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DBRS Upgrades Rating on BBVA Consumo 4 F.T.A.

DBRS Ratings Limited (DBRS) has today taken the following rating action on the bond issued by BBVA Consumo 4 F.T.A. (the Issuer):

-- Series B notes upgraded to AA (low) (sf) from A (sf).

The rating action on the Series B notes is based on the following analytical considerations, as described more fully below:

-- Portfolio performance, in terms of delinquencies and defaults, as of the March 2015 payment date.

-- Actual default rate, recovery rate and expected losses are within DBRS's expectations.

-- Additional cash flow analysis of the Series B notes without the benefit of the cash reserve.

BBVA Consumo 4 F.T.A. is a securitisation of Spanish consumer loan receivables originated and serviced by Banco Bilbao Vizcaya Argentaria (BBVA).

As of March 2015, two- to three-month arrears were at 1.59%, and the 90+ delinquency ratio was at 4.21%. The cumulative default ratio was 4.33%.

As of the March 2015 payment date, credit enhancement to the Series B notes was 178.99%, up from 96.02% last year. Credit enhancement to the Series B notes consists of the cash reserve.

As of the March 2015 payment date, the cash reserve was at EUR 214,541,913.62, below the target level of EUR 231,000,000.00.

BBVA holds the Treasury Account for the transaction. The DBRS public rating of BBVA at "A" complies with the Minimum Institution Rating given the rating assigned to the Series B notes, as described in DBRS's "Legal Criteria for European Structured Finance Transactions" methodology. BBVA is the swap counterparty for the transaction. The DBRS public rating of BBVA at "A" is equal to the First Rating Threshold as described in DBRS's "Derivative Criteria for European Structured Finance Transactions" methodology.

The Issuer has replacement triggers for the Treasury Account, where, in the event that BBVA were to be downgraded below BBB by DBRS, the Management Company shall find a replacement institution, which is rated at least BBB by DBRS. However, the DBRS Legal Criteria for European Structured Finance Transactions as of 31 December 2014 indicates that an Account Bank's having the minimum rating of "A" with respect to a AAA or AA transaction combined with a provision to replace within 30 calendar days of a downgrade below that level is generally sufficient to mitigate the risk of that counterparty's default.

Given the combination of the current rating of BBVA and the replacement provision described above, additional cash flow analysis for the Series B notes included scenarios where the transaction did not benefit from the cash reserve. In these scenarios, the Series B notes were able to withstand DBRS expected losses at the AA (low) (sf) rating level.

BBVA is the swap counterparty for the transaction. The DBRS public rating of BBVA at "A" meets the minimum criteria for BBVA to act as swap counterparty as described in DBRS's "Derivative Criteria for European Structured Finance Transactions" methodology.

Notes:

All figures are in euros unless otherwise noted.

The principal methodology applicable is the "Master European Structured Finance Surveillance Methodology." DBRS has applied the principal methodology consistently and conducted a review of the transaction in accordance with the principal methodology. Other methodologies referenced in this transaction are listed at the end of this press release and may 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's "The Effect of Sovereign Risk on Securitizations in the Euro Area" commentary at <http://www.dbrs.com/industries/bucket/id/10036/name/commentaries/>.

The sources of information used for this rating include investor reports provided by Europa de Titulización, S.A., S.G.F.T. 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 rely upon third-party due diligence in order to conduct its analysis. DBRS was not supplied with third-party assessments; however, this did not affect the rating analysis.

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 24 February 2015, when DBRS discontinued the rating on the Series A notes due to repayment.

Information regarding DBRS ratings, including definitions, policies and methodologies is available at 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):

- DBRS expected a lifetime base case probability of default (PD) and loss given default (LGD) for the pool based on a review of the transaction performance. Adverse changes to performance may cause stresses to base case assumptions and therefore have a negative effect on credit ratings.
- The base case PD and LGD of the current pool of receivables for the Issuer are 6.81% and 95.97%, respectively.
- The Risk Sensitivity overview below illustrates the ratings expected 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 of the Series B notes would be expected to remain at AA (low) (sf), assuming no change in the PD. If the PD increases by 50%, the rating for the Series B notes would be expected to fall to BBB (high) (sf), assuming no change in the LGD. Furthermore, if both the PD and LGD increase by 50%, the rating of the Series B notes would be expected to fall to BBB (high) (sf).

Series B notes Risk Sensitivity:

- 25% increase in LGD, expected rating of AA (low) (sf)
- 50% increase in LGD, expected rating of AA (low) (sf)
- 25% increase in PD, expected rating of A (low) (sf)
- 50% increase in PD, expected rating of BBB (high) (sf)
- 25% increase in PD and 25% increase in LGD, expected rating of A (low) (sf)
- 25% increase in PD and 50% increase in LGD, expected rating of A (low) (sf)
- 50% increase in PD and 25% increase in LGD, expected rating of BBB (high) (sf)
- 50% increase in PD and 50% increase in LGD, expected rating of BBB (high) (sf)

For further information on DBRS historic default rates published by the European Securities and Markets Administration 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.

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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 (December 2014)
- Derivative Criteria for European Structured Finance Transactions (October 2014)
- Master European Structured Finance Surveillance Methodology (April 2015)
- Operational Risk Assessment for European Structured Finance Servicers (January 2015)
- Rating European Consumer and Commercial Asset-Backed Securitisations (December 2014)
- Unified Interest Rate Model for European Securitisations (January 2013)

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
BBVA Consumo 4 F.T.A.	Series B	Upgraded	AA (low) (sf)	--	Jun 17, 2015	EU

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CA = Canada Issued, NRSRO
EU = EU Issued
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