Rating Report

BBVA Consumer Auto 2018-1 Fondo de Titulización

DBRS

Insight beyond the rating.

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Ratings and Issuer's Assets and Liabilities

Debt	Par Amount (EUR) 1	Subordination 2	Coupon	Rating	Rating Action
Class A Notes	728,000,000	9.50%	Fixed Rate	AA (low) (sf)	New Rating - Provisional
Class B Notes	23,200,000	6.60%	Fixed Rate	A (sf)	New Rating - Provisional
Class C Notes	32,800,000	2.50%	Fixed Rate	BBB (sf)	New Rating - Provisional
Class D Notes	10,000,000	0.75%	Fixed Rate	BB (sf)	New Rating - Provisional
Class E Notes	6,000,000	0.00%	Fixed Rate	NR	New Rating - Provisional
Class Z Notes	4,000,000	0.00%	Fixed Rate	NR	New Rating - Provisional

1 As at the Issue Date.
2 Subordination is calculated as a percentage of the underlying portfolio and includes the Cash Reserve for the applicable Notes.

	Initial Amount (EUR) (expected at closing)	Size
Receivables	800,000,000	100.0%
Cash Reserve 1	4,000,000	

1 The Cash Reserve has been funded through the issuance of the Class Z Notes

Transaction Summary

DBRS Ratings Limited (DBRS) assigned provisional ratings to the Class A, Class B, Class C and Class D Notes to be issued by BBVA Consumer Auto 2018-1, FT (BBVA Consumer Auto 2018-1or the Issuer) as listed in the table above.

BBVA Consumer Auto 2018-1 FT (the Issuer or the Fund) is a cash flow securitisation fund incorporated under Spanish securitisation law. The Class A, Class B, Class C, Class D and the unrated Class E Notes (the collateralised notes) will be backed by an EUR 800 million pool of receivables of new and used vehicle loans for private individuals residing in Spain granted by Banco Bilbao Vizcaya Argentaria, S.A. (BBVA, the Seller or the Originator). The Class Z Notes, which are not rated by DBRS, will be issued to fund the Reserve Fund of the transaction. The provisional portfolio had a balance of EUR 919 million as at 21 May 2018.

On or around each payment date during the initial 18-month revolving period, BBVA may offer additional receivables to the Issuer to purchase with collections deriving from the amortisation of the portfolio subject to eligibility criteria, performance triggers and other provisions of the transaction documents. The portfolio is serviced by BBVA (the Servicer) and the transaction is managed by Europea de Titulización S.A., S.G.F.T. (the Management Company).

DBRS has analysed the EUR 919 million provisional portfolio selected by BBVA as at 21 May 2018. The EUR 800 million portfolio that will be assigned on or about the issue date will be selected from the provisional portfolio.

Provisional Portfolio Summary (as at 21 May 2018)

Total Outstanding Principal (EUR)	919,110,157
Number of Loans	101,709
Average Outstanding Principal (EUR)	9,037
Weighted-Average Interest Rate (%)	7.7
Weighted-Average Seasoning (Months)	19.0
Weighted-Average Remaining Maturity (Months)	62.7

Asset Class	ABS (Auto Loans)
Asset Governing Jurisdiction	Kingdom of Spain
Sovereign Rating	A

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Transaction Parties and Relevant Dates

Transaction Parties

Roles	Counterparty	Rating
Issuer	BBVA Consumer Auto 2018-1 FT	n. a.
Originator, Seller, Servicer	Banco Bilbao Vizcaya Argentaria, S.A.	(I) A (high) Stable // R-1 (mid)/Stable (C) AA (low)/ Stable // R-1 (mid)/Stable
Start-Up Expenses Loan Provider	Banco Bilbao Vizcaya Argentaria, S.A.	(I) A (high)Stable // R-1 (mid)/Stable (C) AA (low)/Stable // R-1 (mid)/Stable
Account Bank, Paying Agent, Principal Account	Banco Bilbao Vizcaya Argentaria, S.A.	(I) A (high)Stable // R-1 (mid)/Stable (C) AA (low)/Stable // R-1 (mid)/Stable
Arrangers	Merril Lynch International	
Management Company	Europea de Titulización S.A., S.G.F.T.	n.a.

Specifications are marked as follows:
(I): Issuer Rating;
(C): Critical Obligations Rating

Relevant Dates

Issue Date	[18] June 2018
First Interest Payment Date	22 October 2018
Payment Dates	20 January / April / July / October on a quarterly basis
Collection Periods	Daily
Revolving Period Maturity Date	[20] [January] 2020
Legal Maturity Date	[20 July 2031]

Rating Considerations

Notable Features

- The transaction benefits from an 18-month revolving period during which time the Originator may offer additional receivables subject to eligibility criteria and concentration limits.
- The amortisation of the notes will start upon an early revolving period termination event or at the end of the revolving period.
- During amortisation, repayment of the notes is fully sequential.
- All loans in the portfolio have fixed interest rates and pay monthly equal instalments.
- Approximately 54.4% of the receivables from the provisional portfolio will finance the purchase of new cars and the remaining 45.6% will purchase used cars.

Strengths

- The classes of notes benefit from full sequential amortisation. The Class B Notes will not begin to amortise until the Class A Notes are redeemed in full, and so on.
- The Class A Notes benefit from the interest deferral of the Class B Notes to the payment of principal of the Class A Notes upon breach of certain triggers explained below, and same for the rest of the subsequent classes of notes.
- The transaction is structured with an amortising Cash Reserve that will provide liquidity and credit support to the Class A, Class B and Class C Notes. The Cash Reserve was fully funded at the close of the transaction with an amount equal to EUR 4,000,000. The Cash Reserve will amortise subject to a floor and collateral performance triggers up to total redemption of Class C, then the Cash Reserve will be reduced to 0.
- BBVA (with a Long Term Critical Obligations Rating of AA (low) and a Short Term Critical Obligations Rating of R-1 (middle) by DBRS) is an experienced originator and servicer in the consumer finance business and a financially strong banking institution.
- The provisional collateral pool has about 19.0 months of seasoning, is granular with 101,709 loans and is geographically diversified across Spain with the highest concentration in Catalonia (19.1% of the provisional portfolio by loan balance).
- Yield of the portfolio is considerably higher than the average yield on the notes, allowing the excess spread to be applied toward the offset of credit losses.

Challenges and Mitigating Factors

- The additional receivables assigned during the revolving period can alter the composition of the collateral portfolio.

  Mitigants: Eligibility criteria, concentration limits and performance triggers specified in the transaction documents should limit such changes. DBRS has factored a worsened portfolio composition to consider the effect of the revolving period.
- The Class B Notes and lower class of notes interest may be deferred upon breach of certain performance triggers, making payment of interest of the junior classes of notes subordinate to the payments of principal of the most senior class of notes.

  Mitigants: The Cash Reserve provides credit support to the Class A, B and C Notes and there is excess spread in the transaction to be part of the available funds.
- BBVA allows certain loan modifications on their auto loans.

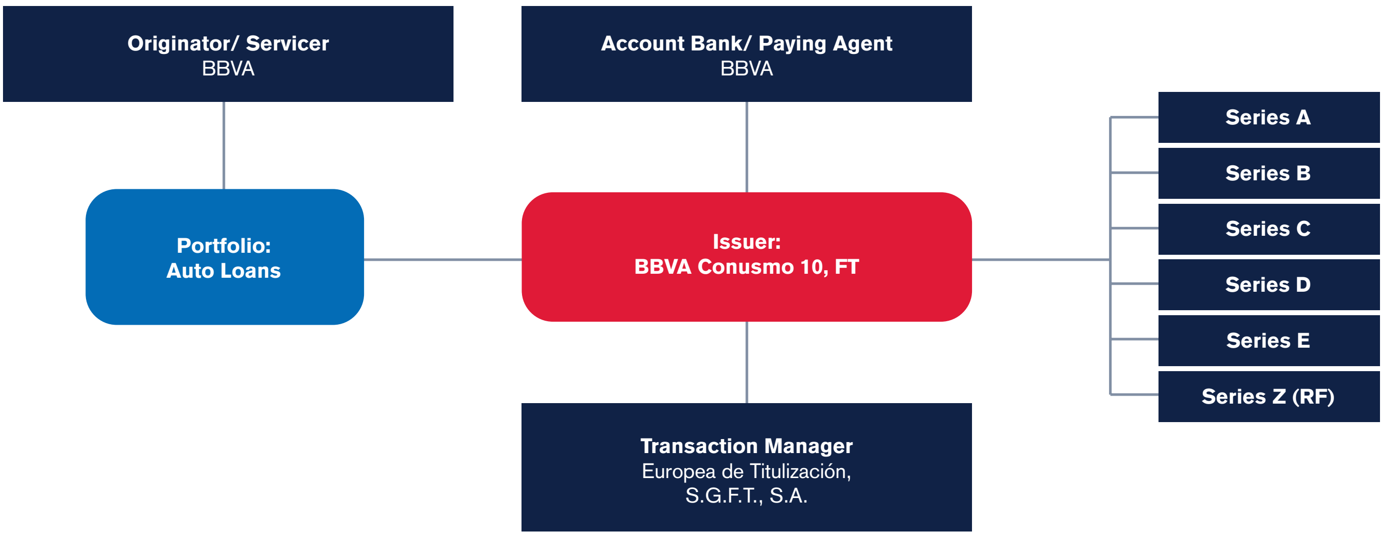
  Mitigants: Loan modifications to the portfolio of receivables are limited by permitted variations explained in the documentation. DBRS has stressed cash flow assumptions to account for the mentioned permitted variations in the portfolio.

Transaction Structure

Transaction Summary

Currencies	Issuer's assets and liabilities are denominated in euros (EUR).	
Relevant Jurisdictions	Loans are assigned to the Issuer as a true sale pursuant to Spanish securitisation law. The transaction documents are governed by Spanish law and the Issuer is a fund incorporated under the Spanish securitisation law.	
Interest Rate Hedging	N/A	
Basis Risk Hedging	N/A	
Cash Reserve	Provides liquidity and credit support to cover shortfalls on the payment of senior fees and interest shortfalls on the Class A, Class B, and Class C Notes (once Class C is fully amortise the Reserve Fund will be reduced to zero).	
	Initial Amount	EUR 4,000,0000
	Target Amount	Lower of (1) EUR 4,000,000 and (2) the highest between (i) 0.50% of the outstanding balance of the Class A, B and C Notes or (ii) EUR 1,000,000.
	Floor	EUR 1,000,000

The transaction structure is summarised below:



Counterparty Assessment

Account Bank

BBVA is the transaction Account Bank provider, holding the Principal Account and the Treasury Account, and is also the Paying Agent for the transaction. DBRS has a public Long-Term Critical Obligations Rating on BBVA at AA (low) and a Short Term Critical Obligations Rating on BBVA at R-1 (middle), both with Stable trends. DBRS assigned an "A (high)" Long Term Issuer Rating with Stable trend to BBVA on 12 April 2018. The Issuer Rating is at the same level as the Senior Debt rating of the bank, which also carries a Stable trend. DBRS concluded that BBVA meets its minimum criteria to act in such capacity.

The transaction contains downgrade provisions related to the Principal and Treasury Account Banks consistent with DBRS's criteria for the initial rating of AA (low) (sf) assigned to the Class A Notes. The transaction documents require BBVA to be replaced as Account Bank if it is downgraded below BBB (high).

The Treasury Account will hold the following amounts:

- Principal and interest collections.
- Any amount derived from the pool of receivables.
- The Cash Reserve amount.

The Principal Account will hold the principal available funds that are not used to purchase additional receivables throughout the revolving period and it will be cancelled once the revolving period terminates. Exceptionally, the amounts of the difference between the face values of the Notes Issue principal and of the initial receivables acquired have also been credited on the Issue Date.

Hedging Counterparty

N/A.

Servicing of the Portfolio and Collections

BBVA will service the portfolio on mandate by the Issuer in accordance with its customary practices. As per the ratings mentioned above, DBRS concluded that BBVA meets the minimum criteria to act as Originator and Servicer.

All borrower payments are collected by BBVA under a direct debit scheme. Payments are transferred from the servicer account to the Treasury Account in the name of the fund on the second business day after receipt of funds.

DBRS believes that BBVA's current financial condition, together with the transaction provisions, mitigate the risk of a disruption in servicing following a servicer event of default including insolvency.

Funds available to the Issuer are collections made under the securitised receivables, including interest and principal components of instalments and recoveries under defaulted receivables. Additional sources of funds available to the Issuer are represented by the Cash Reserve held by the Issuer with the Account Bank.

The available funds must be disbursed by the Issuer, as per the terms of the transaction documents, on the specified payment dates. Funds processed on a given payment date are payments related to a specific quarterly period ending prior to the payment date (the collection period) and amounts collected but referred to during the following collection period should only be processed on the relevant payment date.

Priority of Payments

The available funds are combined into a unique waterfall in the following order of priority:

Pre-Enforcement Priority of Payments

1. Taxes and senior expenses;
2. Interest on the Class A Notes;
3. Interest on the Class B Notes, unless this payment is deferred (please see below) only if the difference between (a) the Outstanding Balance of the collateralised notes and (b)the Outstanding Balance of Non-Doubtful Loans plus the Principal Account balance is greater than the aggregate Outstanding Balance of Class C Notes, Class D Notes and Class E Notes;
4. Interest on the Class C Notes, unless this payment is deferred (please see below) only if the difference between (a) the Outstanding Balance of the collateralised notes and (b)the Outstanding Balance of Non-Doubtful Loans plus the Principal Account balance is greater than the aggregate Outstanding Balance of Class D Notes, and Class E Notes;
5. Replenishment of the Cash Reserve up to its target amount;
6. Interest on the Class D Notes, unless this payment is deferred (please see below) only if the difference between (a) the Outstanding Balance of the collateralised notes and (b) the Outstanding Balance of Non-Doubtful Loans plus the Principal Account balance is greater than the aggregate Outstanding Balance of Class E Notes;
7. Principal Withholding amount;
8. Interest on the Class B Notes if deferred;
9. Interest on the Class C Notes if deferred;
10. Interest on the Class D Notes if deferred;
11. Interest on the Class E Notes;

12. Interest on the Class Z Notes;
13. Principal on the Class Z Notes up to the Class Z principal payment amount;
14. Interest and principal on the Start-Up Expenses Loan (in this order);
15. Loan Manager fee (if BBVA is the Servicer); and
16. Payment of Intermediary Financial Margin.

Principal Withholding Amount

This item shall be equal to the positive difference between:

1. The outstanding balance of the notes; and
2. The principal outstanding balance of the non-defaulted portfolio plus any amount standing on the Principal Account.

During the revolving period, this amount will be used to pay the purchase price of Additional Receivables. After the end of the revolving period, the Principal Withholding amount will be applied to repay the Class A Notes and, following their full redemption, the subordinated class of notes.

Post-Enforcement Priority of Payments

Following an Enforcement Event (typically an event of default of the Issuer), the available funds will be distributed according to the following priority of payments:

1. Reserve to final expenses and taxes;
2. Taxes and senior expenses;
3. Interest on the Class A Notes;
4. Principal on the Class A Notes;
5. Interest on the Class B Notes;
6. Principal on the Class B Notes;
7. Interest on the Class C Notes;
8. Principal on the Class C Notes;
9. Interest on the Class D Notes;
10. Principal on the Class D Notes;
11. Interest on the Class E Notes;
12. Principal on the Class E Notes;
13. Interest on the Class Z Notes;
14. Principal on the Class Z Notes;
15. If the loan being arranged for early amortisation of the Notes then outstanding, payment of financial expenses accrued and repayment of principal on the loan arranged;
16. Interest and principal on the Start-Up Expenses Loan (in this order);
17. Loan Manager fee (if BBVA is the Servicer); and
18. Payment of Intermediary Financial Margin.

Clean-Up Call Option

When the outstanding collateral portfolio (including defaulted receivables) has reduced to less than 10.0% of the original portfolio, the Management Company has the option to repurchase the entire portfolio. Such faculty is subject to the capacity of the Issuer to repay in full all of the then-outstanding notes.

Cash Reserve

On the Issue Date, the EUR 4,000,000 Cash Reserve will be funded through the issuance of the Class Z Notes. The reserve will then be deposited into the Treasury Account held with the Account Bank (BBVA).

The reserve initially equals EUR 4,000,000. The target amount is equal to the lower of:
1. EUR 4,000,000; and
2. The highest between:
    a. 0.50% of the outstanding balance of the Class A, Class B and Class C Notes, or
    b. EUR 1,000,000

The Cash Reserve will have a floor at EUR 1.0 million.

The amount to be drawn from the Cash Reserve forms on each payment date part of the available funds and on each payment date can be used to pay senior expenses and interest on the Class A, Class B and Class C Notes. Any amount released from the Cash Reserve can be applied to the relevant priority of payments and, typically, may be used to offset potential credit loss caused by defaulted receivables when default occurred during the relevant period or if remained uncovered in previous periods. The reserve shall be replenished up to its target in accordance with the applicable priority of payments.

The Cash Reserve amount will be reduced to zero once Classes A to C are fully amortised.

Origination and Servicing

DBRS conducted an updated operational review of BBVA's Consumer Finance's (BBVA) auto operations in May 2018. DBRS considers the originations and servicing practices of BBVA to be consistent with those observed among other Spanish lenders.

The initial creation of the BBVA group began in 1857 when the Spanish Board of Trade sponsored the creation of Banco de Bilbao, and until the 1890s this was the predominant bank in the area surrounding Bilbao. Several mergers and acquisitions throughout the 20th century including Banco del Comercio in 1902 and Banca Catalana purchased in 1984, led to Banco de Bilbao and Banco de Vizcaya merging in 1988 to form Banco Bilbao Vizcaya (BBV). Furthermore in 1998, the Corporación Bancaria de España, along with Caja Postal (created in 1909), Banco Hipotecario (formed in 1872) and Banco Exterior (created in 1929) merged to form Argentaria.

BBVA was created in 1999 by the merger of two banks: Banco Bilbao Vizcaya and Argentaria. The final integration of the group's retail businesses in Spain led to the creation of the large branch network under the BBVA banner in 2001.

In recent years, BBVA has played a key role in the consolidation of the Spanish banking sector. In 2013, BBVA completed the integration of Unnim Banc, S.A. and strengthened its franchise position and market shares in Catalonia. This was reinforced further after acquiring 98.4% of the shares of Catalunya Banc, S.A. in April 2015.

BBVA is a well-positioned universal bank that currently has operations in approximately 35 countries, including market-leading positions in Spain and Mexico. The bank also has a strong presence in South America, the United States and Turkey.

The general risk policy at BBVA is compliant with the BBVA Group's general risk policy, which is its benchmark, albeit with the specific features to satisfy the requirements relevant to the sector. Risks are always subject to monitoring and control processes enabling risk quality to be ascertained, risk evolution analysis, making such corrections, if any, as may be necessary and undesirable situations to be forecast.

For further information regarding BBVA please go to www.dbrs.com.

Origination & Underwriting

BBVA Origination and Sourcing

BBVA has a specialised network with more than 10,000 points of sale nationwide, and 200 commercial managers spread over 40 offices throughout Spain. BBVA specialises in point-of-sale financing, in the auto industry through agreements with manufacturers and distributors, as well as financing consumer goods and business equipment.

The auto financing department of BBVA sources loans through agreements with importers, manufacturers and distributors of autos who offer the end customer finance. The commercial network has national coverage with 25 commercial offices that specialise in the auto sector, comprising 138 commercial managers. The commercial managers recruit, train and manage all relationships with dealers and agents on a regular basis.

Underwriting

The dealer acts as the finance agent for BBVA and enters into a general broker agreement that requires the dealer to send the finance application to BBVA while arranging the finance contract between the customer and BBVA. An automated payment between BBVA and the dealers will also be created to facilitate the purchase of the vehicle.

The dealer will submit the application for finance to BBVA, typically by telephone to BBVA's call centre, who will input the data into the system. Once all the relevant data, including identification, proof of income and vehicle information, has been input, the system performs an automatic analysis to obtain an approval, referral or decline decision. All referrals are sent to the Central Risk Unit for review.

The credit approval process is managed by BBVA and includes credit scoring and various database searches. These searches incorporate the credit bureau data from Experian ASNEF or Experian, and are carried out on all borrowers. The credit bureau data provides BBVA with information concerning existing finance agreements, existing bank accounts, previous financial defaults, insolvency proceedings and declarations of insolvency.

Once the application has been approved, the documentation will be rigorously checked to ensure data integrity with the initial application and then the payment to the dealer will be released. If any information in the documentation does not match the one marked in the system, a new review must be made based on the additional information.

For the purposes of credit scoring, BBVA uses three scoring models, based on the knowledge and behaviour of the sector and the BBVA Consumer Finance database. The models relate to Spanish nationals or residents who come from the first 15 countries that made up the European Union, other resident foreigners and guarantors.

This scoring process is strictly confidential. No information regarding the weighting or values of single criteria, or cut-off limits of scoring results are communicated to customers, partners or rating agencies. The rating models are reviewed every six months and updates are implemented to meet market demands, for example, increasing loan tenures and the inclusion of used vehicles.

Approval authority limits are set centrally in Madrid and vary depending on the type of loan, customer, vehicle and other parameters.

Servicing

Servicing is centralised in Madrid and all general administrative and customer service activities are heavily automated due to the standardised nature of the product. Nearly all payments are made via direct debit, consistent with the wider Spanish market. The bank also uses a robust workflow and document management systems.

Throughout the life cycle of the contract, if the loan falls into arrears, a specific process is followed. Following one day past due (dpd) and up to 90 dpd, the collections team sends out letters and make phone calls to the borrower to achieve payment. If this is unsuccessful, the loan will be outsourced for extrajudicial and judicial management and recovery. If there is no successful recovery action, then the loan will be assigned to another party, typically for another six months.

If payment is still not achieved then a court or enforcement order will be obtained actions will be taken to recover the loss or the asset. BBVA utilises a network of lawyers across the country to assist in the judicial process. Throughout the entire process, BBVA will continue to promote payment arrangements and payment plans to assist the customer to retain to an up to date status.

Opinion on Back-Up Servicer: No back-up servicer at closing of the current BBVA securitisation. DBRS believes that BBVA's current financial condition mitigates the risk of a disruption in servicing following a servicer event of default including insolvency. Europea de Titulización S.A., S.G.F.T., as the Management Company, is the back-up servicer facilitator for this transaction and, when required, shall use its best effort to nominate a back-up servicer within 60 days since notification of the decision of finding a new back-up servicer.

Collateral Summary

On each portfolio assignment date, the Issuer acquires from BBVA all rights, title and claims deriving from auto loans receivables to finance new or used vehicles granted by BBVA to individuals residing in Spain (the receivables).

The receivables are monetary claims including the right to receive loan instalment payments including interest, principal and recovery in respect to the securitised loan contracts.

BBVA initially will sell a portfolio of approximately EUR 800 million against payment of the initial purchase price of the provisional portfolio and may acquire on each payment date additional receivables subject to provisions of the transaction documents.

Provisional Portfolio (as of 21 May 2018)

Outstanding Balance (EUR)	919,110,157
# of Loans	101,709
# of Borrowers	101,366
Average Current Size of loans	9,037
Weighted-Average Remaining Maturity (Months)	62.7
Weighted-Average Seasoning (Months)	19.0
Weighted-Average Coupon (Fixed-Rate Loans)	7.7%

- Approximately 56.4% of the loan balance in the provisional pool comprises loans intended to fund the acquisition of new cars with the remaining 43.6% intended to fund the purchase of used cars.
- Loans with Reservation Titles represent 30.2% of the outstanding balance but only 30.3% have had vehicles entered into the Chattels Registry.
- Roughly 70.4% of the outstanding balance has been granted to borrowers that are permanent workers, civil servants or pensioners. Moreover, 22.4% of the borrowers are either self-employed or are under fixed-term contracts. The rest of the borrower cannot justify regular incomes.
- The weighted-average interest rate of the provisional portfolio is 7.7%.
- There is no significant geographical concentration in the provisional portfolio. The most concentrated region is Catalonia, which represents 19.1% of the outstanding balance of the portfolio, followed by Andalusia (18.0%) and Valencian Community (12.0%).

Loan Renegotiations

The Servicer is entitled to renegotiate the terms and conditions of the securitised loans, subject to the following conditions:

Interest Rate Renegotiations:
- A reduction of interest rates may only be granted if requested by the borrower and must be at market conditions.
- The minimum portfolio weighted-average interest rate must be 7.25%, in accordance with the global portfolio covenants.

Maturity Extensions:
- The maturity of the loan can be extended up to 20 July 2029.
- The aggregate outstanding balance of renegotiated loans as of the Fund assigning date shall not exceed 10.0% of the initial notes balance.
- The amortisation method, the payment frequency and the interest rate type may not be modified.

Eligibility Criteria

- In order to be assigned to the Fund, the Additional Receivables shall on the respective assignment date satisfy all the Individual and Global Requirements.

Individual Requirements

1. The Obligor is a resident in Spain and not an employee, officer or director of the Originator.
2. The loan is denominated in euros.
3. The loan principal has already been fully drawn down.
4. That the outstanding principal balance of the loan is between EUR 500 and EUR 70,000, both inclusive.
5. The loan is established at a fixed interest rate.
6. The nominal interest rate of the loans is no less than 3.75%.
7. At least six instalments have fallen due and been paid on the loan, except for loans in the initial sale pool, which must have had at least five instalments.
8. The loan has no payments more than 15 days overdue.
9. The final maturity date of the loan does not extend beyond ten years after the date of assignment to the Fund.
10. The loan interest will be paid on a monthly basis.
11. That the Loan is not in an interest or principal repayment exclusion period.
12. The loan does not include clauses allowing regular interest payments and principal repayments to be deferred.
13. The loan purpose is the acquisition of a passenger car, a SUV, a light commercial vehicle or a motorbike, and not for the acquisition of caravans or camping vehicles.
14. The purchase price of the vehicle at the time of its acquisition by the Obligor was not higher than EUR90,000.

Global Requirements – Concentration Limits

1. Minimum weighted-average interest rate: 7.25%.
2. Maximum weighted-average remaining term: Seven years.
3. Maximum concentration in the Top 1 Autonomous Community: 25.0% of the loan amount.
4. Maximum concentration in the Top 3 Autonomous Communities: 60.0% of the loan amount.
5. Minimum weighted-average seasoning: 18 months.
6. Maximum concentration in used vehicles: 45.0% of the loan amount.
7. The outstanding balance of the Receivables for purchasing passenger cars and SUVs must not be less than 90% of the total outstanding balance of the Receivables.
8. Maximum Top 1 Borrower and Top 10 Borrowers concentrations: 0.010% and 0.10% of the loan amounts, respectively.
9. Minimum Borrowers who are civil servants, pensioners or salaried workers permanent contract: 65.0% of the loan amount.
10. Exclusively with regards to the Additional Receivables:
11. Maximum weighted-average life: 3.85 years.

Revolving Period Early Termination Events

The transaction documents envisage that upon occurrence of certain events the revolving period will immediately terminate to allow the amortisation of the notes. Such events are summarised below:

- Gross cumulative defaults exceed 0.75%, multiplied by the number of determination dates occurred since closing, of the initial portfolio balance;
- The outstanding balance of delinquent loans exceeds 3.50% of the principal outstanding balance of the non-defaulted portfolio;
- In the two preceding payment dates, the outstanding balance of the non-defaulted portfolio is less than 90.0% of the aggregate collateralised notes balance;
- Interest shortfall on the collateralised notes;
- Non-replenishment of the Cash Reserve up to its target level;
- BBVA is declared insolvent or in liquidation;
- BBVA is replaced as Servicer;
- Modification of Spanish tax laws to such extent that the assignment of Additional Receivables is exceedingly burdensome for the Originator; and
- On the preceding payment date, the outstanding balance of the non-defaulted portfolio is less than 80.0% of the aggregate notes balance.

Delinquent loans: loans not classified as defaulted with three or more months in arrears.
Defaulted loans: loans six or more months in arrears or classified as such by the Management Company.

Rating Analysis

The ratings are based on a review by DBRS of the following analytical considerations:

- Transaction capital structure, proposed ratings and form and sufficiency of available credit enhancement.
- Credit enhancement levels are sufficient to support DBRS-projected expected cumulative net losses under various stress scenarios.
- The ability of the transaction to withstand stressed cash flow assumptions and repay investors according to the terms under which they have invested. The ratings address the timely payment of interest and the ultimate repayment of principal by the legal final maturity date with respect to the Class A Notes and the ultimate payment of principal and interest by the legal final maturity date with respect to the Class B, Class C and Class D Notes.
- BBVA's capabilities with regard to originations, underwriting, servicing and their financial strength.
- DBRS conducted an on-line operational risk review of BBVA and deems it to be an acceptable servicer.
- The credit quality and industry diversification of the collateral and historical and projected performance of the Seller's portfolio.
- The Long-Term Foreign Currency – Issuer Rating of the Kingdom of Spain, currently at A.
- A review of the legal structure, transaction document and opinions.

Portfolio Performance Data

DBRS received historical data on the entire consumer loan portfolio originated by BBVA and with a set of stratification tables related to the provisional portfolio.

The set of historical data analysed by DBRS is detailed below:

- Quarterly 90+ and 180+ static cumulative default data from Q1 2010 to Q4 2017, split between loans granted to purchase a new or a used car.
- Quarterly 90+ and 180+ static cumulative recovery data from Q1 2010 to Q4 2017, split between loans granted to purchase a new or a used car.

DBRS also received a set of stratification tables in relation to the loan pool as of 21 May 2018 and its related contractual amortisation profile.

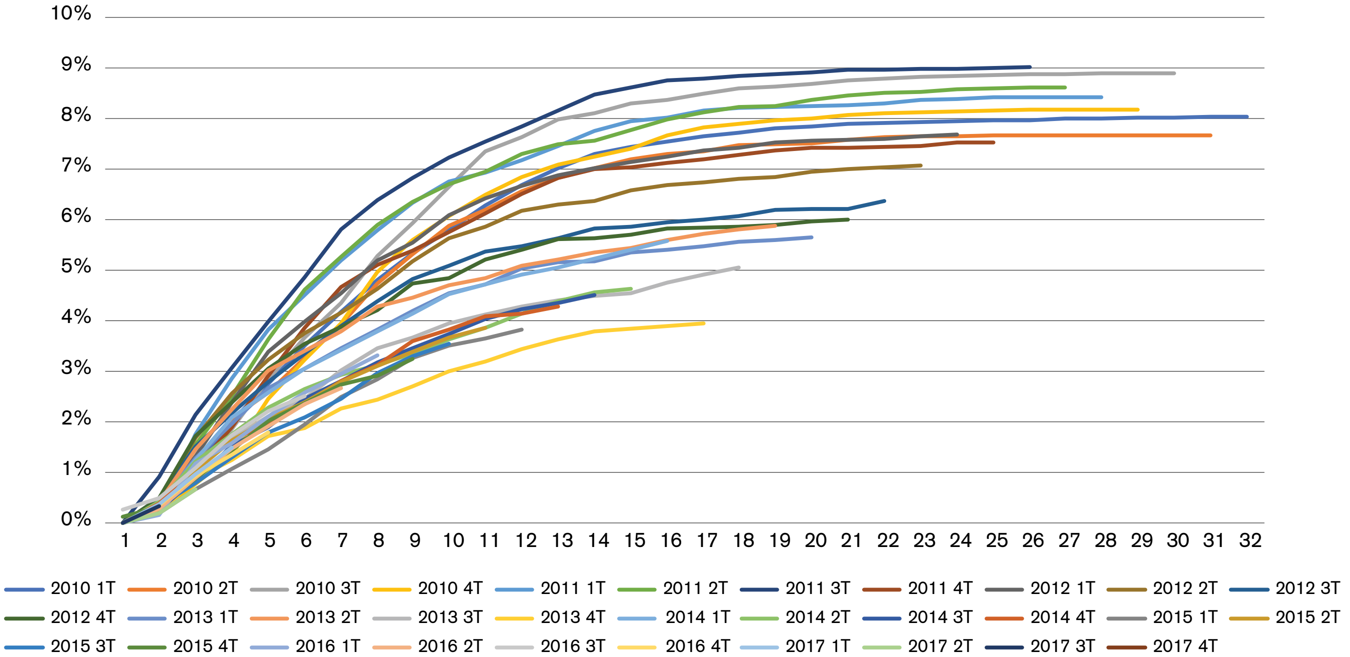
DBRS considers that the information available to it for the purposes of providing this rating was of satisfactory quality.

Gross Defaults

The quarterly static default data is grouped into vintages by the date of origination of the loan.

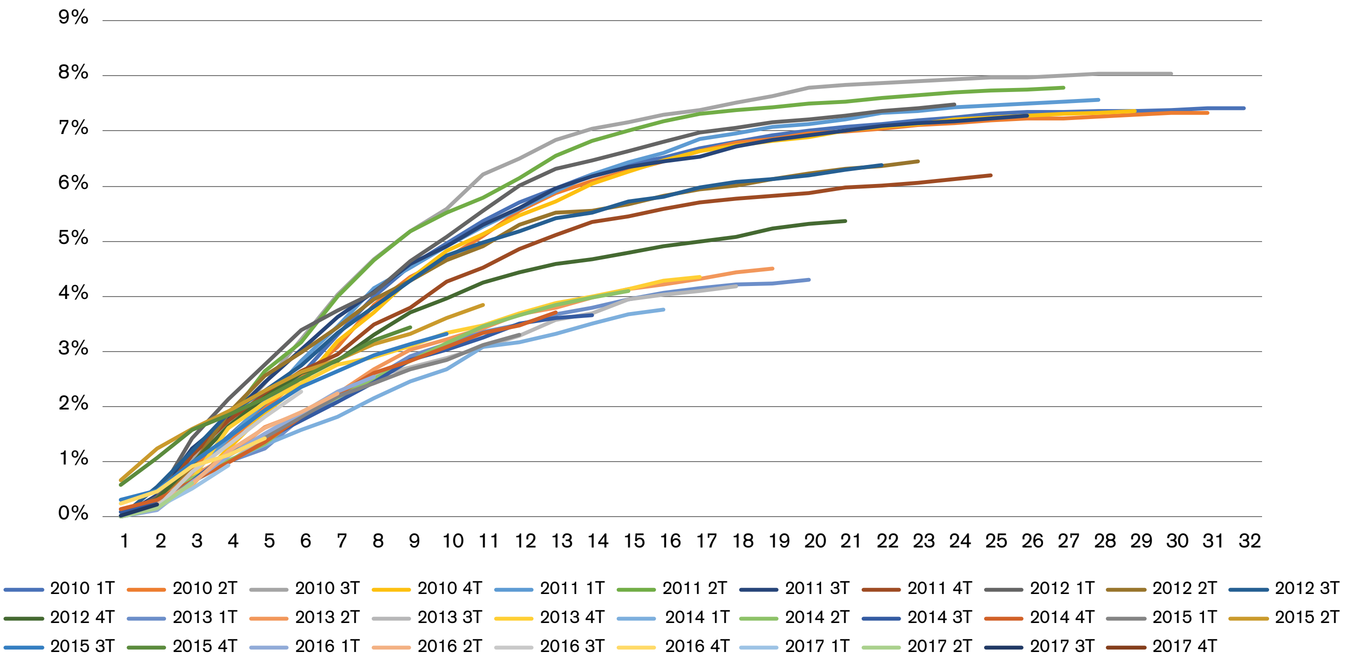
DBRS understands that the default definition used in the data is more conservative than the definition in the transaction documents.

Exhibit 1: Default Information Used Autos (+ 90 days)



After considering the quality and trend of data, DBRS assumes a base-case lifetime default for new Autos of 7.80%.

Exhibit 2: Default Information New Autos (+ 90 days)



All provided vintages are used to extrapolate the base-case default rate. As a result of the revolving period, no seasoning credit was given in the base-case default rate projection as the degree of seasoning is expected to evolve over time.

After considering the quality and trend of data, DBRS assumes a base-case life time default for new Autos of 7.13%. The weighted-average base case life time default used for BBVA Consumer Auto 2018-1 is 7.73% (including sovereign stress) assuming the distribution for the Eligibility Criteria (maximum balance of the used vehicles will be 45.0%).

Recoveries (Loss Severities)

All provided vintages were used to determine the base-case recovery rate according to the Rating European Consumer and Commercial Asset-Backed Securitisations methodology.

Exhibit 3: Recovery Information Used Autos

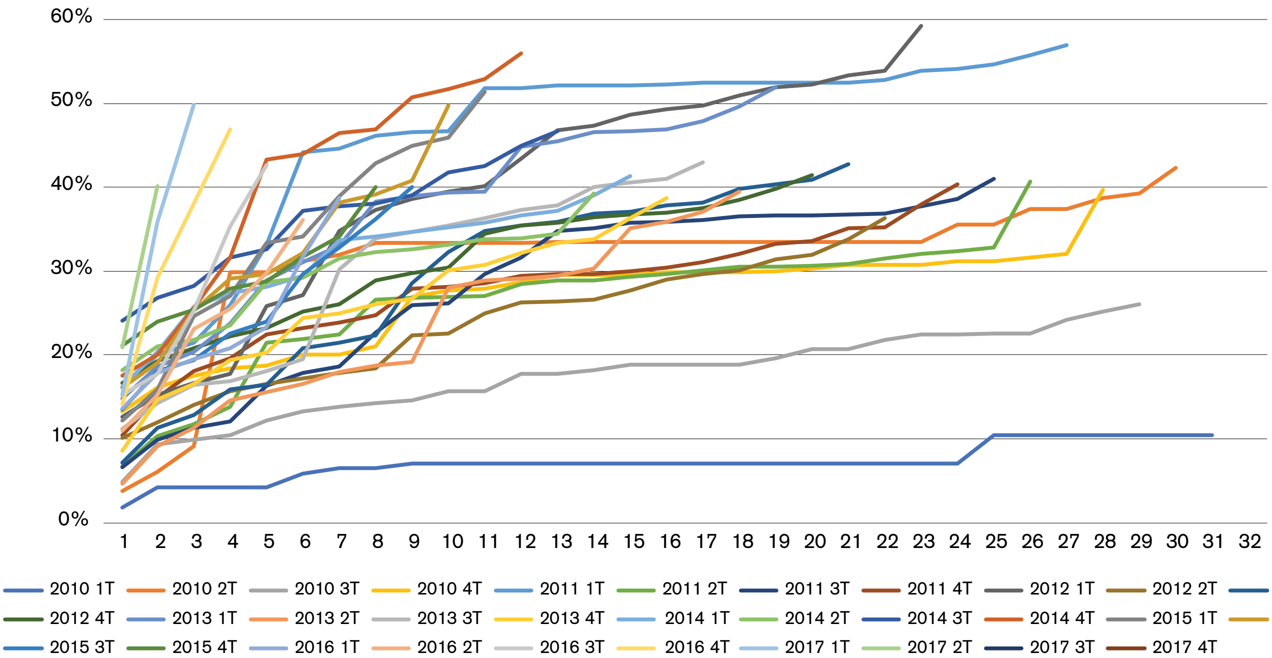
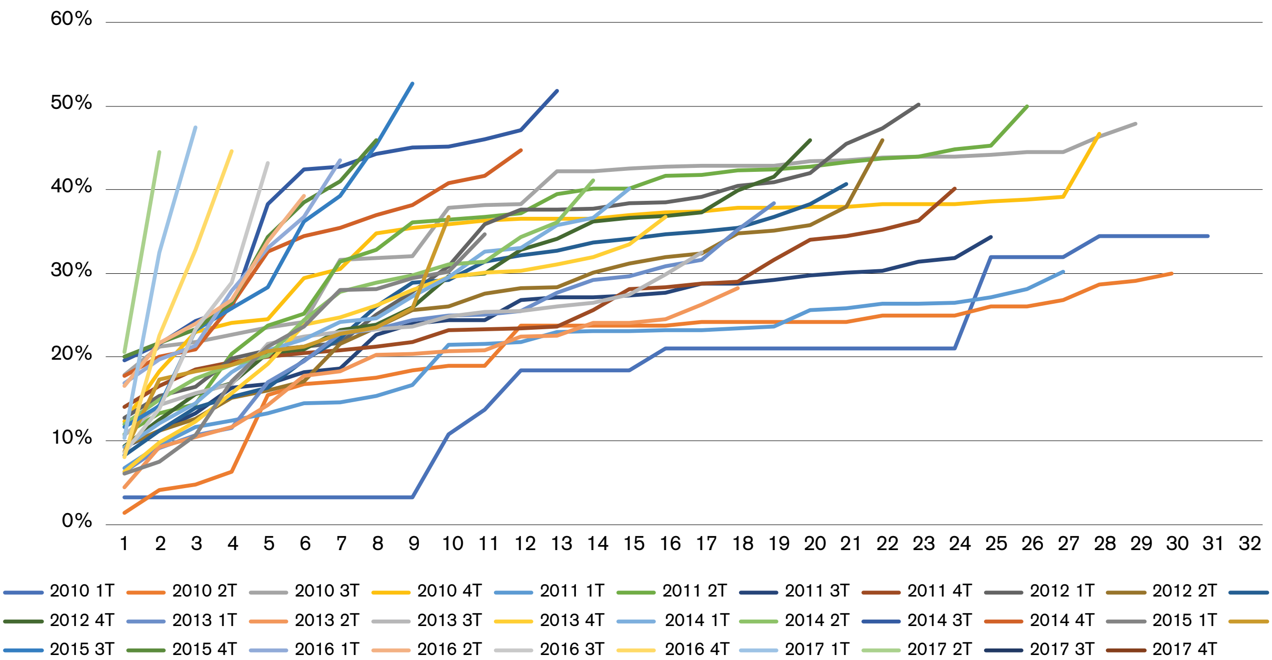


Exhibit 4: Recovery Information New Autos



After considering the quality and trend of data, DBRS assumed a base case of 40.0% recoveries for new auto loans and 42.0% recovery rate for used auto loans. According the distribution of the Eligibility Criteria, DBRS assumed a base case of 40.90% for ultimate recovery.

The portfolio's loss was calculated as a weighted-average sum of the losses calculated by product type and by applying the additional stresses. The loss assumptions used are summarised below:

Relevant Rating Level	AA (low) (sf)
Gross Loss	24.5%
Recovery Rate	31.4%

Relevant Rating Level	A (sf)
Gross Loss	19.3%
Recovery Rate	32.8%

Relevant Rating Level	BBB (sf)
Gross Loss	13.5%
Recovery Rate	34.8%

Relevant Rating Level	BB (sf)
Gross Loss	10.7%
Recovery Rate	36.8 %

Prepayments
DBRS has not been provided with prepayment data for Banco BBVA. Considering other Spanish ABS transactions with similar collateral as well as from the same and similar originators, DBRS has stressed the prepayment rate from 0.0% to 20.0%.

Cash Flow Analysis
The DBRS cash flow assumptions focused on the amount and timing of defaults and recoveries, prepayment speeds and interest rates.

Interest Rate Risk
The receivables comprising the collateral portfolio pay fixed rate. Since the Issuer's liabilities are likewise indexed to fixed rate, the transaction benefits from a natural hedge.

Basis Risk
N/A.

Interest Rate Stresses
DBRS applied its standard interest rate stresses as detailed in its methodology *Interest Rate Stresses for European Structured Finance Transactions* (18 December 2017).

Timing of Defaults
DBRS estimated the default timing patterns and created base, front- and back-loaded default curves. The weighted-average life of the collateral portfolio is expected to be about 1.3 years. The three-year front-loaded, base and back-loaded default distributions are listed below. DBRS also applies a 24-month lag of recoveries.

Month	Base Losses	Front-Loaded Losses	Back-Loaded Losses
6	10.00%	20.00%	10.00%
12	25.00%	30.00%	15.00%
18	25.00%	20.00%	15.00%
24	20.00%	10.00%	25.00%
30	10.00%	10.00%	20.00%
36	10.00%	10.00%	15.00%

Summary of the Cash Flow Scenarios

Based on a combination of the above assumptions, a total of 24 cash flow scenarios (a combination of three default timing scenarios, four prepayment speed scenarios and two interest rate scenarios) were tested. The cash flow results are commensurate with the assigned ratings.

Risk Sensitivity

The tables below illustrate the sensitivity of the rating to various changes in the base-case default rates and loss severity assumptions relative to the base-case assumptions used by DBRS in assigning the ratings.

Class A Notes

		Increase in Default Rate (%)		
		0	25	50
Increase in LGD (%)	0	AA (low) (sf)	A (sf)	BBB (high) (sf)
	25	A(sf)	BBB (high) (sf)	BBB (sf)
	50	BBB (high) (sf)	BBB(sf)	BB (high) (sf)

Class B Notes

		Increase in Default Rate (%)		
		0	25	50
Increase in LGD (%)	0	A (sf)	BBB (high) (sf)	BBB (sf)
	25	BBB (high) (sf)	BBB (sf)	BB (high) (sf)
	50	BBB (sf)	BB (high) (sf)	BB (low) (sf)

Class C Notes

		Increase in Default Rate (%)		
		0	25	50
Increase in LGD (%)	0	BBB (sf)	BB (high) (sf)	BB (low) (sf)
	25	BB (high) (sf)	BB (low) (sf)	B (sf)
	50	BB (low) (sf)	B (sf)	B (low) (sf)

Class D Notes

		Increase in Default Rate (%)		
		0	25	50
Increase in LGD (%)	0	BB	BB	BH
	25	BBL	BH	BL
	50	BH	BL	NR

Appendix

Methodologies Applied

The principal methodology applicable to assigning ratings in this transaction is *Rating European Consumer and Commercial Asset-Backed Securitisations* (18 December 2017).

Other methodologies referenced in this transaction are listed below:

- *Legal Criteria for European Structured Finance Transactions* (28 September 2017)
- *Derivative Criteria for European Structured Finance Transactions* (28 September 2017)
- *Operational Risk Assessment for European Structured Finance Servicers* (12 October 2017)
- *Operational Risk Assessment for European Structured Finance Originators* (12 October 2017)
- *Interest Rate Stresses for European Structured Finance Transactions* (18 December 2017)

The rating methodologies and criteria used in the analysis of this transaction can be found at: http://www.dbrs.com/about/methodologies. Alternatively, please contact info@dbrs.com.

For a more detailed discussion of the sovereign risk impact on Structured Finance ratings, please refer to "Appendix C: The Impact of Sovereign Ratings on Other DBRS Credit Ratings" of the "Rating Sovereign Governments" methodology at: http://dbrs.com/research/319564/rating-sovereign-governments.pdf.

Surveillance Methodology

The transaction is monitored by DBRS in accordance with its *Master European Structured Finance Surveillance Methodology,* which is available at www.dbrs.com under Methodologies. Alternatively, please contact info@dbrs.com.

Notes:
All figures are euros unless otherwise noted.

This report is based on information as of 13 June 2018, unless otherwise noted. Subsequent information may result in material changes to the rating assigned herein and/or the contents of this report.

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