



# RatingsDirect®

---

## Rating Lowered On Spanish ABS Transaction BBVA Consumo 3's Class A Notes; Class B Rating Affirmed

**Surveillance Credit Analyst:**

Marisa Gomez, Madrid (34) 91-788-7208; marisa\_gomez@standardandpoors.com

**Secondary Contact:**

Virginie Couchet, Madrid (34) 91-389-6959; virginie\_couchet@standardandpoors.com

### OVERVIEW

- We have received amendments to the bank account, paying agency, and swap agreements in BBVA Consumo 3, reflecting our 2012 counterparty criteria and lowering the minimum-rating-required triggers.
- As the amendments have lowered the minimum-rating-required triggers, under our 2012 counterparty criteria, the rating on the class A notes in this transaction is capped at 'A- (sf)'.
- We have thus lowered our rating on BBVA Consumo 3's class A notes to 'A- (sf)'. At the same time, we have affirmed our rating on the class B notes.
- BBVA Consumo 3 is a Spanish ABS transaction that securitizes loans originated and serviced by BBVA and BBVA Finanzia.

MADRID (Standard & Poor's) Aug. 13, 2012--Standard & Poor's Ratings Services today lowered to 'A- (sf)' from 'A (sf)' its credit rating on BBVA Consumo 3, Fondo de Titulización de Activos' class A notes. At the same time, we have affirmed our 'B+ (sf)' rating on the class B notes (see list below).

BBVA Consumo 3 is a Spanish asset-backed securities (ABS) transaction that closed in April 2008. The current outstanding balance is 27.31% of the closing balance. Its revolving period ended one year ahead of the February 2010 scheduled due date, due to a breach of the 90-day delinquency early-amortization trigger of 2.2%.

*Rating Lowered On Spanish ABS Transaction BBVA Consumo 3's Class A Notes; Class B Rating Affirmed*

On Dec. 21, 2011, we lowered our ratings on BBVA Consumo 3's class A and B notes (see "Ratings Lowered On Class A And B Notes In Spanish ABS Transaction BBVA Consumo 3"). As of July 2012, loans of more than three months in arrears, which have not yet defaulted, have decreased to 2.55% of the outstanding balance (from 2.98% as of November 2011).

Based on the latest available trustee investor report (dated July 2012), the reported ratio of cumulative defaults (defined in these transactions as loans delinquent for more than 12 months) in BBVA Consumo 3 represented 6.28% of the securitized portfolio balance, compared with 5.49% as of July 2011). The level of defaulted assets and recoveries in this transaction is within our expectations.

The transaction's amortization features have increased the available credit enhancement for the class A and B notes. The reserve fund has not been at its target level since August 2009. However, since our last review, the reserve fund has been partially replenished and currently stands at 38.52% of its required level (versus 35.17% in November 2011).

Our cash flow analysis indicates that our ratings on the class A and B notes in this transaction are not constrained by the performance of the transaction's underlying collateral and structural features.

Today's rating actions follow amendments to the treasury account, paying agency, and interest swap agreements in this transaction. BBVA (as arranger) has amended the downgrade language in these agreements, reflecting our 2012 counterparty criteria, and has also lowered the minimum-rating-required triggers (see "Counterparty Risk Framework Methodology And Assumptions," published on May 31, 2012).

As the minimum-rating-required triggers have been lowered, under our criteria the rating on the class A notes in this transaction is capped at 'A- (sf)', which is the current long-term rating on BBVA (acting as treasury account provider, paying agent, and interest swap counterparty) plus one notch. We have therefore lowered our rating on the class A notes to 'A- (sf)' from 'A (sf)'. Our rating on the class B notes is not constrained for counterparty reasons. We have therefore affirmed our 'B+ (sf)' rating on the class B notes.

The securitized portfolio comprises consumer loans made to individuals resident in Spain. BBVA and BBVA Finanzia Banco de Crédito, S.A. (BBVA Finanzia) originated and services the loans.

**STANDARD & POOR'S 17G-7 DISCLOSURE REPORT**

SEC Rule 17g-7 requires an NRSRO, for any report accompanying a credit rating relating to an asset-backed security as defined in the Rule, to include a description of the representations, warranties and enforcement mechanisms available to investors and a description of how they differ from the representations, warranties and enforcement mechanisms in issuances of similar securities. The Rule applies to in-scope securities initially rated (including

*Rating Lowered On Spanish ABS Transaction BBVA Consumo 3's Class A Notes; Class B Rating Affirmed*

preliminary ratings) on or after Sept. 26, 2011.

If applicable, the Standard & Poor's 17g-7 Disclosure Reports included in this credit rating report are available at <http://standardandpoorsdisclosure-17g7.com>.

RELATED CRITERIA AND RESEARCH

- Counterparty Risk Framework Methodology And Assumptions, May 31, 2012
- Negative Rating Actions On 16 Spanish Banks Following Sovereign Downgrade, April 30, 2012
- European Structured Finance Scenario And Sensitivity Analysis: The Effects Of The Top Five Macroeconomic Factors, March 14, 2012
- Ratings Lowered On Class A And B Notes In Spanish ABS Transaction BBVA Consumo 3, Dec. 21, 2011
- Global Structured Finance Scenario And Sensitivity Analysis: The Effects Of The Top Five Macroeconomic Factors, Nov. 4, 2011
- Principles Of Credit Ratings, Feb. 16, 2011
- Methodology: Credit Stability Criteria, May 3, 2010
- European Consumer Finance Criteria, March 10, 2000

RATINGS LIST

Class	Rating	
	To	From

BBVA Consumo 3, Fondo de Titulización de Activos  
€975 Million Asset-Backed Floating-Rate Bonds

Rating Lowered

A	A- (sf)	A (sf)
---	---------	--------

Rating Affirmed

B	B+ (sf)	
---	---------	--

**Additional Contact:**

Structured Finance Europe; [StructuredFinanceEurope@standardandpoors.com](mailto:StructuredFinanceEurope@standardandpoors.com)

Copyright © 2012 by Standard & Poor's Financial Services LLC. All rights reserved.

No content (including ratings, credit-related analyses and data, model, software or other application or output therefrom) or any part thereof (Content) may be modified, reverse engineered, reproduced or distributed in any form by any means, or stored in a database or retrieval system, without the prior written permission of Standard & Poor's Financial Services LLC or its affiliates (collectively, S&P). The Content shall not be used for any unlawful or unauthorized purposes. S&P and any third-party providers, as well as their directors, officers, shareholders, employees or agents (collectively S&P Parties) do not guarantee the accuracy, completeness, timeliness or availability of the Content. S&P Parties are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, for the results obtained from the use of the Content, or for the security or maintenance of any data input by the user. The Content is provided on an "as is" basis. S&P PARTIES DISCLAIM ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, FREEDOM FROM BUGS, SOFTWARE ERRORS OR DEFECTS, THAT THE CONTENT'S FUNCTIONING WILL BE UNINTERRUPTED, OR THAT THE CONTENT WILL OPERATE WITH ANY SOFTWARE OR HARDWARE CONFIGURATION. In no event shall S&P Parties be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs or losses caused by negligence) in connection with any use of the Content even if advised of the possibility of such damages.

Credit-related and other analyses, including ratings, and statements in the Content are statements of opinion as of the date they are expressed and not statements of fact. S&P's opinions, analyses, and rating acknowledgment decisions (described below) are not recommendations to purchase, hold, or sell any securities or to make any investment decisions, and do not address the suitability of any security. S&P assumes no obligation to update the Content following publication in any form or format. The Content should not be relied on and is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment and other business decisions. S&P does not act as a fiduciary or an investment advisor except where registered as such. While S&P has obtained information from sources it believes to be reliable, S&P does not perform an audit and undertakes no duty of due diligence or independent verification of any information it receives.

To the extent that regulatory authorities allow a rating agency to acknowledge in one jurisdiction a rating issued in another jurisdiction for certain regulatory purposes, S&P reserves the right to assign, withdraw, or suspend such acknowledgement at any time and in its sole discretion. S&P Parties disclaim any duty whatsoever arising out of the assignment, withdrawal, or suspension of an acknowledgment as well as any liability for any damage alleged to have been suffered on account thereof.

S&P keeps certain activities of its business units separate from each other in order to preserve the independence and objectivity of their respective activities. As a result, certain business units of S&P may have information that is not available to other S&P business units. S&P has established policies and procedures to maintain the confidentiality of certain nonpublic information received in connection with each analytical process.

S&P may receive compensation for its ratings and certain analyses, normally from issuers or underwriters of securities or from obligors. S&P reserves the right to disseminate its opinions and analyses. S&P's public ratings and analyses are made available on its Web sites, [www.standardandpoors.com](http://www.standardandpoors.com) (free of charge), and [www.ratingsdirect.com](http://www.ratingsdirect.com) and [www.globalcreditportal.com](http://www.globalcreditportal.com) (subscription), and may be distributed through other means, including via S&P publications and third-party redistributors. Additional information about our ratings fees is available at [www.standardandpoors.com/usratingsfees](http://www.standardandpoors.com/usratingsfees).

**McGRAW-HILL**