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## Rating Raised On Spanish ABS Transaction BBVA Consumo 3's Class B Notes

### Surveillance Credit Analyst:

Doug Paterson, London 4407966130617; [doug.paterson@standardandpoors.com](mailto:doug.paterson@standardandpoors.com)

### OVERVIEW

- We have reviewed the performance of the transaction's underlying collateral and its structural features.
- We have raised to 'BBB (sf)' from 'B+ (sf)' our rating on BBVA Consumo 3's class B notes due to increasing levels of credit enhancement and stable performance.
- The portfolio backing this transaction comprises unsecured consumer loans to Spanish residents originated and serviced by Banco Bilbao Vizcaya Argentaria and BBVA Finanzia.

LONDON (Standard & Poor's) Aug. 27, 2015--Standard & Poor's Ratings Services today raised to 'BBB (sf)' from 'B+ (sf)' its credit rating on BBVA Consumo 3 Fondo de Titulizacion de Activos' class B notes.

BBVA Consumo 3 is a Spanish asset-backed securities (ABS) transaction that closed in April 2008. The current outstanding balance is 3.89% of the closing balance, as of the July 2015 investor report. 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%.

As of the July 2015 investor report, the reported ratio of cumulative defaults--defined in this transaction as loans delinquent for more than 12 months--represented 7.3% of the portfolio balance (including the initial balance securitized at closing plus the cumulative acquisitions since closing). The cash reserve is at its target level of €22.4 million and provides credit support to the class B notes.

Our rating on this transaction reflects our assessment of the transaction's structural features set out in the transaction documents. We have also considered the available credit enhancement, the transaction's amortization, and available cash reserve. Our analysis indicates that the level of available credit enhancement for the class B notes is sufficient to withstand the credit and cash flow stresses that we apply at the 'BBB' rating level.

Our criteria for rating single-jurisdiction securitizations above the sovereign foreign currency rating (RAS criteria) designate the country risk sensitivity for asset-backed securities (ABS) transactions as "moderate" (see "Methodology And Assumptions For Ratings Above The Sovereign--Single-Jurisdiction Structured Finance," published on May 29, 2015). However, given that our credit and cash flow analysis has not resulted in a rating above the sovereign rating, we have not undertaken the additional RAS criteria tests.

Following our review of the performance of the underlying collateral and taking into account the current levels of available credit enhancement for the class B notes, we have raised to 'BBB (sf)' from 'B+ (sf)' our rating on the class B notes.

The portfolios backing these Spanish asset-backed securities transactions comprise unsecured consumer loans to Spanish residents originated and serviced by Banco Bilbao Vizcaya Argentaria, S.A. and BBVA Finanzia.

#### RELATED CRITERIA AND RESEARCH

##### Related Criteria

- Methodology And Assumptions For Ratings Above The Sovereign--Single-Jurisdiction Structured Finance, May 29, 2015
- Criteria For Global Structured Finance Transactions Subject To A Change In Payment Priorities Or Sale Of Collateral Upon A Nonmonetary EOD, March 2, 2015
- Global Framework For Assessing Operational Risk In Structured Finance Transactions, Oct. 9, 2014
- Counterparty Risk Framework Methodology And Assumptions, June 25, 2013
- Global Derivative Agreement Criteria, June 24, 2013
- Europe Asset Isolation And Special-Purpose Entity Criteria--Structured Finance, Sept. 13, 2013
- Global Investment Criteria For Temporary Investments In Transaction Accounts, May 31, 2012
- Methodology: Credit Stability Criteria, May 3, 2010
- Understanding Standard & Poor's Rating Definitions, June 3, 2009
- European Consumer Finance Criteria, March 10, 2000

##### Related Research

- 2015 EMEA ABS Scenario And Sensitivity Analysis, Aug. 6, 2015
- Despite The Turmoil In Greece, Europe's Fragile Growth Continues, July

14, 2015

- European Structured Finance Scenario And Sensitivity Analysis 2014: The Effects Of The Top Five Macroeconomic Factors, July 8, 2014
- Global Structured Finance Scenario And Sensitivity Analysis: Understanding The Effects Of Macroeconomic Factors On Credit Quality, July 2, 2014

**Additional Contact:**

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

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