

## Rating Raised On Spanish Consumer Loan Transaction BBVA Consumo 6's Class A Notes Following Review

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### OVERVIEW

- Following our review of BBVA Consumo 6, we have raised to 'A- (sf)' from 'BBB (sf)' our rating on the class A notes.
- At the same time, we have affirmed our 'B- (sf)' rating on the class B notes.
- The transaction's collateral comprises Spanish consumer loans that BBVA originated.

MADRID (S&P Global Ratings) Feb. 17, 2017--S&P Global Ratings today raised to 'A- (sf)' from 'BBB (sf)' its credit rating on BBVA Consumo 6, Fondo de Titulizacion de Activos' class A notes. At the same time, we have affirmed our 'B- (sf)' rating on the class B notes (see list below).

Today's rating actions follow our review of the transaction's performance since closing in October 2014 and the application of our criteria (see "Related Criteria").

We have incorporated in our credit assumptions our view of Spain's economic outlook. We expect GDP growth to reach 3.2% in 2016 and to slow to 2.3% in 2017 and 2.0% in 2018. Household consumption should continue to benefit from strong job creation and low interest rates.

We have analyzed credit risk under our European auto asset-backed securities (ABS) criteria, using the transaction's historical gross loss data (see "Methodology And Assumptions For European Auto ABS," published on Oct. 15, 2015). The transaction's gross losses are lower than our expectations at closing, reaching 1.30% as of January 2017. We have therefore lowered our gross loss base-case assumptions as a percentage of the collateral's closing balance to 11% from 12% at closing. Available excess spread continues to be sufficient to cover defaults, leaving the notes and collateral balance at par. We consider the underlying assets' performance to be stable. The transaction stopped revolving in January 2016. As a result, we have also lowered our default assumption related to the revolving period early amortization events conditions.

The January 2017 investor report shows that the percentage of the pool's outstanding aggregate principal balance (the pool factor) is 58%. According to the report, the available credit enhancement for the class A notes has increased to 34.40% (from 20.00% in October 2015), and to 8.60% (from 5.00% in October 2015) for the class B notes. In our view, this increase is largely due to the notes' sequential amortization and the transaction's good performance.

The transaction's documented replacement mechanisms adequately mitigate its counterparty risk exposure to Banco Bilbao Vizcaya Argentaria S.A. (BBVA), as bank account provider, up to a 'A' rating level under our current counterparty criteria (see "Counterparty Risk Framework Methodology And Assumptions," published on June 25, 2013). Therefore, our ratings on the notes are capped at 'A (sf)' by our counterparty criteria.

Under our European consumer criteria, the class A and B notes have sufficient credit enhancement to withstand our stresses at the 'A-' and 'B-' rating levels, respectively (see "European Consumer Finance Criteria," published on March 10, 2000). At the same time, the class A notes have sufficient credit enhancement to withstand a severe stress scenario under our structured finance ratings above the sovereign criteria (RAS criteria), and can therefore be rated up to one notch above our foreign currency long-term sovereign rating on Spain (BBB+/Stable/A-2), or 'A-' (see "Ratings Above The Sovereign - Structured Finance: Methodology And Assumptions," published on Aug. 8, 2016). The class B notes are not constrained by the application of our RAS criteria.

Following the application of our related criteria and in light of our revised gross loss expectations and the transaction's increased credit enhancement, we have raised to 'A- (sf)' from 'BBB (sf)' our rating on BBVA Consumo 6's class A notes. We have affirmed our 'B- (sf)' ratings on the class B notes, because we consider that the available credit enhancement remains commensurate with the currently assigned rating.

The transaction's collateral comprises Spanish consumer loans that BBVA originated.

RELATED CRITERIA

- Criteria - Structured Finance - General: Ratings Above The Sovereign - Structured Finance: Methodology And Assumptions, Aug. 08, 2016
- Criteria - Structured Finance - General: Methodology: Criteria For Global Structured Finance Transactions Subject To A Change In Payment Priorities Or Sale Of Collateral Upon A Nonmonetary EOD, March 02, 2015
- Criteria - Structured Finance - General: Global Framework For Assessing Operational Risk In Structured Finance Transactions, Oct. 09, 2014
- Criteria - Structured Finance - General: Global Framework For Cash Flow Analysis Of Structured Finance Securities, Oct. 09, 2014
- Legal Criteria: Europe Asset Isolation And Special-Purpose Entity Criteria--Structured Finance, Sept. 13, 2013
- Criteria - Structured Finance - General: Counterparty Risk Framework Methodology And Assumptions, June 25, 2013
- General Criteria: Criteria For Assigning 'CCC+', 'CCC', 'CCC-', And 'CC' Ratings, Oct. 01, 2012
- Criteria - Structured Finance - General: Criteria Methodology Applied To Fees, Expenses, And Indemnifications, July 12, 2012
- General Criteria: Methodology: Credit Stability Criteria, May 03, 2010
- Criteria - Structured Finance - General: Standard & Poor's Revises Criteria Methodology For Servicer Risk Assessment, May 28, 2009
- Criteria - Structured Finance - ABS: European Consumer Finance Criteria, March 10, 2000

RELATED RESEARCH

- Global Structured Finance Scenario And Sensitivity Analysis 2016: The Effects Of The Top Five Macroeconomic Factors, Dec. 16, 2016
- European Structured Finance Scenario And Sensitivity Analysis 2016: The Effects Of The Top Five Macroeconomic Factors, Dec. 16, 2016
- 2017: Europe's Year of Wait And See, Dec. 1, 2016
- 2015 EMEA ABS Scenario And Sensitivity Analysis, Aug. 6, 2015
- Ratings Lowered On BBVA Consumo 6's Class A And B Spanish Consumer Loan Notes Following Restructuring, Oct. 29, 2015
- New Issue: BBVA Consumo 6, Fondo de Titulizacion de Activos, Oct. 14, 2014

RATINGS LIST

Class	Rating
To	From

BBVA Consumo 6, Fondo de Titulización de Activos  
€336 Million Asset-Backed Fixed-Rate Notes Including A Subordinated Loan

Rating Raised

*Rating Raised On Spanish Consumer Loan Transaction BBVA Consumo 6's Class A Notes Following Review*

A                    A- (sf)                    BBB (sf)

Rating Affirmed

B                    B- (sf)

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