 1.09% of the outstanding pool balance. Defaulted loans defined as loans in arrears for more than 12 months represent 1.18% of the original balance.

These levels of delinquencies are lower than levels presented in other Spanish auto loans transactions. At the same time, the level of credit enhancement is much higher than in Banco Bilbao Vizcaya Argentaria S.A.'s (BBVA) other ABS transactions due to the amortization features of the rated notes, among other things.

The transaction's trigger level for deferring interest on the junior B and C classes is based on available funds. According to our calculation, this trigger is far from being breached.

Following our credit analysis, and taking into account the structural features listed above, our opinion is that the classes B and C notes can be upgraded and the rating on the class A notes affirmed.

#### RELATED CRITERIA AND RESEARCH

- Revised Framework For Applying Counterparty And Supporting Party Criteria, May 8, 2007
- European Consumer Finance Criteria, March 1, 2000

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#### RATINGS LIST

| Class                                         | Rating |
|-----------------------------------------------|--------|
| To                                            | From   |
| BBVA Autos 1 Fondo de Titulizacion de Activos |        |
| €1 Billion Floating-Rate Asset-Backed Notes   |        |
| Ratings Raised                                |        |

*Ratings On Classes B And C Raised In Spanish Auto ABS Deal BBVA Autos 1, Class A Notes Affirmed*

|   |          |         |
|---|----------|---------|
| B | AAA (sf) | AA (sf) |
| C | AA (sf)  | A (sf)  |

Rating Affirmed

|   |          |
|---|----------|
| A | AAA (sf) |
|---|----------|

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