



Date of Release: October 18, 2016

DBRS Takes Rating Actions on BBVA Consumo 6, F.T.A.

DBRS Ratings Limited (DBRS) has today taken the following rating actions on the bonds issued by BBVA Consumo 6, F.T.A. (the Issuer):

- Series A notes upgraded to A (sf) from A (low) (sf).
- Series B notes confirmed at B (high) (sf).

The rating actions are based on the following analytical considerations as described more fully below:

- Portfolio performance, in terms of delinquencies and defaults, as of August 2016.
- Updated portfolio default rate, loss given default (LGD) and expected loss assumptions for the remaining collateral pool.
- Current available credit enhancement to the Series A and Series B notes to cover the expected losses at the A (sf) and B (high) rating levels respectively.

BBVA Consumo 6, F.T.A. is a securitisation of Spanish consumer loan receivables originated and serviced by Banco Bilbao Vizcaya Argentaria, S.A. (BBVA). The transaction had a 12-month revolving period that ended in January 2016.

As of August 2016, two- to three-month arrears were at 0.26%, down from 0.65% in July 2015. The 90+ delinquency ratio was equal to 1.80%. The current cumulative default ratio is 0.23%.

As of the July 2016 Payment Date, credit enhancement to the Series A notes was 26.07% and credit enhancement to the Series B notes was 6.52%. Credit enhancement to the Series A notes consists of subordination of the Series B notes and a reserve fund, and credit enhancement to the Class B notes consists solely of the reserve fund.

The reserve fund is available to cover senior fees, interest shortfall and principal shortfall on the Series A notes. The reserve fund is currently at the target level of EUR 15.00 million, subject to a floor of EUR 7.50 million, and is permitted to amortise once certain conditions have been met. The reserve fund was reduced from its original amount of EUR 36.0 million in October 2015, following an amendment to the transaction.

BBVA is the Account Bank for the transaction. The Account Bank reference rating of “A” — being one notch below the DBRS Long Term Critical Obligations Rating of BBVA at A (high) — complies with the Minimum Institution Rating given the rating assigned to the Series A 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 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.

A review of the transaction legal documents was not conducted as the documents have remained unchanged since the most recent rating action.

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

These may be found on www.dbrs.com at <http://www.dbrs.com/about/methodologies>

For a more detailed discussion of the sovereign risk impact on Structured Finance ratings, please refer to DBRS commentary “The Effect of Sovereign Risk on Securitisations in the Euro Area” on: <http://www.dbrs.com/industries/bucket/id/10036/name/commentaries/>

The sources of information used for this rating include reports provided by Europea de Titulización S.A., S.G.F.T. (the Management Company) and 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 to be 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 27 October 2015 when DBRS downgraded the ratings on the Series A notes to A (low) (sf) from A (sf) and the Series B notes to B (high)

from BBB (low), following a structural amendment to the transaction.

Information regarding DBRS ratings, including definitions, policies and methodologies, is available on 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 LGD for the pool based on a review of the current assets. Adverse changes to asset 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 mortgages for the Issuer are 12.71% and 56.83%, 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 A notes would be expected to fall to A (low) (sf), assuming no change in the PD. If the PD increases by 50%, the rating for the Series A notes would be expected to fall to A (low) (sf), assuming no change in the LGD. Furthermore, if both the PD and LGD increase by 50%, the rating of the Series A notes would be expected to fall to BBB (sf).

Series A notes Risk Sensitivity:

-- 25% increase in LGD, expected rating of A (sf)

-- 50% increase in LGD, expected rating of A (low) (sf)

-- 25% increase in PD, expected rating of A (sf)

-- 50% increase in PD, expected rating of A (low) (sf)

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

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

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

-- 50% increase in PD and 50% increase in LGD, expected rating of BBB (sf)

Series B notes Risk Sensitivity:

-- 25% increase in LGD, expected rating of B (low) (sf)

-- 50% increase in LGD, expected rating below B (sf)

-- 25% increase in PD, expected rating of B (low) (sf)

-- 50% increase in PD, expected rating below B (sf)

-- 25% increase in PD and 25% increase in LGD, expected rating below B (sf)

-- 25% increase in PD and 50% increase in LGD, expected rating below B (sf)

-- 50% increase in PD and 25% increase in LGD, expected rating below B (sf)

-- 50% increase in PD and 50% increase in LGD, expected rating below B (sf)

For further information on DBRS historical default rates published by the European Securities and Markets Authority (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.

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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
- Master European Structured Finance Surveillance Methodology
- Operational Risk Assessment for European Structured Finance Servicers
- Rating European Consumer and Commercial Asset-Backed Securitizations

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 6, F.T.A.	Series A	Upgraded	A (sf)	--	Oct 18, 2016	EU
BBVA Consumo 6, F.T.A.	Series B	Confirmed	B (high) (sf)	--	Oct 18, 2016	EU

US = USA Issued, NRSRO

CA = Canada Issued, NRSRO

EU = EU Issued

E = [EU Endorsed](#)

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