

NEW ISSUE REPORT

BBVA Consumo 7, FT

ABS / Unsecured Consumer Loans / Spain

Closing Date

29/07/2015

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Definitive (D) Ratings

Series	Rating	Amount (million)	% of Notes	Legal Final Maturity	Coupon	Subordination*	Reserve Fund**	Total Credit Enhancement***
A	Aa3(sf)	€1,239.7	85.5	19/09/2028	1.0%	14.5%	4.5%	19.0%
B	B1(sf)	€210.3	14.5	19/09/2028	1.5%	0.0%	4.5%	4.5%
Total		€1,450.0	100.0					

The ratings address the expected loss posed to investors by the legal final maturity. In Moody's opinion the structure allows for timely payment of interest and ultimate payment of principal at par on or before the rated final legal maturity date. Moody's ratings address only the credit risks associated with the transaction. Other non-credit risks have not been addressed, but may have a significant effect on yield to investors.

* At close.

** As a % of [total/rated] notes

*** No benefit attributed to excess spread.

The subject transaction is a revolving cash securitisation of consumer loans extended to obligors located in Spain. The portfolio consists of unsecured consumer loans used for several purposes, such as new or used car acquisition, property improvement and other undefined or general purposes.

Asset Summary (Cut-off date as of June 2015)

Seller(s)/Originator(s):	Banco Bilbao Vizcaya Argentaria, S.A., "BBVA" (Baa1/P-2(cr); A3 LT Bank Deposits)
Servicer(s):	Banco Bilbao Vizcaya Argentaria, S.A., "BBVA" (Baa1/P-2(cr); A3 LT Bank Deposits)
Receivables:	Loans granted to individuals resident in Spain to finance the purchase of consumer goods and services.
Methodologies Used:	» Moody's Approach to Rating Consumer Loan-Backed ABS, January 2015 (SF393154)
Total Amount:	€1,555.60 million, the amount to be securitized is €1,450.00 million
Length of Revolving Period:	Revolving (17 months)



Asset Summary (Continued)

Number of Borrowers:	191,577
Borrower Concentration:	0.00%
WA Remaining Term:	4.6
WA Seasoning:	2.2
WAL of Portfolio in Years:	2.6
Interest Basis:	93.0% fixed rate, 7.0% floating rate loans
Delinquency Status:	No loans in arrears for more than 30 days at closing
Historical Portfolio Performance Data	
Default Rate Observed:	11.23% (cumulative 90+ delinquency proxy)
Delinquencies Observed:	90+ days delinquencies observed on previous transactions: 0.63% (BBVA Consumo 1), 0.86% (BBVA Consumo 2), 4.00% (BBVA Consumo 3), 2.88% (BBVA Consumo 4), 3.41% (BBVA Consumo 5).
Coefficient of Variation Observed:	No data
Recovery Rate Observed:	Cumulative recovery rates observed on previous transactions: 30.04% (BBVA Consumo1), 28.04% (BBVA Consumo 2), 33.95% (BBVA Consumo 3), 12.85% (BBVA Consumo 4), 0.74% (BBVA Consumo 5). <i>Note: recoveries for BBVA Consumo 4 and BBVA Consumo 5 are lower than the average due to the early termination of the deals.</i>

Liabilities, Credit Enhancement and Liquidity

Excess Spread at Closing:	Approx. 6.0%
Credit Enhancement/Reserves:	4.5% amortising reserve fund Subordination of the notes
Form of Liquidity:	Amortising reserve fund, principal to pay interest mechanism
Number of Interest Payments Covered by Liquidity:	12
Interest Payments:	Quarterly in arrears on each payment date
Principal Payments:	Pass-through on each payment date
Payment Dates:	19 March, 19 June, 19 September, 19 December First payment date: 21 December 2015
Hedging Arrangements:	No hedging arrangements at closing

Counterparties

Issuer:	BBVA Consumo 7, FT
Sellers/Originators:	Banco Bilbao Vizcaya Argentaria, S.A., "BBVA" (Baa1/P-2 (cr); A3 LT Bank Deposits)
Servicer(s):	Banco Bilbao Vizcaya Argentaria, S.A., "BBVA" (Baa1/P-2 (cr); A3 LT Bank Deposits)
Back-up Servicer(s):	-
Back-up Servicer Facilitator(s):	Europea de Titulización ("EdT") (Not Rated). 87.5% owned by BBVA
Cash Manager:	Europea de Titulización ("EdT") (Not Rated). 87.5% owned by BBVA
Back-up Cash Manager:	-
Calculation Agent/Computational agent:	Europea de Titulización ("EdT") (Not Rated). 87.5% owned by BBVA
Back-up Calculation/Computational Agent:	-
Swap Counterparty:	-
Issuer Account Bank:	Banco Bilbao Vizcaya Argentaria, S.A., "BBVA" (Baa1/P-2 (cr); A3 LT Bank Deposits)
Collection Account Bank:	Banco Bilbao Vizcaya Argentaria, S.A., "BBVA" (Baa1/P-2 (cr); A3 LT Bank Deposits)
Paying Agent:	Banco Bilbao Vizcaya Argentaria, S.A., "BBVA" (Baa1/P-2 (cr); A3 LT Bank Deposits)
Management Company:	Europea de Titulización ("EdT") (Not Rated). 87.5% owned by BBVA
Issuer Administrator/Corporate Service Provider:	Europea de Titulización ("EdT") (Not Rated). 87.5% owned by BBVA
Arranger:	Europea de Titulización ("EdT") (Not Rated). 87.5% owned by BBVA
Lead Manager(s):	Banco Bilbao Vizcaya Argentaria, S.A., "BBVA" (Baa1/P-2 (cr); A3 LT Bank Deposits)

This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the ratings tab on the issuer/entity page on www.moodys.com for the most updated credit rating action information and rating history.

Moody's View

Country Rating:	Baa2
Outlook for the Sector:	Positive
Unique Feature:	Asset type and structure previously seen in market
Degree of Linkage to Originator:	BBVA will act as servicer, issuer account bank (replacement eligible entity or a eligible guarantor will need to be found if BBVA is downgraded below Baa3), and paying agent (replacement eligible entity or a eligible guarantor will need to be found if BBVA is downgraded below Baa3)
Originator's Securitisation History:	
# of Precedent Transactions in Sector:	6
% of Book Securitised:	62.0% (Consumer Loans Book)
Behaviour of Precedent Transactions:	90+ delinquencies reported on BBVA Consumo 3 are in line with the average delinquency reported in the Spanish Consumer Loans index, and slightly better than the average index in the case of BBVA Consumo 1 and BBVA Consumo 2. 90+ delinquencies reported on BBVA Consumo 4 and BBVA Consumo 5 are worse than the average. Defaults reported in BBVA Consumo 1, BBVA Consumo 4 and BBVA Consumo 5 are better than the average defaults reported in the Consumer Loans Spanish index, whereas they are worse in the case of BBVA Consumo 2 and BBVA Consumo 3. In February 2013 BBVA Consumo 5 was liquidated following an early settlement event. In January and March 2015 BBVA Consumo 1 and BBVA Consumo 2 were liquidated following to a clean-up call. In January 2015 BBVA Consumo 3 was upgraded to A1 from Baa3 and the rating was placed for possible upgrade in March 2015 together with BBVA Consumo 4. In July 2015 both BBVA Consumo 3 and BBVA Consumo 4 were upgraded to Aa2 and A1.
Key Differences Between Subject and Precedent Transactions:	Present transaction is very similar to previous transactions in terms of structure. Regarding portfolio composition, the portfolio has a lower portion of auto loans (22% vs. 95% in BBVA Consumo 5)
Portfolio Relative Performance:	
Default Rate Assumed/Ranking:	8.0% - in line with peer group
Coefficient of Variation Assumed on Default Rate/Ranking:	40% - in line with peer group
Recovery Rate Assumed/Ranking:	20% - in line with peer group

Parameter Sensitivities for Tranche A

Table Interpretation:	At the time the rating was assigned, the model output indicated that Class A would have achieved a Aa3 rating even if the cumulative mean default probability (DP) had been as high as 8.5%, with a recovery rate of 20% or if the cumulative mean default probability (DP) had been 8.0% with a recovery rate as low as 1510% (all other factors being constant).
Factors Which Could Lead to a Downgrade:	Worse than anticipated portfolio performance in terms of losses. Breach of certain triggers, if no mitigating actions from the issuer observed.

EXHIBIT 1*

Tranche A

		Recovery Rate		
		20%	15%	10%
Mean Default	8.0%	Aa3*	Aa3 (0)	A1 (1)
	8.5%	Aa3 (0)	A1 (1)	A2 (2)
	9.0%	A1 (1)	A2 (2)	A2 (2)

– Results under base case assumptions indicated by asterisk ' * '.

– Change in model-indicated rating (# of notches) is noted in parentheses.

– Results are model-indicated ratings, which are one of the many inputs considered by rating committees, which take quantitative and qualitative factors into account in determining actual ratings. The analysis assumes that the deal has not aged. The model does not intend to measure how the rating of the security might migrate over time, but rather, how the initial rating of the security might have differed if key rating input parameters were varied.

Strengths and Concerns

Strengths:

- » **Portfolio composition** Securitized portfolio is highly granular with the largest and 20 largest borrowers representing 0.00% and 0.09% of the portfolio respectively.
- » **Financial strength of BBVA:** BBVA is rated Baa1/P-2(cr); A3 LT Bank Deposits and is acting as originator and servicer in the transaction. The bank's sound credit profile limits deal exposure to operational issues: specifically, likelihood of interruption in the portfolio servicing during the lifetime of the deal is limited. Furthermore, the bank has a long experience in the origination and servicing of consumer loan portfolios as well.
- » **High excess spread:** The initial portfolio yields a weighted interest rate of approximately 9.0%. In addition, the eligibility criteria provide for a weighted average minimum portfolio yield of 7.5% after the addition of receivables during the revolving period.

Concerns and Mitigants:

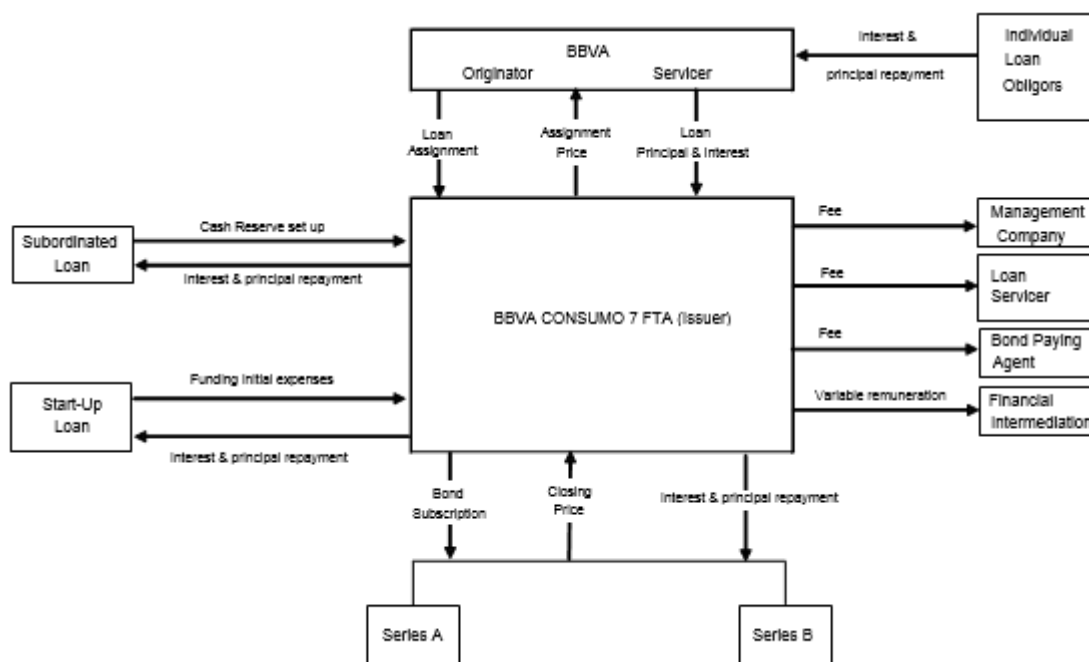
Moody's committees particularly focused on the following factors, listed in order of those most likely to affect the ratings:

- » **Limited historical information:** Historical static default data provided by BBVA are not in line with the transaction's default definition. Moody's has factored this when deriving its modelling assumptions as further explained under "Credit Analysis".
- » **High degree of linkage to BBVA:** BBVA is acting as originator, servicer, collection account bank, issuer account bank and GIC provider of the transaction. There are suitable replacement triggers to mitigate this risk.
- » **Interest deferral trigger:** Interest payments on Series B will be brought to a more junior position after principal payments on Series A, if cumulative 90 days plus delinquencies are above 5%. Given the relatively low trigger level there is a high likelihood that the trigger will be breached and as a result, the trigger will have a negative impact on Class B.
- » **Commingling risk:** Commingling risk on collections is mitigated - to a limited degree - by (i) the rating of the servicer at closing and (ii) by the sweep of collections after 2 business days from the servicer collection account into the issuer collection account. Moody's has factored this when deriving its modelling assumptions as further explained under "Credit Analysis".
- » **Liquidity arrangements:** The transaction does not have a liquidity facility to cover potential liquidity shortfalls. This is mitigated by a principal to pay interest mechanism and the fully funded amortising reserve fund of 4.5%.

Structure, Legal Aspects and Associated Risks

EXHIBIT 2

Structure Chart



Source: BBVA

Liabilities:

Allocation of payments/pre accelerated waterfall: On each quarterly payment date, the issuer's available funds (i.e. interest and principal amounts received from the portfolio, the reserve fund, and interest earned on the issuer's account) will be applied in the following simplified order of priority:

1. Senior expenses;
2. Interest on Class A;
3. Interest on Class B;
4. Principal on Class A;
5. Principal on Class B;
6. Interest on class B, if deferred;
7. Reserve Fund;
8. Junior payments.

Allocation of payments/PDL-like mechanism: A Principal Deficiency Ledger (PDL) is defined as the negative difference between the principal available funds and a target principal amount. A target principal amount is the difference between the notes' outstanding principal and the performing assets. A non-performing asset is defined as one with any amount due but unpaid for more than 18 months or one written off according to management's discretion.

Performance Triggers:

Trigger	Conditions	Remedies/Cure
Stop Purchase	<ul style="list-style-type: none"> » Insolvency, failure to pay or bankruptcy of BBVA » The 90+ days arrears level exceeds 2.2% » The cumulated amount of written-off loans since closing exceeds the Reference Value (the Reference value is calculated = 0.375% x number of determination dates since closing) » The outstanding amount of the non-written-off loans is less than: <ul style="list-style-type: none"> a) 90% of the outstanding amount of the notes after purchase on the two previous payment dates b) 80% of the outstanding amount of the notes after purchase on the previous payment date » BBVA ceases to be the servicer of the loans » The cash reserve is not funded at the required level. » Failure to pay interest on Series A on any payment date. 	<ul style="list-style-type: none"> » The revolving period will be terminated and the notes will start amortising
Reserve Fund Amortisation	<ul style="list-style-type: none"> » The arrears level (percentage of loans more than 90 days in arrears not written-off) exceeds 1.0%; or » The reserve fund is not funded at its required level or » Less than two years have elapsed since closing 	<ul style="list-style-type: none"> » The target amount of the reserve fund will not be reduced on any payment date on which these occur
Subordination of Interest	<ul style="list-style-type: none"> » The cumulative gross default ratio is higher than 5% 	<ul style="list-style-type: none"> » If the conditions are met, interest payment on Class B notes will be postponed to the principal payment of the more senior notes in the payment waterfall

Reserve fund:

- » At close: 4.5% of original notes balance
- » Amortising to: 9.0% of current notes/pool balance
- » Floor: 2.25% of original notes balance

After the first two years following closing of the transaction, the reserve fund may amortise over the remainder of transaction subject to the reserve fund amortisation trigger.

The reserve fund will be replenished after the principal payment of the Class B note. Through these mechanisms, Moody's considers that the reserve fund in this transaction is in line with other comparable Spanish Consumer Loan ABS transactions.

Liquidity:

- » Principal to pay interest mechanism.
- » The reserve fund is a further source of liquidity.

Subordination of interest: The payment of interest on Series B will be brought to a more junior position (to just above the replenishment of the reserve fund) if, on any payment date, the conditions described under the interest deferral triggers are met.

Assets:**Asset transfer:**

- » **True Sale:** According to the legal opinion received, the securitisation of assets will be carried out in compliance with the Spanish Securitisation Law.

Bankruptcy Remoteness: Under the Spanish Securitisation Law, a Spanish SPV is not subject to the Spanish Insolvency Law. It is only the management company, acting in the best interest of the Noteholders, which can decide to liquidate the Issuer.

Revolving period: The structure includes a revolving period of one and a half years, during which the Seller has the option to sell additional portfolios on a quarterly basis. A long revolving period potentially exposes Noteholders to additional losses. However such risk is mitigated by tight replenishment criteria as well as early amortisation triggers.

During the revolving period, any amount retained as principal due, which is not used on a payment date for the acquisition of loans, will be transferred to a special account (the principal account) held at BBVA. This account is subject to the same triggers and will yield the same rate as the treasury account.

Following the termination of the revolving period, the principal available funds will be used for the amortisation of the notes on a fully sequential basis and by order of seniority.

Interest rate mismatch: At closing, approximately 7.0% of the pool balance comprises floating rate loans and 93.0% fixed rate loans, whereas the notes are fixed liabilities. The eligibility criteria allow for up to 10.0% floating rate loans in the portfolio.

As a result, the issuer is subject to fixed-floating mismatch (i.e. the risk that the interest rate on the notes will differ from the interest rate payable on this portion of the portfolio).

Mitigant:

Moody's analysis takes into account the potential interest rate exposure in its quantitative analysis.

Cash commingling: All of the payments under the loans in this pool are collected by BBVA under a direct debit scheme into the collection account in the name of BBVA (and maintained with itself). As a result, in the event of insolvency of the servicer – and until notification is delivered to the relevant debtors to redirect their payments – payments by the underlying debtors will continue to be collected by the servicer and may be commingled with other funds belonging to them.

Mitigant:

» Payments are transferred every two days to the issuer account in the name of the SPV held by BBVA (A3 (LT Deposit Rating)).

Set-off: 100% of obligors have accounts with the seller.

Mitigant:

Moody's considers set-off risk to be very limited in this transaction as only unpaid and due instalments prior to the declaration of insolvency of BBVA might be offset against the deposits of the debtors (such instalments must be considered as fully due and payable prior to the insolvency).

Originator Profile, Servicer Profile and Operating Risks

Date of Operations Review: July 2015

Originator Background: Banco Bilbao Vizcaya Argentaria, S.A.

Rating:	» (Baa1/P-2 (cr); A3 LT Bank Deposits)
Financial Institution Group Outlook for Sector:	» Positive
Ownership Structure:	» N/A
Asset Size:	» 3,062.5 million (Consumer Loans Book)
% of Total Book Securitised:	» 62.0% (Consumer Loans Book)
Transaction as % of Total Book:	» 47.0% (Consumer Loans Book)
% of Transaction Retained:	» 19% of securitized loans' outstanding amount (Class B and Subordinated Loan)

Originator Assessment

Main Strengths (+) and Challenges(-)

Strengths
» Experienced servicer
» One of the top banking groups in Spain by asset size
» Scoring systems validated by the Bank of Spain
» Attention to servicing activities to tackle the increase in delinquencies in the Spanish market
» Interest rates and commissions paid to brokers adjusted by risk
Weaknesses
» Due to the bank's large size, it cannot achieve deep knowledge of each client as would a smaller entity

Servicer Background: Banco Bilbao Vizcaya Argentaria, S.A.

Rating:	» (Baa1/P-2 (cr); A3 LT Bank Deposits)
Regulated by:	» Bank of Spain
Total Number of Receivables Serviced:	» N/A
Number of Staff:	» N/A

Servicer Assessment:

Main Strengths and Challenges

» See originator assessment above

Back-up Servicer Background: None appointed at closing

Rating:	N/A
Ownership Structure:	N/A
Regulated by:	N/A
Total Number of Receivables Serviced:	N/A
Number of Staff:	N/A
Receivables Administration	
Method of Payment of Borrowers in the Pool:	100% Direct debit
% of Obligor with Account at Originator:	100%
Distribution of Payment Dates:	Most payments at the end of each month

Cash Manager Background: Europea de Titulización S.G.F.T; S.A.

Rating:	Not Rated
Main Responsibilities:	<ul style="list-style-type: none"> » Keeping the Fund's accounts duly separated from the Management Company's own accounts. » Complying with its formal, documentary and reporting duties to the CNMV, the Rating Agencies and any other supervisory body. » Appointing and, as the case may be, replacing and dismissing the auditor who is to review and audit the Fund's annual accounts. » Complying with the calculation duties provided for and taking the actions laid down in the Deed of Constitution and in this Prospectus. » Calculating and determining on each Determination Date the principal to be amortised and repaid on each Bond Series on the relevant Payment Date. » Watching that the amounts credited to the Treasury Account return the yield set in the Agreement. » Instructing transfers of funds between the various borrowing and lending accounts, and issuing all relevant payment instructions, including those allocated to servicing the Bonds. » Calculating the Available Funds, the Available Funds for Amortisation of Series A, B, and C, the Liquidation Available Funds and the payment or withholding obligations to be complied with, and applying the same in the Priority of Payments or, as the case may be, in the Liquidation Priority of Payments. » The Management Company may extend or amend the agreements entered into on behalf of the Fund, and substitute, as the case may be, each of the Fund service providers on the terms provided for in each agreement.
Calculation Timeline:	Calculations will be done on the determination date (7 days before each payment date)

Back-up Cash Manager Background: None appointed at closing

Back-up Cash Manager and Its Rating:	N/A
Main Responsibilities of Back-up Cash Manager:	N/A

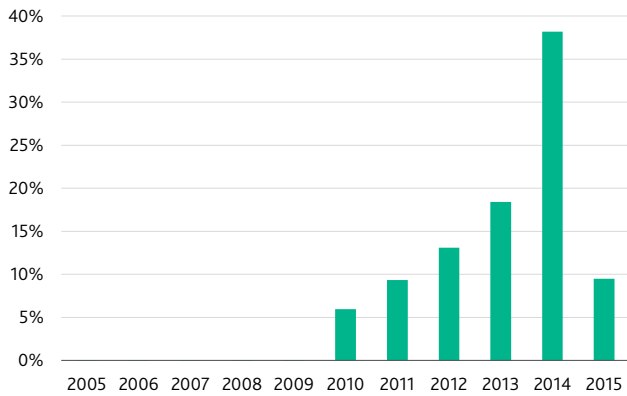
Originator/Servicer/Cash Manager Related Triggers

Key Servicer Termination Events:	Breach of obligations under the servicing agreement or insolvency. In any case, replacement will always be at discretion of the management company.
Appointment of Back-up Servicer Upon:	yes – however not linked to Moody's ratings according to deal documentation
Key Cash Manager Termination Events:	Insolvency
Notification of Obligors of True Sale:	Insolvency, administration by the Bank of Spain, liquidation or substitution of the servicer, or because the management company deems it reasonable (always at discretion of the management company)
Conversion to Daily Sweep (if original sweep is not daily):	N/A
Notification of Redirection of Payments to SPV's Account:	Insolvency, administration by the Bank of Spain, liquidation or substitution of the servicer, or because the management company deems it reasonable (always at discretion of the management company)
Accumulation of Set Off Reserve:	N/A
Accumulation of Liquidity Reserve :	N/A
Set up Liquidity Facility:	N/A

Collateral Description

EXHIBIT 3

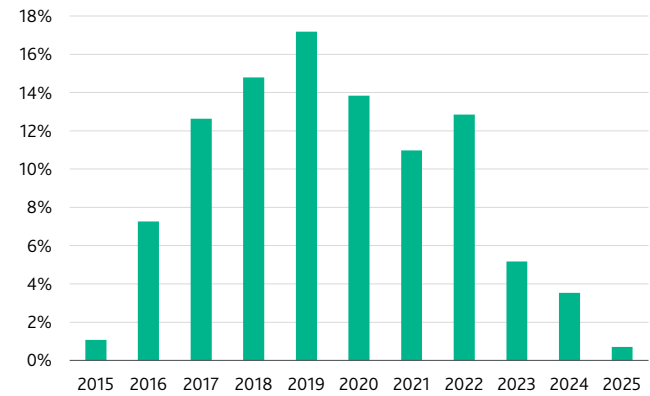
Portfolio Breakdown by Year of Origination



Source: BBVA

EXHIBIT 4

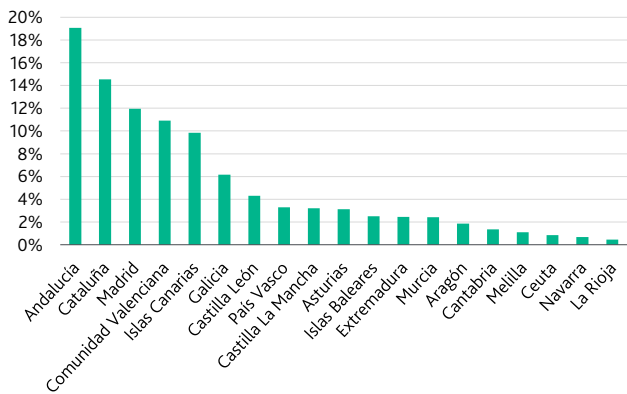
Portfolio Breakdown by Year of Maturity



Source: BBVA

EXHIBIT 5

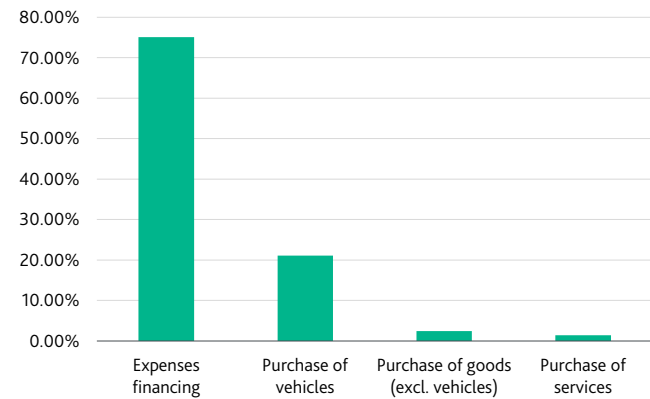
Portfolio Breakdown by Region



Source: BBVA

EXHIBIT 6

Portfolio Breakdown by Loan Purpose



Source: BBVA

EXHIBIT 7

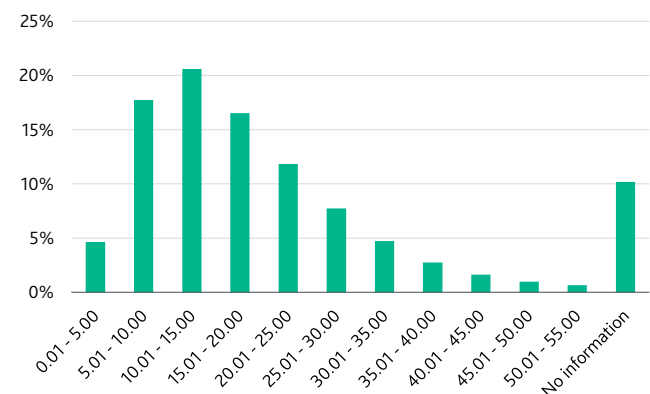
Portfolio Breakdown by Interest Rate



Source: BBVA

EXHIBIT 8

Portfolio Breakdown by DTI



Source: BBVA

Product description: The securitised portfolio consists of unsecured consumer loans extended to individuals resident in Spain, to finance the acquisition of consumer goods and services.

Data and information on the portfolio set out in this report is based on the Definitive Portfolio (as described in the prospectus).

The balance of the portfolio (as at June 2015) corresponds to approximately €1.56 billion, for a total number of 213,974 loans. The tenor of the loans varies (from 0.1 years to 10.0 years) depending on the purposes of the loan. Loans are standard amortising loans.

Eligibility criteria:

The key eligibility criteria are as follows:

- » Loans are established at a fixed rate or 1-year Euribor referenced floating rate.
- » The applicable interest rate will not be less than 4.00%.
- » Loans are granted in Euro.
- » The loans have been fully drawn down.
- » The loans will amortise through monthly instalments.
- » There are no loans with the option to take a payment holiday.
- » The loans are not more than 30 day past due and at least one instalment has been paid.
- » The outstanding amount of any loan is equal to or less than €80,000.

Global Eligibility Criteria for the total pool:

The global resulting pool at each purchase date must comply with the following main conditions:

- » The weighted average interest rate is at least equal to 7.5%.
- » The weighted average seasoning is at least six months (three months for additional portfolios).
- » The weighted-average life of additional portfolios is less than 3.85 years.
- » The weighted average remaining term is less than seven years.
- » The aggregate outstanding balance of the pool belonging to debtors within the same region is not over 25.0% of the outstanding balance.

- » The aggregate outstanding balance of the pool belonging to debtors within the three most represented regions is not over 60.0% of the outstanding balance.
- » The top debtor represents less than 0.007% and top 10 less than 0.06%.
- » Spanish debtors will account for at least 96.0% of the additional portfolios.
- » The aggregate outstanding balance of floating-rate receivables is less than 10.0% of the entire portfolio.
- » The aggregate outstanding balance of the pool belonging to debtors who are civil servants, pensioners or salaried workers on a permanent contract is not less than 50.0% of the outstanding balance.

Additional information on Borrowers:

Top Debtor Concentration	0.00%
Top 5 Debtors	0.02%
Top 10 Debtors	0.04%
Top 20 Debtors	0.09%

Additional information on Portfolio:

Number of Contracts	213,974
Number of Borrowers	191,577
Contract Amortisation Type	Amortising loans
WA Interest Rate	9.08%
Origination Channel	BBVA
Geographic Diversification	Andalucía 19.05%, Cataluña 14.54%, Madrid 11.96%

Replenishment conditions

The key replenishment criteria are as follows

Maximum Top Obligor Exposure	0.007%
Maximum Top 10 Obligor Exposure	0.06%
Maximum Top Region Exposure	25.0%
Maximum Top 3 Regions Exposure	60.0%
Minimum Portfolio Yield	7.5%
Minimum WA seasoning of additional portfolios	3.0 months
Maximum WA remaining term of additional portfolios	7.0 years
Maximum WAL of additional portfolios	3.85 years
Minimum Spanish debtors %	96.0%
Maximum floating-rate loans %	10.0%

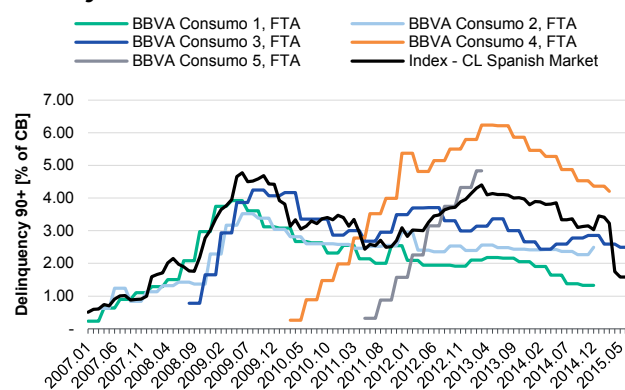
Credit Analysis

Precedent transactions' performance:

- » In November 2009, BBVA Consumo 2 and BBVA Consumo 3 were subject to rating actions due to the deterioration of the collateral performance and the greater than expected weakening of macro-economic conditions in Spain.
- » However, in January 2015 BBVA Consumo 3 was upgraded to A1 from Baa3 and the rating was placed for possible upgrade in March 2015 together with BBVA Consumo 4 following the upgrade of the local-currency country ceiling to Aa2 from A1.

EXHIBIT 9

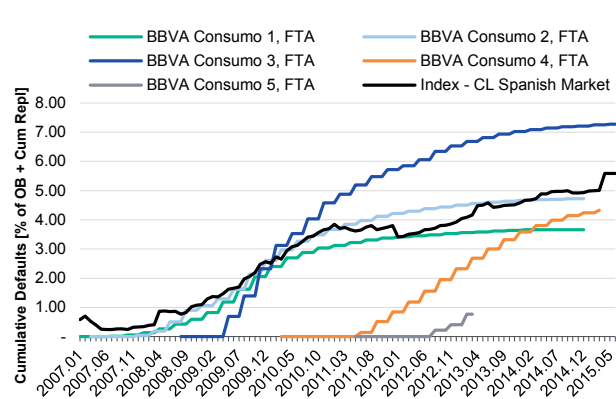
90+ days arrears for BBVA ABS transactions



Source: Moody's Investors Service

EXHIBIT 10

Cumulative write-offs for BBVA ABS transactions



Source: Moody's Investors Service

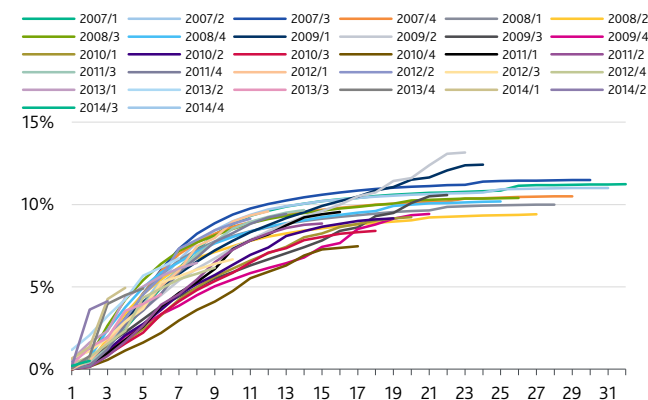
Data quantity and content

- » Moody's has received data from 2006 through 2014 reflecting cumulative 90+ days arrears, cumulative 180+ days arrears and recoveries with both default definitions.
- » The data is not in line with the transaction's default definition of 18 months.

- » In addition, Moody's has received line-by-line data of the portfolio to be securitised.
- » In Moody's view, the quantity and quality of data received is slightly below average compared to transactions, which have achieved high investment grade ratings in this sector.

EXHIBIT 11

90+ days cumulative arrears vintage data from BBVA's book



Source: BBVA

Default/loss definition: The definition of a defaulted asset in this transaction is one which is more than 18 month in arrears or – if earlier- has been written off by the servicer (whichever occurs earlier).

Assumptions: Note that other values within a range of the notional amount listed below may result in achieving the same ratings.

Assumptions

Cumulative Default (Initial Portfolio/Revolving Portfolios)	8.0%
Default Definition	90 days arrears
Standard Deviation/Mean	40.0%
Timing of Default	Sinus 6-9-26 (first quarter of defaults/peak of defaults/last quarter of defaults)
Recovery	20.0%
Recovery Lag	60% after 1 year, 80% after 2 years, 90% after 3 years, 100% after 4 years
Conditional Prepayment Rate (CPR)	5.0%
Amortisation Profile	Scheduled portfolio amortization (0% CPR)
Portfolio Yield	8.5% for initial portfolio, 7.5% for additional assets
Fees (as modeled)	0.5% on portfolio/collections p.a.
PDL Definition	18 months

Modelling approach:

Default distribution: The first step in the analysis is to define a default distribution of the pool of loans to be securitised. Due to the large number of loans, Moody's uses a continuous distribution (i.e. the lognormal distribution) to approximate the default distribution.

In order to determine the shape of the curve, Moody's will make assumptions on the following two parameters: the mean default and the volatility around this value. These parameters are generally derived from the historical data; adjustments may be made based on further analytical elements such as originator internal scores.

Derivation of default rate assumption

Moody's has mainly based its analysis on the historical cohort performance data provided by the originator. The historical analysis has been then complemented with the evaluation of 1) the general Spanish market trend, 2) the performance of the previous originator deals, and 3) line by line portfolio information provided by the originator 4) other qualitative considerations.

The standard deviation of the default distribution has been defined following analysis of the historical data, as well as by benchmarking this portfolio with past and similar transactions.

Moody's has assumed a portfolio credit enhancement of 19.0%.

Timing of default: Moody's has tested different timings for the default curve to assess the robustness of the ratings. In the base case scenario, the timing of defaults curve assumed is sinus, with first default occurring with a 18-month lag (according to transaction definition), a peak at quarter 9 and last default at quarter 26.

Derivation of recovery rate assumption

Moody's has based the recovery assumption of 20.0% primarily on (1) the recovery performance of previous BBVA Consumo transactions and (2) the types of securitized products, especially given the fact that the share of auto loans is relatively low (approximately 20.0%). Assumptions for recoveries have hence been made on the basis of (i) historical performance information of previous deals; (ii) statistical information on the Spanish consumer loan market; (iii) line by line portfolio information and (iv) other qualitative and pool-derived aspects.

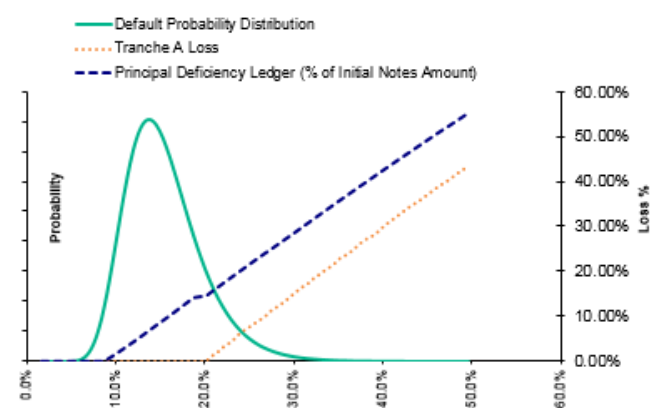
Tranching of the notes:

Moody's has used a lognormal distribution to describe the default distribution of the portfolio. This distribution has hence been applied to numerous default scenarios on the asset side to derive the level of losses on the Notes.

The chart below represents the default distribution (red line) Moody's has used in its modeling of the deal.

EXHIBIT 12

Default distribution



Source: Moody's Investors Service

Moody's has considered how the cash flows generated by the collateral are allocated to the parties within the transaction, and the extent to which various structural features of the transaction might themselves provide additional protection to investors, or act as a source of risk. In addition, Moody's has analysed the strength of triggers to reduce the exposure of the portfolio to the originator/servicer bankruptcy.

To determine the rating assigned to the Notes, Moody's has used an expected loss methodology that reflects the probability of default for each series of Notes times the severity of the loss expected for the Notes. In order to allocate losses to the Notes in accordance with their priority of payment and relative size, Moody's has used a cash-flow model (ABSROM) that reproduces many deal-specific characteristics: the main input parameters of the model have been described above. Weighting each default scenario's severity result on the Notes by its probability of occurrence, Moody's has calculated the expected loss level for each series of Notes as well as the expected average life. Moody's has then compared the quantitative values to the Moody's Idealised Expected Loss table to determine the ratings assigned to each series of Notes.

The orange line in Exhibit 12 represents each default scenario on the default distribution curve for the loss suffered by the Class A notes (in Moody's modeling). For default scenarios up to 19.6%, the line is flat at zero, hence the Class A notes are

not suffering any loss. 19.6% is the first default scenario under which the Class A notes suffer a loss. The steepness of the curve then indicates the speed of the increase of losses suffered by the Class A.

The rating of the notes has therefore been based on an analysis of:

- » The characteristics of the securitized pool;
- » Macroeconomic environment;
- » Sector-wide and originator specific performance data;
- » Protection provided by credit enhancement and liquidity support against defaults and arrears in the mortgage pool;
- » The legal and structural integrity of the issue.

Treatment of Concerns:

- » **Limited historical data:** The originator was only able to provide historical cohort performance data which is not in line with this transaction's default definition in addition to the performance data of previous BBVA Consumer deals. However, the pool composition of past transactions is not entirely representative of the portfolio composition of the present transaction. BBVA also provided line by line data on the initial portfolio.

Moody's portfolio assumptions were defined by (1) taking into account the performance of previous BBVA Consumo deals, (2) by considering the static historical cohort data available to Moody's and (3) considering the performance of comparable consumer loan transactions in Spain.

- » **Commingling:** All loan payments are collected – via direct debit - into a general collection account in the name of the servicer. Funds are then swept every 2 days into the issuer collection account. In order to treat potential exposure to commingling, Moody's has modelled the loss of the equivalent of 1 month collections upon the servicer default. Moody's takes into account potential recoveries from the insolvency estate.

Benchmarking Analysis

Performance relative to sector: 90+ delinquencies reported on BBVA Consumo 3 are in line with the average delinquency reported in the Spanish Consumer Loans index, and slightly better than the average index in the case of BBVA Consumo 1 and BBVA Consumo 2. 90+ delinquencies reported on BBVA Consumo 4 and BBVA Consumo 5 are worse than the average. Defaults reported in BBVA Consumo 1, BBVA Consumo 4 and BBVA Consumo 5 are better than the average defaults reported in the Consumer Loans Spanish index, whereas they are worse in the case of BBVA Consumo 2 and BBVA Consumo 3. In February 2013 BBVA Consumo 5 was liquidated following to a clean-up call. In January 2015 BBVA Consumo 1 and BBVA Consumo 2 were liquidated following to an early settlement event. In January 2015 BBVA Consumo 3 was upgraded to A1 from Baa3 and the rating was placed for possible upgrade in March 2015 together with BBVA Consumo 4. In July 2015 both BBVA Consumo 3 and BBVA Consumo 4 were upgraded to Aa2 from A1.

Please refer to Exhibits 9 and 10 that show the delinquencies and defaults of transactions closed by BBVA compared with the market index. Please note however that the performance shown is affected by several factors such as the age of the transaction, the pool specific characteristics as well as the presence of the revolving period.

Benchmark Table

Deal Name	BBVA Consumo 7	BBVA Consumo 5	BBVA Consumo 4	BBVA Consumo 3	BBVA Consumo 2	BBVA Consumo 1
Country	Spain	Spain	Spain	Spain	Spain	Spain
Closing Date or Rating Review Date (dd/mm/yyyy)	29/07/2015	22/12/2010	11/12/2009	15/04/2008	30/11/2006	11/05/2006
Currency of Rated Issuance	EUR	EUR	EUR	EUR	EUR	EUR
Rated Notes Volume (excluding NR and Equity)	100%	100%	100%	100%	100%	100%
Originator	100% BBVA	8% BBVA 92% BBVA Finanzia	44% BBVA 56% BBVA Finanzia	30% BBVA 70% BBVA Finanzia	100% BBVA	100% BBVA
Captive finance company?	No	No	No	No	No	No
Long-term Rating	A3	A3 / NR	A3 / NR	A3 / NR	A3	A3
Short-term Rating	P-2	P-2 / NR	P-2 / NR	P-2 / NR	P-2	P-2
Name of Servicer	100% BBVA	8% BBVA 92% BBVA Finanzia	44% BBVA 56% BBVA Finanzia	30% BBVA 70% BBVA Finanzia	100% BBVA	100% BBVA
Long-term Rating	A3	A3 / NR	A3 / NR	A3 / NR	A3	A3
Short-term Rating	P-2	P-2 / NR	P-2 / NR	P-2 / NR	P-2	P-2
Portfolio Information (as of 25/06/2015)						
Currency of securitised pool balance	EUR	EUR	EUR	EUR	EUR	EUR
Securitized Pool Balance ("Total Pool")	1.6 bn	0.9 bn	1.1 bn	1.2 bn	1.8 bn	1.9 bn
Contract Information (as % Total Pool)						
Auto loan receivables %	21%	95%	70%	71%	40%	0%
Portion of (fully) amortising contracts %	100%	100%	100%	100%	100%	100%
Portion of bullet / balloon contracts %	0%	0%	0%	0%	0%	0%
Monthly paying contracts %	100%	100%	100%	100%	100%	100%
Method of payment - Direct Debit (minimum payment)	100%	100%	100%	100%	100%	100%
Fixed rate contracts %	96%	100%	100%	100%	100%	100%
WA initial yield (Total Pool)	9.1%	8.6%	8.5%	7.5%	7.2%	7.1%
WAL of Total Pool initially (in years)	2.6	3.0	2.8	N/A	N/A	N/A
WA original term (in years)	7.0	6.7	N/A	N/A	N/A	N/A
WA seasoning (in years)	2.2	1.5	1.7	0.8	1.0	1.8
WA remaining term (in years)	4.6	5.2	4.6	6.1	5.9	5.0
Portfolio share in arrears > 30 days %	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
No. of contracts	213,974	117,907	117,907	91,143	221,057	224,722
Obligor Information (as % Total Pool)						
No. of obligors	191,577	90,191	117,907	90,580	212,540	214,031
Single obligor (group) concentration %	0.00%	0.01%	0.01%	0.01%	0.01%	0.01%
Top 10 obligor (group) concentration %	0.04%	0.05%	0.06%	N/A	N/A	N/A
Top 20 obligor (group) concentration %	0.09%	0.12%	N/A	N/A	N/A	N/A
Commercial obligors %*1	0%	0%	0%	0%	0%	0%
Private obligors %*1	100%	100%	100%	100%	100%	100%

Deal Name	BBVA Consumo 7	BBVA Consumo 5	BBVA Consumo 4	BBVA Consumo 3	BBVA Consumo 2	BBVA Consumo 1
Geographical Stratification (as % Total Pool)³						
Name 1st largest region	Andalucía	Andalucía	Cataluña	Andalucía	Andalucía	Andalucía
2nd largest region	Cataluña	Cataluña	Andalucía	Cataluña	Cataluña	Cataluña
3rd largest region	Madrid	Madrid	Madrid	Valencia	Valencia	Madrid
Size % 1st largest region	19.1%	22.2%	19.4%	20.0%	21.0%	19.0%
2nd largest region	14.6%	20.5%	18.6%	20.0%	16.0%	16.0%
3rd largest region	12.0%	14.1%	13.6%	13.0%	12.0%	14.0%
Asset Assumptions⁶						
Gross default / Net loss definition in this deal	18 months	18 months	18 months	12 months	12 months	12 months
Mean gross default rate – initial pool	8.00%	12.50%	11.50%	3.75%	3.22%	2.74%
Mean gross default rate – replenished pool	8.00%	14.00%	13.00%	4.50%	3.27%	3.32%
CoV	30%	35%	30%	30%	30%	25%
Mean recovery rate	20%	30%	35%	30%	30%	30%
Recovery lag (in months)	60% / 20% / 10% / 10% each year after default	60% / 20% / 10% / 10% each year after default	12.9	N/A	N/A	N/A
Prepayment Rate(s)	5%	5%	8% (15 months)	18%	N/A	N/A
Structural features						
Revolving Period (in years)	1.0	2.0	2.0	2.0	2.0	2.0
Reserve Fund (as % of Notes excl. Equity)	4.5%	47%	21%	2.30%	1.56%	1.45%
Capital structure (as % Total Pool)						
Size of Aaa rated class		100%	85.25%	94%	96.1%	96.5%
Aa3 rated class	85.5%				1.1%	1.9%
A1 rated class						
NR class						
Equity						
Initial Overcollateralisation	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Annualised net excess spread	6.0%	1.75%	1.73%	2.75%	3.25%	3.25%

Parameter Sensitivities

Parameter Sensitivities provide a quantitative, model-indicated calculation of the number of notches that a Moody's-rated structured finance security may vary if certain input parameters used in the initial rating process differed. The analysis assumes that the deal has not aged. It is not intended to measure how the rating of the security might migrate over time, but rather, how the initial rating of the security might differ as certain key parameters vary.

Because we also take qualitative factors into consideration in the ratings process, the actual ratings that we assign in each case could differ from the ratings that the parameter sensitivity analysis implies. This adjusted analysis will show how the notes' initial ratings will differ if the Local Country Ceiling ("LCC") and counterparty ratings change and other rating factors remain the same. The current LCC in Spain is Aa2. For more information on LCC Sensitivity, please refer to "[Updated Sensitivity Analysis Clarifies How Sovereign Risk Affects Structured Finance Ratings](#)" published in May 2014.

Parameter sensitivities for this transaction have been calculated in the following manner: Moody's tested 9 scenarios derived from the combination of mean default: 8.0% (base case), 8.5% (base case +0.5%), 9.0% (base case + 1.0%) and recovery rate: 20% (base case), 15% (base case - 5%), 10% (base case - 10%). The 8.0% / 20% scenario would represent the base case assumptions used in the initial rating process.

The charts below show the parameter sensitivities for this transaction with respect to all Moody's rated tranches.

EXHIBIT 13*

Tranche A

		Recovery Rate		
		20%	15%	10%
Mean default	8.0%	Aa3*	Aa3 (0)	A1 (1)
	8.5%	Aa3 (0)	A1 (1)	A2 (2)
	9.0%	A1 (1)	A2 (2)	A2 (2)

* Results under base case assumptions indicated by asterisk '*'. Change in model-indicated rating (# of notches) is noted in parentheses.

EXHIBIT 14*:

Tranche B

		Recovery Rate		
		20%	15%	10%
Mean default	8.0%	B1*	B1 (0)	B2 (2)
	8.5%	B1 (0)	B2 (2)	B3 (3)
	9.0%	B2 (2)	B3 (3)	Caa1 (4)

* Results under base case assumptions indicated by asterisk '*'. Change in model-indicated rating (# of notches) is noted in parentheses.

Worse case scenarios: At the time the rating was assigned, the model output indicated that Class A would have achieved a Aa3 rating even if mean default had been as high as 8.5% with a recovery of 20% or if mean default had been 8.0% with a recovery as low as 15% (all other factors unchanged). Under the same assumptions, the Class B would have achieved a B1 rating.

EXHIBIT 15*:

Tranche A

		Country Ceiling		
		Aa1	Aa2	Aa3
Counterparty rating	A3	Aa2 (-1)	Aa3 (0)	A1 (1)
	Baa1	Aa2 (-1)	Aa3 (0)	A1 (1)
	Baa2	Aa2 (-1)	Aa3 (0)	A1 (1)

Change in model-indicated rating (# of notches) is noted in parentheses.

Monitoring

Moody's will monitor the transaction on an ongoing basis to ensure that it continues to perform in the manner expected, including checking all supporting ratings and reviewing periodic servicing reports. Any subsequent changes in the rating will be publicly announced and disseminated through Moody's Client Service Desk.

Originator linkage: The originator will also act as the servicer, the issuer account bank (replacement eligible entity or eligible guarantor will need to be found if BBVA is downgraded below Baa3), and the paying agent (replacement eligible entity or eligible guarantor will need to be found if BBVA is downgraded below Baa3).

Significant influences: In addition to the counterparty issues noted, the following factors may have a significant impact on the subject transaction's ratings:

- » an increase in the unemployment rate in Spain as a result of a deterioration of the Spanish economy
- » a pool performance deviating from Moody's expectations

Counterparty Rating Triggers	Condition	Remedies
Issuer Account Bank	Loss of Baa3	Replacement or guarantee constitution
Paying Agent	Loss of Baa3	Replacement or guarantee constitution

Monitoring report: Moody's has reviewed the standard monitoring report (publicly available at the management company website for previous similar deals) and would like to receive the following important data in addition to the information reflected on the report.

Data Quality:

- » Investor report format finalized.
- » Moody's would like to receive the following important data in addition to data provided: line-by-line information on loans that have been restructured, all the transaction's trigger details, the cumulative 90 days "defaults" (as obtained for the rating process of the deal), the amount of gross excess spread before write offs, the Principal Deficiency Ledger (PDL) size, pool evolution reports on a quarterly basis.
- » EdT has undertaking to provide Moody's with updated pool cut on a periodical basis.

Data Availability:

- » Report provided by: EdT.
- » The timeline for Investor report is provided in the transaction documentation. The priority of payment section is published on the Interest Payment Date.
- » The frequency of the publication of the investor report is quarterly and the frequency of the IPD is quarterly.
- » Investor reports publicly available on EdT website.

Moody's Related Research

For a more detailed explanation of Moody's approach to this type of transaction as well as similar transactions please refer to the following reports:

Methodologies Used:

- » [Moody's Approach to Rating Consumer Loan-Backed ABS, January 2015 \(SF393154\)](#)

Credit Opinion:

- » [Banco Bilbao Vizcaya Argentaria, S.A., June 2015](#)

Performance Overview of previous deals from the same originator:

- » [BBVA Consumo 1, November 2014 \(SF386574\)](#)
- » [BBVA Consumo 2, January 2015 \(SF394044\)](#)
- » [BBVA Consumo 3, June 2015 \(SF411273\)](#)
- » [BBVA Consumo 4, April 2015 \(SF404565\)](#)
- » [BBVA Consumo 5, December 2012 \(SF311032\)](#)

Pre-Sale / New Issue Report:

- » [BBVA Consumo 1, April 2006 \(SF73189\)](#)
- » [BBVA Consumo 2, November 2006 \(SF86960\)](#)
- » [BBVA Consumo 3, March 2008 \(SF125123\)](#)
- » [BBVA Consumo 4, January 2010 \(SF190606\)](#)
- » [BBVA Consumo 5, December 2010 \(SF227919\)](#)
- » [BBVA Consumo 7, July 2015 \(SF414146\)](#)

Special Report:

- » [EMEA Consumer Loan ABS Indices – March 2015 \(SF407417\)](#)

To access any of these reports, click on the entry above. Note that these references are current as of the date of publication of this report and that more recent reports may be available. All research may not be available to all clients.

Appendix 1: Summary of Originator's Underwriting Policies and Procedures

Originator Ability	At Closing
Sales and Marketing Practices	
Origination Channels:	
Underwriting Procedures	
% of Loans Automatically Underwritten:	
% of Loans Manually Underwritten:	
Ratio of Loans Underwritten per FTE* per Day:	
Average Experience in Underwriting or Tenure with Company:	
Approval Rate:	
Percentage of Exceptions to Underwriting Policies:	
Underwriting Policies	
Source of Credit History Checks:	
Methods Used to Assess Borrowers' Repayment Capabilities:	
Income Taken into Account in Affordability Calculations:	See originator profile for part of the information the originator allowed Moody's to disclose
Other Borrower's Exposures (i.e. other debts) Taken into Account in Affordability Calculations:	
Method Used for Income Verification:	
Maximum Loan Size:	
Closing Policies and Procedures	
Quality Check Before Releasing Funds:	
Credit Risk Management	
Reporting Line of Chief Risk Officer:	
Ability to Track Loan Performance for Specific Loan Characteristics:	

* FTE: Full Time Employee

Originator Stability	At Closing
Quality Controls and Audits	
Responsibility of Quality Assurance:	
Number of Files per Underwriter per Month Being Monitored:	
Management Strength and Staff Quality	See originator profile for part of the information the originator allowed Moody's to disclose
Average Turnover of Underwriters:	
Training of New Hires and Existing Staff:	
Technology	
Frequency of Disaster Recovery Plan Test:	

Appendix 2: Summary of Servicer's Collection Procedures

Servicer Ability	At Closing
Loan Administration	
Entities Involved in Loan Administration:	
Early Stage Arrears Practices:	
Entities Involved in Early Stage Arrears:	
Definition of Arrears:	
Arrears Strategy for 1-29 Days Delinquent	
Arrears Strategy for 30 to 59 Days Delinquent	
Arrears Strategy for 60 to 89 Days Delinquent	
Data Enhancement in Case Borrower is Not Contactable:	
Loss Mitigation and Asset Management Practices:	See originator profile for part of the information the originator allowed Moody's to disclose
Transfer of a Loan to the Late Stage Arrears Team:	
Entities Involved in Late Stage Arrears:	
Ratio of Loans per Collector (FTE):	
Time from First Default to Litigation:	
Average Recovery Rate:	
Servicer Stability	
Management and Staff	
Average Experience in Servicing or Tenure with Company:	
Training of New Hires Specific to the Servicing Function:	See originator profile for part of the information the originator allowed Moody's to disclose
Quality Control and Audit	
Responsibility of Quality Assurance:	
IT and Reporting	
Frequency of Disaster Recovery Plan Test: Delete this line if same as originator	

 Report Number: SF414762

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