MOODY'S
INVESTORS SERVICE

Rating Action: Moody's upgrades BBVA Finanzia Autos 1, FTA Class C notes' rating to Caa3(sf) from Ca(sf)

Global Credit Research - 25 Jan 2017

London, 25 January 2017 -- Moody's Investors Service has today upgraded the rating of Class C notes in BBVA Finanzia Autos 1, FTA. The rating action reflects the better than expected recoveries.

Issuer: BBVA Finanzia Autos 1, FTA

....EUR29.2M Class C Notes, Upgraded to Caa3(sf); previously on Oct 23, 2009 Downgraded to Ca(sf)

RATINGS RATIONALE

Revision of Key Collateral Assumptions:

As part of the rating action, Moody's reassessed its recovery rate assumptions for the portfolio reflecting the collateral performance to date.

The performance of the transaction has improved in 2016. PDL has decreased from EUR 2 million in Jan 2016 to EUR 0.73 million in Oct 2016. This is due to very low increasing defaults from 7.16% to 7.18% of cumulative defaults and also to EUR 0.85 million of recoveries received over the last two IPD.

We expect recoveries as a percentage of Class C notes' EUR 4 million current balance to range between 70% and 80%.

The principal methodology used in this rating was "Moody's Global Approach to Rating Auto Loan- and Lease-Backed ABS" published in October 2016. Please see the Rating Methodologies page on www.moodys.com for a copy of this methodology.

Factors that would lead to an upgrade or downgrade of the rating:

Factors or circumstances that could lead to an upgrade of the rating include (1) performance of the underlying collateral that is better than Moody's expected.

Factors or circumstances that could lead to a downgrade of the rating include (1) performance of the underlying collateral that is worse than Moody's expected.

REGULATORY DISCLOSURES

For further specification of Moody's key rating assumptions and sensitivity analysis, see the sections Methodology Assumptions and Sensitivity to Assumptions of the disclosure form.

The analysis relies on an assessment of collateral characteristics to determine the collateral loss distribution, that is, the function that correlates to an assumption about the likelihood of occurrence to each level of possible losses in the collateral. As a second step, Moody's evaluates each possible collateral loss scenario using a model that replicates the relevant structural features to derive payments and therefore the ultimate potential losses for each rated instrument. The loss a rated instrument incurs in each collateral loss scenario, weighted by assumptions about the likelihood of events in that scenario occurring, results in the expected loss of the rated instrument.

Moody's quantitative analysis entails an evaluation of scenarios that stress factors contributing to sensitivity of ratings and take into account the likelihood of severe collateral losses or impaired cash flows. Moody's weights the impact on the rated instruments based on its assumptions of the likelihood of the events in such scenarios occurring.

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Alexis Rivet
Analyst
Structured Finance Group
Moody's Investors Service Ltd.
One Canada Square
Canary Wharf
London E14 5FA
United Kingdom
JOURNALISTS: 44 20 7772 5456
SUBSCRIBERS: 44 20 7772 5454

Michelangelo Margaria
Senior Vice President/Manager
Structured Finance Group
Telephone:+39-02-9148-1100

Releasing Office:
Moody's Investors Service Ltd.
One Canada Square
Canary Wharf
London E14 5FA
United Kingdom
JOURNALISTS: 44 20 7772 5456
SUBSCRIBERS: 44 20 7772 5454

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