



Moody's Investors Service

Rating Action: **Moody's reviews BBVA Autos 2 and BBVA Consumo 1 for possible downgrade**

Global Credit Research - 22 Dec 2009

**Approximately EUR1.2 billion of rated debt securities affected.**

Paris, December 22, 2009 -- Moody's Investors Service has placed the following notes issued by BBVA Autos 2, FTA and BBVA Consumo 1, FTA on review for possible downgrade:

BBVA Autos 2, FTA:

- Class A Notes, Aaa placed under review for possible downgrade; previously on 13 December 2005 assigned Aaa
- Class B Notes, Aa3 placed under review for possible downgrade; previously on 13 December 2005 assigned Aa3
- Class C Notes, A3 placed under review for possible downgrade; previously on 13 December 2005 assigned A3

BBVA Consumo 1, FTA:

- Class A Notes, Aaa, placed under review for possible downgrade; previously on 11 May 2006 assigned Aaa
- Class B Notes, A2, placed under review for possible downgrade; previously on 23 April 2009 downgraded to A2 from Aa3
- Class C Notes, Ba2, placed under review for possible downgrade; previously on 23 April 2009 downgraded to Ba2 from A2

The review was initiated following Moody's consideration of the performance of the collateral to date and its deviation from Moody's expectations. Other factors that the rating agency considered were the level of credit enhancement to absorb losses and collateral composition, such as the geographic diversification of borrowers.

The transactions have deviated from Moody's performance expectations. BBVA Autos 2 has reported artificial write-offs of 2.5% of the total securitised portfolio, corresponding to approximately 83% of Moody's initial assumptions of 3.0% over the life of the transaction. While the current pool factor is 48.1%, reported cumulative delinquencies of more than three months overdue accounted for 5.3% of the total securitised portfolio in November 2009.

BBVA Consumo 1, FTA reported a decrease in its reserve fund since Moody's last review in April 2009. It is now at 56.5% of its target. In the meantime, artificial write-offs have increased to 2.3% of the original balance plus replenishments. The cumulative delinquencies of more than three months overdue were at 4.6% of the original balance plus replenishments as of November 2009.

Today's rating actions also reflect Moody's concern about the continued weakening of the Spanish auto and consumer loan portfolios, as well as Moody's negative sector outlook for Spanish consumer ABS. The negative outlook results from the weak macro-economic environment in Spain, in particular the increasing unemployment rate, which is expected to rise to approximately 20% in 2010.

Moody's will reassess the cumulative default rate for the remaining life of the transaction, the volatility and the recovery rate, reflecting the collateral performance to date as well as the future macro-economic environment. Moody's will also request, if not already available, updated data on cumulative defaults and other pool characteristics such as geographic concentration, origination vintage of the loans and product type.

Moody's ratings address the expected loss posed to investors by the legal final maturity of the notes. Moody's ratings address only the credit risks associated with the transactions. Other non-credit risks have not been addressed, but may have a significant effect on yield to investors. Moody's will continue to monitor closely the above transactions.

The principal methodology used in rating and monitoring the transactions was "The Lognormal Approach applied to ABS Analysis," published in July 2000 and "Revising Default/Loss Assumptions Over the Life of an ABS/RMBS Transaction," published in December 2008 and available on [www.moody.com](http://www.moody.com) in the Rating Methodologies sub-directory under the Research & Ratings tab. Other methodologies and factors that may have been considered in the process of rating this issuer can also be found in the Rating Methodologies sub-directory on Moody's website. In addition, Moody's publishes a weekly summary of structured finance credit, ratings and methodologies in "Structured Finance Quick Check" at

[www.moodys.com/SFQuickCheck](http://www.moodys.com/SFQuickCheck)".

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