MOODY'S
INVESTORS SERVICE

CREDIT OPINION
13 June 2018

Pre-Sale

Closing Date
June 2018

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BBVA Consumer Auto 2018-1, FT

Pre-Sale – BBVA issues new auto loan transaction in Spain

Capital structure

Exhibit 1
Provisional (P) ratings

Series	Rating	Amount (million)	% of (Assets)	Legal Final Maturity	Coupon	Subordi-nation(*)	Reserve Fund(**)	Total Credit Enhancement(***)
Class A	(P) [Aa1]	€[728.0]	[91.00]%	[July 2031]	[.]%	[9.00]%	[0.5]%	[9.50]%
Class B	(P) [A1]	€[23.2]	[2.90]%	[July 2031]	[.]%	[6.10]%	[0.5]%	[6.60]%
Class C	(P) [Baa1]	€[32.8]	[4.10]%	[July 2031]	[.]%	[2.00]%	[0.5]%	[2.50]%
Class D	(P) [Ba2]	€[10.0]	[1.25]%	[July 2031]	[.]%	[0.75]%	[0.0]%	[0.75]%
Class E	(P) [B3]	€[6.0]	[0.75]%	[July 2031]	[.]%	[0.0]%	[0.0]%	[0.0]%
Class Z	(P) [Ca]	€[4.0]	[0.50]%	[July 2031]	[.]%			
Total		**€[804.0]**	**[100]%**					

The ratings address the expected loss posed to investors by the legal final maturity. In our opinion, the structure allows for timely payment of interest and ultimate payment of principal with respect to the Classes A, B, C and D notes by the legal final maturity date, and ultimate payment of interest and principal with respect to Classes E to Z by legal final maturity. Our 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.
(*) Figures for Classes A to E calculated as a percentage of the outstanding balance of Classes A to E. Class Z is not collateralised by the auto loan portfolio.
(**) As a percentage of Classes A to C.
(***) No benefit attributed to excess spread.
Source: Moody's Investors Service

Summary

BBVA Consumer Auto 2018-1, FT is a 1.5-year revolving cash securitisation of auto loan receivables extended by Banco Bilbao Vizcaya Argentaria, S.A. (BBVA, A3/P-2; A3(cr)/P-2(cr); A2/P-1 bank deposits) to obligors located in Spain with the purpose of financing new or used vehicles.

Our analysis focused, among other things, on (1) an evaluation of the underlying portfolio of receivables; (2) historical performance on defaults and recoveries from January 2010 to December 2017; (3) the credit enhancement provided by excess spread, subordination and

cash reserve; (4) the liquidity support available in the transaction by way of principal to pay interest, cash reserve and excess spread; (5) the criteria for portfolio substitution; and (6) the legal and structural aspects of the transaction.

Our cumulative default expectation for the asset pool is 4.0%, recovery rate is 35% and portfolio credit enhancement (PCE) is 15.0%.

At the time the rating was assigned, the model output indicated that Class A would have achieved an Aa1(sf) rating if the cumulative mean default probability (DP) had been as high as 6.0%, and the recovery rate as low as 25% (all other factors being constant).

Credit strengths

» ***The quality of the portfolio:*** The securitised portfolio is highly granular with the largest and 20 largest borrowers representing 0.01% and 0.11% of the pool, respectively. Of the pool, 96.6% has never been in arrears and has a good seasoning of 19 months. (See "Asset description - Assets as of cut-off date - Pool characteristics")

» ***Strong eligibility criteria:*** The deal presents strict eligibility criteria on maximum outstanding balance, seasoning, borrower characteristics and regional concentration. Furthermore, replenishment criteria are also strong for BBVA Consumer Auto 2018-1, FT in terms of minimum yield, remaining term to maturity and seasoning. (See "Asset description - Eligibility criteria - Revolving period and replenishment criteria")

» ***No interest rate risk:*** Of the underlying loans 100% are linked to fixed interest rates, and the notes are all fixed rate. Therefore, the only source of interest rate mismatch is a potential portfolio yield compression. (See "Securitisation structure description - Detailed description of the structure - Interest rate mismatch")

» ***High excess spread:*** The initial portfolio yields a weighted average interest rate of around 7.66%. In addition, the eligibility criteria provide for a weighted average minimum portfolio yield of 7.25% after the addition of receivables during the revolving period. The excess spread will vary depending on portfolio amortisation and on default levels. In case of higher-than-expected expenses, excess spread would be reduced further. (See "Securitisation structure description - Detailed description of the structure - Excess spread")

» ***Strong default definition compared with that of other Spanish consumer and auto loans***: The transaction structure benefits from an artificial write-off, which traps available excess spread to cover any losses. The full amount of the loan will be artificially written-off if it has been six months in arrears. (See "Securitisation structure analysis - Primary structural analysis - Default definition")

» ***Financial strength of BBVA:*** *BBVA* is rated A3/P-2; A3(cr)/P-2(cr); A2/P-1 bank deposits and is acting as the originator, servicer and account bank provider 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 significant experience in origination and servicing of auto loan portfolios.

Credit challenges

- ***Interest deferral trigger:*** Interest payments on Classes B to D notes will be brought to a more junior position after principal payments in the waterfall, if the interest deferral trigger is hit. The deferral of interest payments on Classes B to D benefits the repayment of the series senior to each of them, but increases the expected loss on the classes themselves. (See "Securitisation structure analysis - Additional structural analysis - Interest deferral trigger")
- ***Insurance set-off risk:*** A portion of the portfolios principal balance is to fund lifetime insurance. The bulk of these are payment protection insurance. As some insurance premiums are funded through the securitised loans, we have identified sources of potential set-off risk. We have taken this into consideration in the analysis as further explained under "Credit analysis". (See "Securitisation structure analysis - Additional structural analysis - Insurance set-off risk")
- ***Reserve fund amortisation mechanisms:*** The reserve fund amortisation lacks performance triggers, and it will offer a decreasing level of liquidity protection. (See "Securitisation structure analysis - Additional structural analysis - Cash reserve")
- ***Exposure to diesel cars:*** The public and political debate about the future of diesel engines has heated up in recent months due to new proposals restricting diesel cars in various metropolitan areas in Europe. On the European market, diesel car registrations are continuing their negative trend and the residual value premium of diesel over petrol cars is declining, which puts pressure on residual values. Transaction cash flows can be impacted in two ways: (1) Banning diesel cars in urban areas can diminish cars' attractiveness to its users, putting pressure on diesel car prices and subsequently reducing recoveries. Moody's is closely monitoring developments, but at this time believes that such risks are reflected in the rating assumptions, i.e. recovery rates. (2) Obligors whose cars are banned from residential or daily commuting areas could try to challenge finance contracts. Moody's views, at this time, the risk of customer set-off rights and/or early termination rights in case diesel cars are banned to be marginal, as long as there is no evidence that manufacturers have illegally manipulated emission levels. Even in this case, the risk would only materialise for investors if not remedied by the seller under the transaction's representations and warranties
- ***High degree of linkage to BBVA:*** BBVA (A3/P-2; A3(cr)/P-2(cr); A2/P-1 bank deposits) is acting as the originator, servicer, collection account bank and issuer account bank provider of the transaction. There are suitable replacement triggers in place to offset this risk.

Key characteristics

The exhibit below describes the main asset characteristics of the securitised portfolio. WA and WAL stand for weighted average and weighted average life, respectively.

Exhibit 2
Asset characteristics

Seller/Originator:	Banco Bilbao Vizcaya Argentaria, S.A., "BBVA" (A3/P-2; A3(cr)/P-2(cr); A2 LT Bank Deposits)
Servicer(s):	Banco Bilbao Vizcaya Argentaria, S.A., "BBVA" (A3/P-2; A3(cr)/P-2(cr); A2 LT Bank Deposits)
Receivables:	Loans granted to individuals residing in Spain to finance the purchase of a vehicle
Total Amount:	Provisional pool outstanding balance: EUR 919.10 million
Length of Revolving Period in years:	1.5 years
Number of Borrowers	[101,366]
Number of Contracts	[101,709]
WA Remaining Term in years:	[5.22]
WA Seasoning in months:	[18.99]
WAL of Initial Portfolio in Years (excl. repayments):	[2.9] years
WA Portfolio Interest Rate:	[7.65]%
Delinquency Status:	[1.15]% of loans are in arrears for more than 15 days
Cumulative Default Rate Observed:	Total book cumulative average vintage value between Q12010- Q32017: 4.24% (cumulative 180+ delinquency proxy) New Car book cumulative average vintage value between Q12010- Q32017: 4.06% (cumulative 180+ delinquency proxy) Used Car book cumulative average vintage value between Q12010- Q32017: 4.42% (cumulative 180+ delinquency proxy)
Recovery Rate Observed:	Total book cumulative average vintage value between Jan. 2008- Dec. 2017: 61.9% after four years (cumulative 180+ delinquency proxy) New car book cumulative average vintage value between Jan. 2008- Dec. 2017: 61.3% after four years (cumulative 180+ delinquency proxy) Used car book cumulative average vintage value between Jan. 2008- Dec. 2017: 60.0% after four years (cumulative 180+ delinquency proxy)
Delinquencies:	Dynamic 90+ delinquency data as of Q32017: 4.1%
Cumulative Default rate (modelled):	4.0% lower than peer group in the Spanish Auto ABS market
Recovery rate (modelled):	35.0% higher than peer group in the Spanish Auto ABS market
Portfolio Credit Enhancement (PCE):	15.0% lower than peer group in the Spanish Auto ABS market

Source: Moody's Investors Service

The exhibit below shows the counterparties associated with the transaction.

Exhibit 3
Securitisation structure characteristics

Transaction Parties	At Closing
Issuer:	BBVA Consumer Auto 2018-1, FT
Back-up Servicer(s):	N/A
Back-up Servicer Facilitator(s):	Europea de Titulizacion ("EdT") (Not Rated). 88.24% owned by BBVA
Cash Manager:	Europea de Titulizacion ("EdT") (Not Rated). 88.24% owned by BBVA
Back-up Cash Manager:	N/A
Calculation Agent/Computational Agent:	Europea de Titulizacion ("EdT") (Not Rated). 88.24% owned by BBVA
Back-up Calculation/Computational Agent:	N/A
Swap Counterparty:	N/A
Issuer Account Bank:	Banco Bilbao Vizcaya Argentaria, S.A., "BBVA" (A3/P-2; A3(cr)/P-2(cr); A2 LT Bank Deposits)
Collection Account Bank:	Banco Bilbao Vizcaya Argentaria, S.A., "BBVA" (A3/P-2; A3(cr)/P-2(cr); A2 LT Bank Deposits)
Paying Agent:	Banco Bilbao Vizcaya Argentaria, S.A., "BBVA" (A3/P-2; A3(cr)/P-2(cr); A2 LT Bank Deposits)
Note Trustee:	Europea de Titulizacion ("EdT") (Not Rated). 88.24% owned by BBVA
Issuer Administrator/ Corporate Servicer Provider:	Europea de Titulizacion ("EdT") (Not Rated). 88.24% owned by BBVA
Arranger:	Merrill Lynch International
Lead Manager(s):	BBVA and Merrill Lynch International
Senior Co-Manager:	N/A
Custodian:	N/A
Liabilities, Credit Enhancement and Liquidity	
Annualized Excess Spread at Closing:	Approx. 7.0% (weighted average asset yield minus senior costs and coupons on the notes)
Credit Enhancement/Reserves:	Annualized stressed excess spread at closing, amortising reserve fund representing 0.5% of Class A-C Notes and subordintaion of the notes
Form of Liquidity:	Excess spread, reserve fund, principal to pay interest mechanism
Number of Interest Payments Covered by LIquidity:	[6.18] months
Interest Payments:	Quarterly in arrears on each payment date
Principal Payments:	Pass-through on each payment date
Payment Dates:	20 January, 20 April, 20 July, and 20 October of each year First payment date: 22 October, 2018
Hedging Arrangements:	N/A

Source: Moody's Investors Service

Asset description

Data and information on the portfolio set out in this report are based on the provisional portfolio as of 21 May 2018 and as further described in the prospectus.

The provisional portfolio of underlying assets consists of unsecured loans originated in Spain for a total balance of around €919.1 million. From this portfolio, a final pool will be selected, based on certain eligibility criteria, funded by the issued notes equal to an amount of €800 million.

The securitised portfolio will consist of a diversified pool of auto loans, extended to individuals resident in Spain, to finance the acquisition of new or used vehicles. The majority of the loans 69.8% do not have any security over the vehicle and hence the servicer cannot repossess it in order to increase recoveries. The remaining 30.2% of the portfolio contain a “reserva de dominio” clause, meaning that the vehicles can be registered at the seller's option on the Registro de Bienes Muebles, the Spanish moveable goods register.

Assets as of cut-off date

Pool characteristics

The balance of the provisional portfolio equals around €919.1 million, over 101,709 loans. The weighted average remaining maturity of the portfolio is 62.7 months and weighted average seasoning is 19.0 months. Unsecured loans in this portfolio were used to purchase new (56.4%) or used (43.6%) cars. The loans are all fixed-rate, annuity-style amortising loans with no balloon or residual value risk, the market standard for Spanish auto loans.

All loans pay monthly and pay through direct debit. The loans can be prepaid at no penalty. All the loans were originated via the seller's network of intermediaries, located across Spain. All loans have been granted to individuals residing in Spain and are first lien.

Please note that the analysis in this report is derived from the provisional pool as of 21 May 2018. We understand that the final pool will be randomly selected from the provisional pool.

The exhibit below summarises additional information of the portfolio.

Exhibit 4

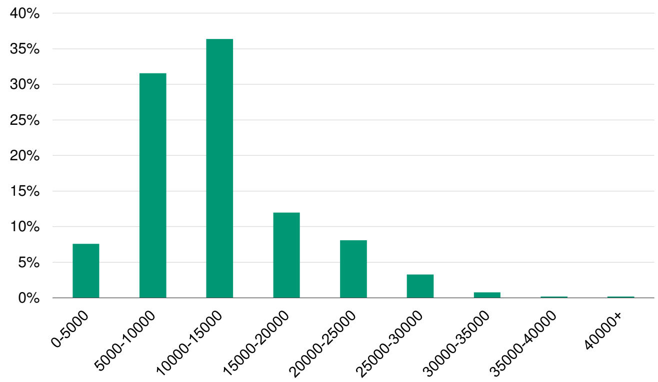
Additional information on asset characteristics

Weighted Average Initial Loan Balance:	EUR [9,037]
Origination Channel:	Through intermediaries (mainly Auto dealers)
Geographic Concentration	
1st largest region:	Cataluña ([19.1]%)
2nd largest region:	Andalucía ([18.0]%)
3rd largest region:	Comunidad Valenciana ([12.0]%)
Obligor Concentration	
Single obligor (group) concentration:	[0.01]%
Top 5 obligor (group) concentration:	[0.03]%
Top 10 obligor (group) concentration:	[0.06]%
Top 20 obligor (group) concentration:	[0.11]%

Source: Moody's Investors Service

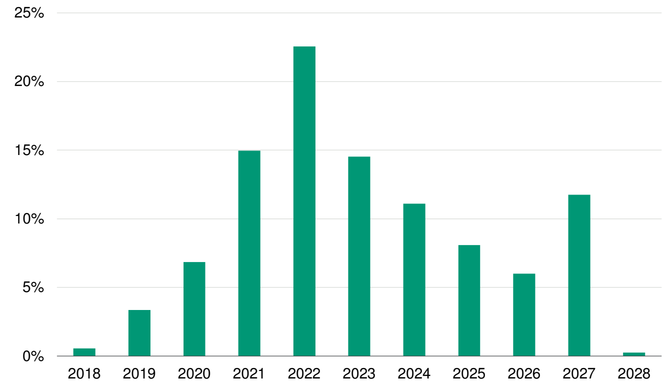
The exhibits below describe the distribution of the portfolio's outstanding balance and maturity year.

Exhibit 5
Portfolio breakdown by outstanding balance



Source: BBVA

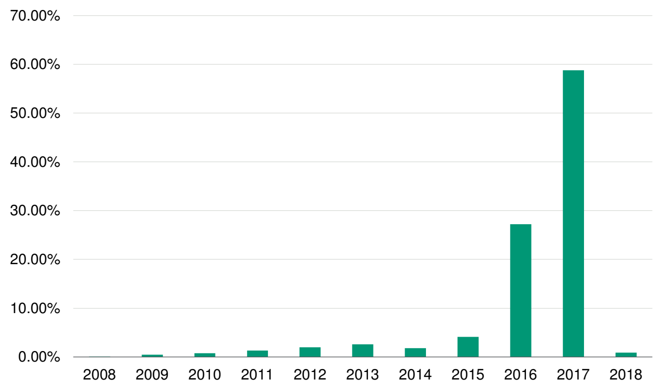
Exhibit 6
Portfolio breakdown by maturity year



Source: BBVA

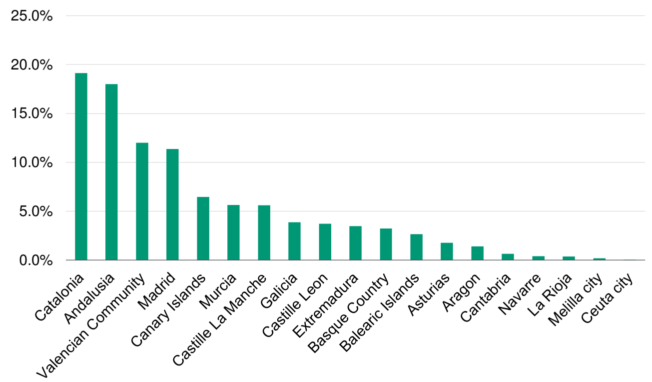
The exhibits below show the breakdown by origination year and regional concentration as a percentage of outstanding balance.

Exhibit 7
Portfolio breakdown by origination year



Source: BBVA

Exhibit 8
Portfolio breakdown by regional concentration

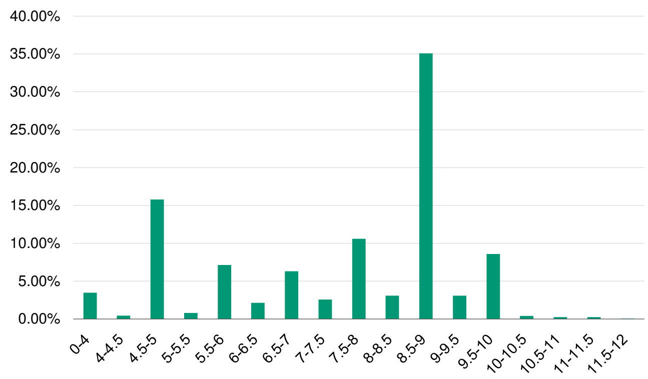


Source: BBVA

The exhibits below show the portfolio breakdown by interest rate and vehicle status as a percentage of outstanding balance.

Exhibit 9

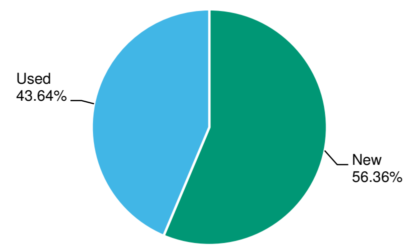
Portfolio breakdown by interest rate



Source: BBVA

Exhibit 10

Portfolio breakdown by vehicle manufacturer

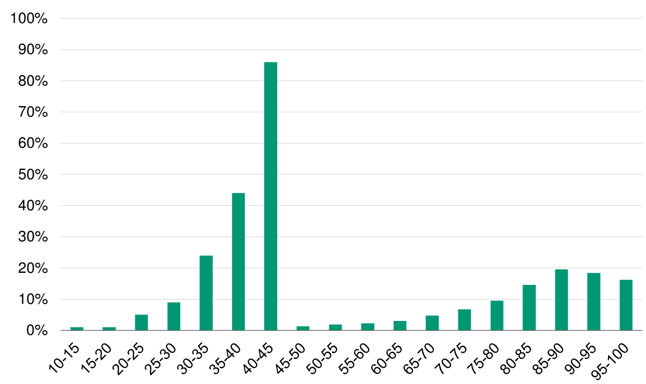


Source: BBVA

The exhibits below show the portfolio breakdown by loan to value (LTV) and by retention of title: *Reserva de Dominio*. The LTVs have been calculated in the following way: Original principal balance/(vehicle price + loan insurance + operation expenses).

Exhibit 11

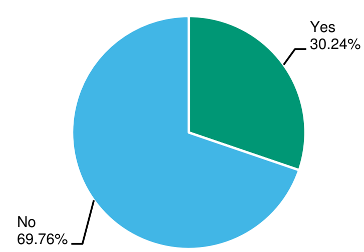
Portfolio breakdown by LTV



Source: BBVA

Exhibit 12

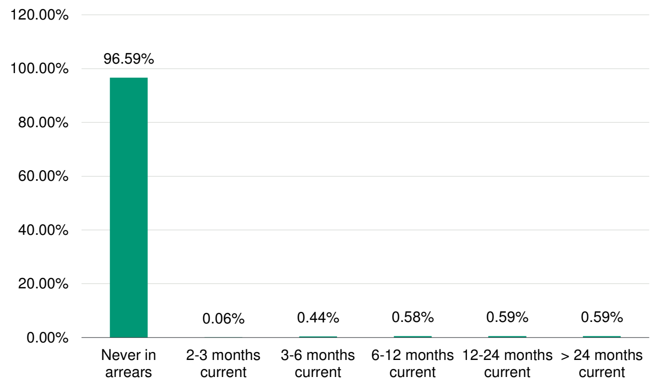
Portfolio breakdown by retention of title ("Reserva de Dominio")



Source: BBVA

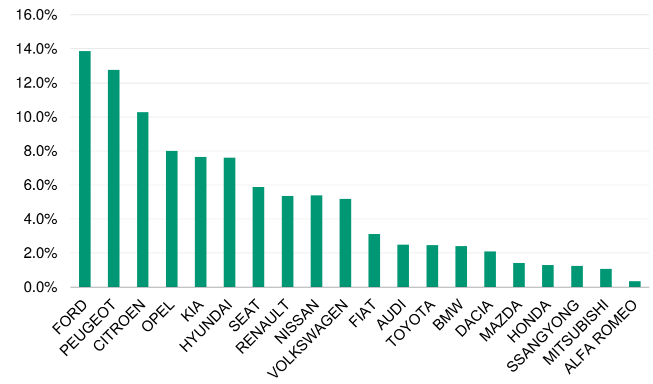
The exhibits below show the portfolio breakdown by arrears status and vehicle type as a percentage of outstanding balance.

Exhibit 13
Portfolio breakdown by status of the loans



Number of months that the loan is performing since last period of arrears
Source: BBVA

Exhibit 14
Portfolio breakdown by vehicle manufacturer



Source: BBVA

Eligibility criteria

The key individual eligibility criteria for loans to be included in the final portfolio are as follows:

» The borrower is a Spanish resident.

» The borrower is not employed by the originator.

» The loan contract is denominated in euros.

» The loan's remaining maturity is not more than 10 years.

» The loan outstanding principal balance ranges from 500 to 70,000 euros.

» The loan contract has a fixed interest rate.

» No loan's nominal interest rate is lower than 3.75%.

» Minimum of six paid instalments, except for those loans in the initial pool, which the minium would be five paid instalments.

» Loans have no more than 15 days overdue.

» Loan contracts have monthly annuity style instalments.

» Caravans and camping vehicles are excluded.

» The purchase of the vehicle at the time of its acquisition was not higher than 90,000 euros.

The key global eligibility criteria for loans to be included in the final portfolio are as follows:

» That the prevailing weighted average interest rate of the loans is not less than 7.25%.

» Average time remaining until the final maturity date of the loans is not in excess of 7 years.

» Outstanding balance of loans for obligors domiciled in the same autonomous community is not in excess of (25.00%).

» Weighted average time elapsed from the origination date of the loans until the assignment date is not less than 18 months.

» Outstanding balance of the loans for obligors domiciled in the three autonomous communities with the highest representation is not in excess of (60.00%).

» Outstanding balance of the loans, the purpose of which is purchasing a used vehicle, does not exceed (45.00%).

» Outstanding balance of the loans for purchasing passenger cars and SUVs is not less than 90% of the total outstanding balance of the receivables.

» Outstanding balance of the loans for the same obligor does not exceed 0.010%, and the sum of the outstanding balance of the loans of the group of 10 obligors with the highest amount does not exceed 0.100%.

» Outstanding balance of the loans for obligors who are civil servants, pensioners or salaried workers on an indefinite contract of employment, upon the loan being granted, is not less than (65.00%).

Originator and servicer

On 9 May 2018, we met with BBVA (A3/P-2; A3(cr)/P-2(cr); A2 LT bank deposits). BBVA acts as the originator and servicer in all BBVA Consumo transactions.

BBVA has a full banking license under the Spanish regulatory framework. BBVA's total consolidated assets were around €675 billion as of December 2017. BBVA is Spain's second-largest financial group and second-largest domestic bank, with market shares of 15.7% in loans and 14.2% in deposits as of the end of December 2017.

BBVA Consumer Finance (BBVA CF) is a global BBVA Group unit that specialises in indirect channels, providing financing solutions to customers both in the auto and consumer financing market. BBVA CF counts with 10,000 retail stores nationally and 200 commercial managers spread over 40 offices around Spain.

The entity is specialised in loan financing through car dealers, both for auto loans and consumer loans. BBVA CF has prioritised this area owing to the profitability and the increased capacity of clients acquisition.

The loan profile on BBVA CF has the following characteristics: €9,000 on average loan balance, monthly remaining term of 61.8, average interest rate of around 8.2% and 4.4% of the total pool are delinquent loans on average. In particular, for auto loans, the loan maturity ranges from 12 to 120 months, the loans are 100% of the automobile value and the primary clients are full-time employees.

A scoring system is in place to assess borrowers' credit risk, which takes into consideration, among other things, (1) credit bureau information; (2) a household budget computation; (3) the customer's debt history; and (4) fraud information. The underwriting process is in line with the market standard.

Collection procedures rely mainly on direct debit, which accounts for around 100% of payments in this transaction. The collection process and early arrears management are highly automated. Garsa, a collection unit wholly owned by BBVA, manages delinquent contracts that fall under 0-90 days in arrears definition. Automated dialers are in place as soon as the account is one day in arrears. After 10 days in arrears, delinquent borrowers are contacted using reminder letters and mobile text messages. Contracts that are more than 90 days in arrears are transferred to external agencies. At the moment, BBVA works together with six external collection agencies. However, this number is expected to drop, given the better performance of younger vintagers.

The exhibit below summarises the main characteristics of the originator.

Exhibit 15
Originator profile, servicer profile and operating risks

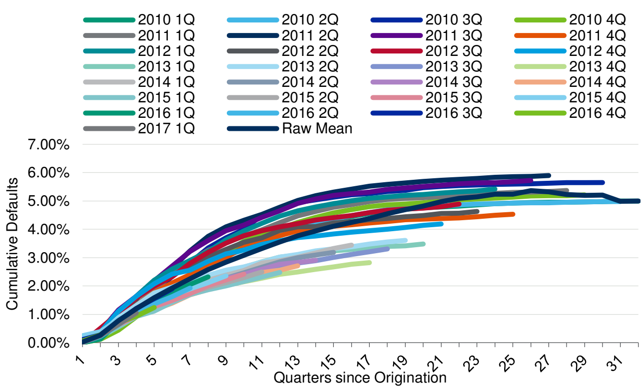
Date of Operations Review:	**9-May-18**
Originator Background	
Rating:	A3(cr)/P-2(cr); A2 LT Bank Deposits
Financial Institution Group Outlook for Sector:	Positive
Ownership Structure:	N/A
Asset Size:	€ 2,062 Mn (Auto loan book)
% of Total Book Securitized:	48% (Auto loan book)
Transaction as % of Total Book:	34%
% of Transaction Retained:	100%
Servicer Background	
Rating:	A3(cr)/P-2(cr); A2 LT Bank Deposits
Regulated by:	Bank of Spain
Total number of Receivables Serviced:	227,860
Number of Staff:	139,000 as at the time of BBVA Consumo 8
Receivables Administration	
Method of Payment of Borrowers in the Pool:	100% direct debit
% of Obligors with Account at Originator:	N/A
Distribution of Payment Dates:	Evenly throughout the month

Source: Moody's Investors Service

The originator provided us with historical data on its whole book of car dealer originated auto loans split by new car and used car. Static vintage data was provided on 90+ days in arrears and 180+ days in arrears and recovery rates after 90+ days in arrears and 180+ days in arrears, for the period from January 2010 to December 2017. The data covers the recent recession experienced in Spain. The default and recovery data does match the transaction's default definition of six months. Dynamic 90+ delinquency data was also provided.In our view, the quantity and quality of data received is in line with transactions that have achieved high investment-grade ratings in this sector in other European countries, which was factored into the base case assumptions.

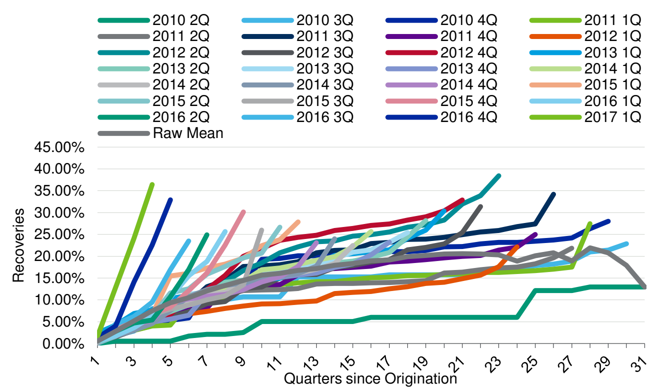
The exhibits below show static cumulative defaults and recovery rates based on the 180+ days in arrears definition since origination for the total portfolio covering the period from January 2008 to December 2017.

Exhibit 16
Vintage default data for the total BBVA auto loan portfolio (180+ days in arrears)



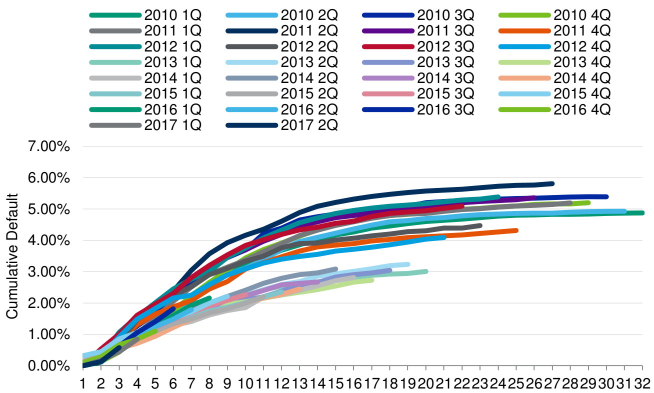
Source: BBVA

Exhibit 17
Vintage recovery data for the total BBVA auto loan portfolio (180+ days in arrears)



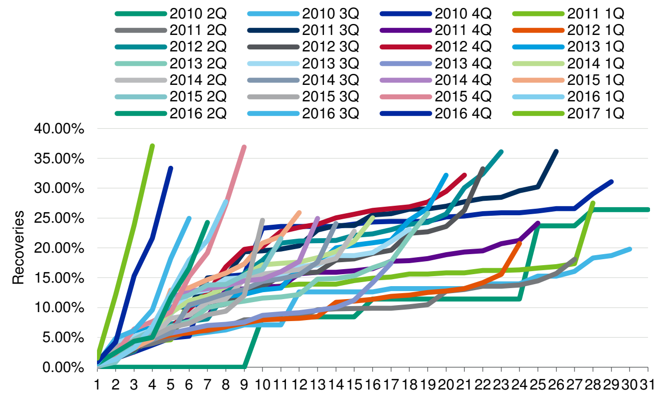
Source: BBVA

Exhibit 18
Vintage default data for the total BBVA new car loan portfolio (180+ days in arrears)



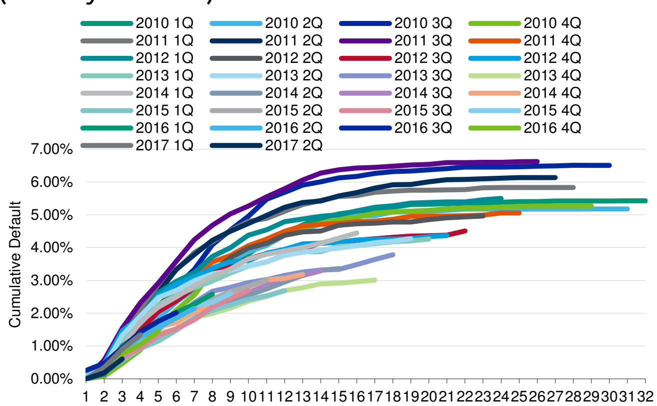
Source: BBVA

Exhibit 19
Vintage recovery data for the total BBVA new car loan portfolio (180+ days in arrears)



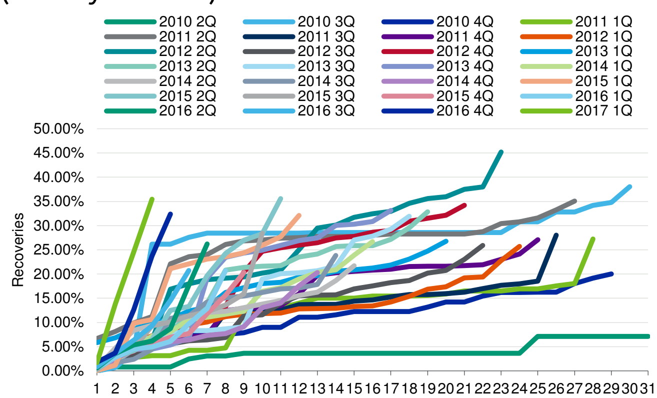
Source:

Exhibit 20
Vintage default data for the total BBVA used car loan portfolio (180+ days in arrears)



Source: BBVA

Exhibit 21
Vintage recovery data for the total BBVA used car loan portfolio (180+ days in arrears)

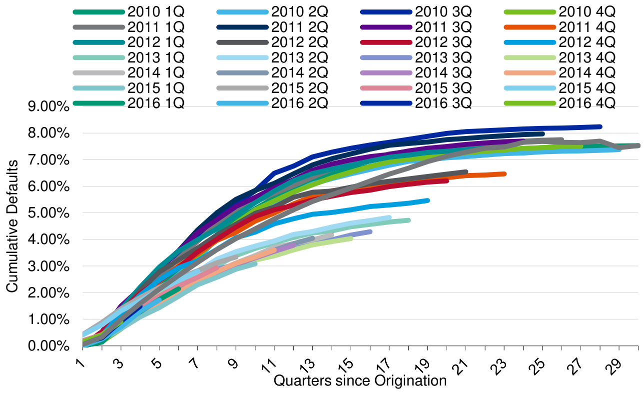


Source: BBVA

The exhibits below show static cumulative defaults and recovery rates based on the 90+ days in arrears definition since origination for the total portfolio covering the period from January 2010 to December 2017.

Exhibit 22

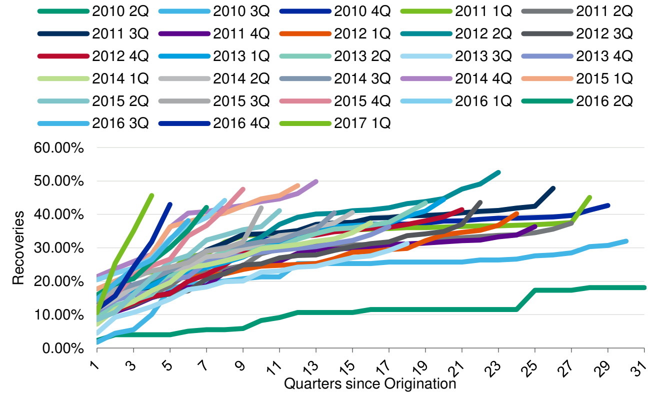
Vintage default data for the total BBVA auto loan portfolio (90+ days in arrears)



Source: BBVA

Exhibit 23

Vintage recovery data for the total BBVA auto loan portfolio (90+ days in arrears)



Source: BBVA

Revolving period and replenishment criteria

The structure has a revolving period of 1.5 years, during which the issuer will use principal redemptions from the auto loans to purchase additional portfolios from the seller. The addition of loans can expose noteholders to additional credit risk.

In addition to the original eligibility criteria, the following replenishment criteria apply to the whole securitised portfolio of the issuer and partly mitigate the additional credit risk of adding new loans to the portfolio:

- The weighted average interest rate must be at least 7.25%.
- The weighted average seasoning must be at least 18 months.
- The weighted average remaining term is at most seven years.
- The maximum regional concentration cannot exceed 25%, and the three highest regional concentration cannot exceed 60%.
- The top 1 and top 10 borrower concentrations cannot exceed 0.01% and 0.10%, respectively, of the outstanding principal balance.
- Private vehicles must be at least 90% of the outstanding principal balance.
- At least 65% of the pool's debtors must be either pensioners or full-time employed.
- Used vehicles in the pool cannot exceed 45%.

Criteria relating to substituted assets only:

- Each loan must have at least six months seasoning.
- The weighted average life of new assets is no more than 3.85 years on a 0% Constant Prepayment Rate ("CPR") assumption.

Asset analysis

Primary asset analysis

Our analysis of the credit quality of the assets includes an examination of the loan default distribution of the securitised pool, based on our assumptions and historical data.

Loan default distribution

The first step in the analysis was to define a default distribution of the pool of loans to be securitised. Because of the large number of loans, we used a continuous distribution to approximate the default distribution: the lognormal distribution. The probability default distribution associates a probability with each potential future default scenario for 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.

Two main parameters determine the shape of the default distribution: the mean default and the PCE. The expected default captures our expectations of performance considering the current economic outlook, while PCE captures the loss we expect the portfolio to suffer in the event of a severe recession scenario. We generally derive these parameters from the historical data; we may make adjustments based on further analytical elements such as performance trends, differences in portfolio composition or changes in servicing practices among others.

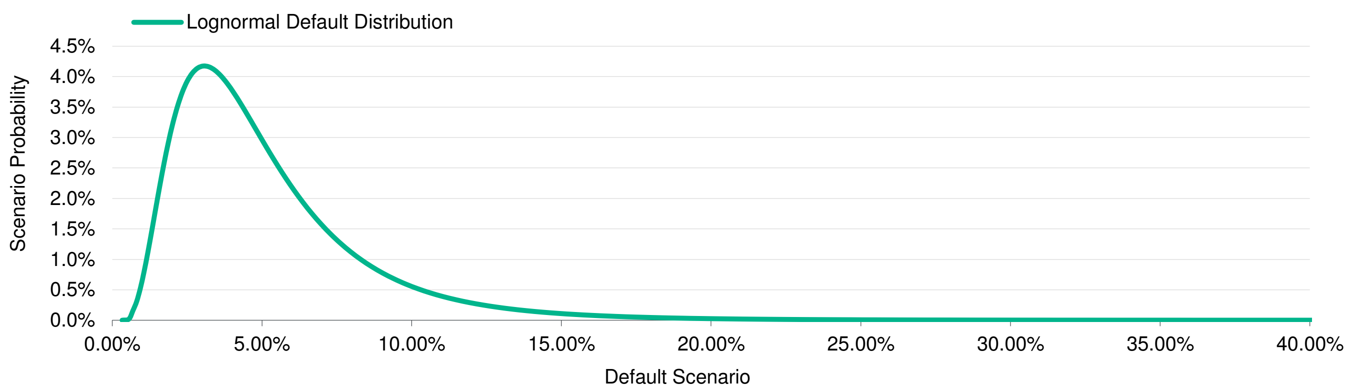
Incorporating sovereign risk to ABS transactions

Our maximum achievable rating in a given country (the local-currency country risk ceiling, or LCC) is incorporated in the default curve. The current Spanish LCC is Aa1, and is the maximum rating that we will assign to notes issued by a domestic Spanish issuer, including structured finance transactions backed by Spanish receivables.

The exhibit below shows the lognormal default distribution of the portfolio.

Exhibit 24

Lognormal DP distribution



Source: Moody's Investors Service

Derivation of loan default rate expectation

The portfolio's expected mean default rate of 4.0% is below Spanish auto loan transactions and is based on our assessment of the lifetime expectation for the pool taking into account (1) historic performance of the loan book of the originator, (2) strict criteria requiring the long seasoning of the loans during the revolving period, (3) benchmark transactions, and (4) other qualitative considerations.

We stressed the results from the historical data analysis to account for (1) limited benchmarks in the Spanish consumer loans market, (2) the expected outlook for the Spanish economy in the medium term, and (3) the volatile European economic environment.

Derivation of recovery rate assumption

Portfolio expected recoveries of 35% are higher than the Spanish auto loan average and are based on our assessment of the lifetime expectation for the pool taking into account (1) historic performance of the loan book of the originator, (2) benchmark transactions, and (3) other qualitative considerations such as quality of data provided and asset security provisions.

The assumed recovery rate was below the observed historical trend, since it was not possible to obtain detailed information about the jump in recoveries, which can be seen at a certain moment in the vintage data. Moreover, the majority of the loans 69.8% do not have any security over the vehicle and hence the servicer cannot repossess it in order to increase recoveries. The remaining 30.2% of the portfolio contain a “reserva de dominio” clause, meaning that the vehicles can be registered at the seller's option on the Registro de Bienes Muebles, the Spanish moveable goods register.

Derivation of PCE

The PCE of 15% is in line with other Spanish auto loan peers and is based on our assessment of the pool taking into account the relative ranking to originator peers in the Spanish auto market.

The PCE of 15% results in an implied coefficient of variation (CoV) of 63.3%.

The PCE has been defined following an analysis of the data variability, as well as by benchmarking this portfolio with prior and similar transactions. Factors that affect the potential variability of a pool’s credit losses are: (1) historical data variability; (2) quantity, quality and relevance of historical performance data; (3) originator and servicer quality; and (4) certain structural features, such as the revolving period.

Commingling risk

BBVA (A3/P-2; A3(cr)/P-2(cr); A2 LT bank deposits) collects all payments under the loans in this pool into a collection account under its name. Most payments are made via direct debit. In the event of a servicer bankruptcy, and until notification has been delivered to the borrowers, debtors would continue to pay into BBVA's account, and hence commingling losses could arise. There is no early notification trigger prior to BBVA's insolvency.

Set-off risk

Nearly all the obligors also have accounts with BBVA, but the risk from deposits set-off is limited in Spain because only unpaid instalments that are considered as fully due and payable prior to the declaration of insolvency of BBVA might be offset against deposits held by the borrower.

A further source of potential set-off arises in the event of the insolvency of an insurance provider. This is because some borrowers in the pool finance their insurance premiums via their loans. If the borrower decides to cancel the insurance or the insurer becomes insolvent, they may be entitled to a refund of the unused portion of their premium. The potential risk was quantified and included in our modelling of the transaction.

Comparables

Prior transaction

Precedent transaction performance:

» Only two out of the eight transactions that have served as benchmark presented cumulative defaults above 7%, these two are BBVA Finanzia 1 and BBVA Consumo 3. However, both of them were originated in the crisis, 2007 and 2008, respectively.

» In November 2009, BBVA Consumo 2 and BBVA Consumo 3 were subject to downgrade actions owing to the deterioration in the collateral performance and the greater-than-expected weakening of macroeconomic conditions in Spain.

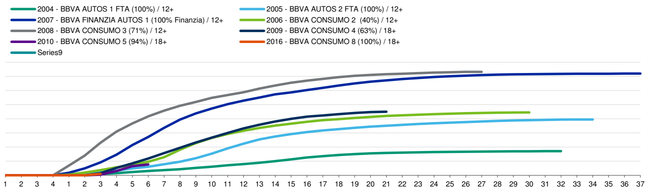
» However, in January 2015, the rated notes of BBVA Consumo 3 were upgraded to A1 from Baa3. Subsequently, the rated notes were placed for possible upgrade in March 2015, together with the rated notes of BBVA Consumo 4 following the upgrade of the local-currency country ceiling to Aa2 from A1.

» In July 2016, BBVA Consumo 8, FT was closed. This transaction presents a very similar transaction structure as BBVA Consumo Auto 2018-1, FT, with the same underlying assets and capital structure.

Transactions of other seller/servicers

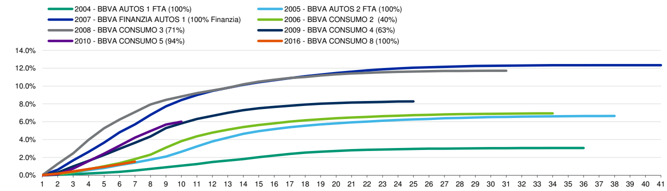
For benchmarking purposes, the exhibits below show the cumulative defaults of previous BBVA transactions for two scenarios: the first one assuming a definition of default of 12/18+ months and the second one cumulative 90+ delinquencies.

Exhibit 25
Cumulative 12/18+ default months for BBVA ABS transactions



Source: Moody's Investors Service

Exhibit 26
Cumulative 90+ delinquencies for BBVA ABS transactions

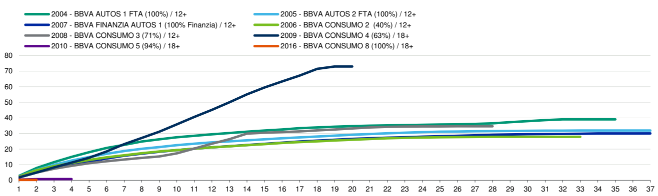


Source: Moody's Investors Service

For benchmarking purposes, the charts below include 90+ and 180+ days in arrears dynamic delinquency data for Spanish auto loan ABS that we rate. Please note, however, that the performance shown can be affected by several factors, such as the seasoning of the securitised loans, the age of the transaction and pool-specific characteristics, as well as the length of the revolving period.

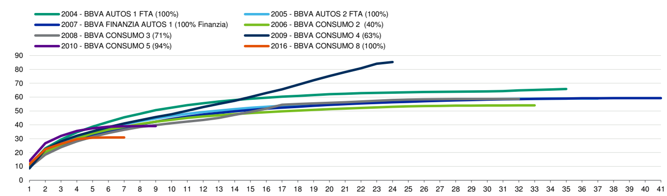
The exhibits below show the performance of comparable transactions among originators in Europe.

Exhibit 27
Cumulative 12/18+ default months for BBVA ABS transactions



Sources: Moody's Investors Service, Moody's Performance Data Service, periodic investor/ servicer reports

Exhibit 28
Cumulative 90+ delinquencies for BBVA ABS transactions



Sources: Moody's Investors Service, periodic investor/servicer reports

The exhibit below shows a benchmark table, including portfolio characteristics of comparable transactions in Spain.

Exhibit 29

Comparable transactions - Asset characteristics

Deal Name	BBVA Consumer Auto 2018-1	BBVA Consumo 8, FT	FTA, Santander Consumer Auto 2016-1	BBVA Consumo 7, FT	BBVA Consumo 5, FTA
Country	Spain	Spain	Spain	Spain	Spain
Closing Date	[June 2018]	19/07/2016	18/03/2016	29/07/2015	22/12/2010
Currency of Rated Issuance	EUR	EUR	EUR	EUR	EUR
Rated Notes Volume (excluding NR and Equity)	[800,000,000]	700,000,000	745,900,000	1,450,000,000	900,000,000
Originator	BBVA	BBVA	Santander Consumer E.F.C.	BBVA	8% BBVA 92% BBVA Finanzia
Captive finance company?	No	No	No	No	No
Long-term Rating	A3	A3	NR	A3	Aa2 / NR
Short term Rating	P-2	P-2	NR	P-2	P-1 / NR
Name of Servicer	BBVA	BBVA	Santander Consumer E.F.C.	100% BBVA	8% BBVA 92% BBVA Finanzia
Long-term Rating	A3	A3	NR	A3	Aa2 / NR
Short term Rating	P-2	P-2	NR	P-2	P-1 / NR
Auto loan receivables %	100.00%	100.00%	100.00%	21.00%	95.00%
Personal loan receivables %	N/A	N/A	N/A	N/A	N/A
Debt consolidation receivables %	N/A	N/A	N/A	N/A	N/A
Portion of (fully) amortising contracts %	100.00%	100.00%	100.00%	100.00%	100.00%
Portion of bullet / balloon contracts %	0.00%	0.00%	N/A	0.00%	0.00%
Portion of pure bullet / balloon payments %	N/A	N/A	N/A	N/A	N/A
Method of payment - Direct Debit (minimum payment)	100.00%	100.00%	100.00%	100.00%	100.00%
Fixed rate contracts %	100.00%	100.00%	100.00%	96.00%	100.00%
WA initial yield (Total Pool)	[7.66]%	8.19%	8.80%	9.10%	8.60%
Minimum yield for additional portfolios p.a.	[7.25]%	8%	N/A	N/A	N/A
WAL of Total Pool initially (in years)	[2.9]	2.8	2.8	2.6	3
WA original term (in years)	[6.8]	6.9	N/A	7.00	6.7
WA seasoning (in years)	[1.58]	1.86	0.80	2.20	1.5
WA remaining term (in years)	[5.22]	5.04	5.10	4.60	5
No. of contracts	[101,709]	100,571	78,745	213,974	90,559
No. of obligors	[101,366]	99,687	78,346	191,577	90,191
Top single obligor (group) concentration %	[0.01]%	0.01%	0.03%	0.00%	0.01%
Top 5 obligor (group) concentration %	[0.03]%	0.04%	0.09%	0.02%	0.03%
Top 10 obligor (group) concentration %	[0.06]%	0.08%	0.12%	0.04%	0.05%
Top 20 obligor (group) concentration %	[0.11]%	0.14%	N/A	0.09%	0.12%
Private obligors %	100%	100%	95.70%	100.00%	100.00%
Commercial obligors %	N/A	N/A	4.30%	N/A	N/A
Name of 1st largest region	Cataluña	Cataluña	Andalucia	Andalucia	Andalucia
2nd largest region	Andalucía	Andalucía	Catalonia	Cataluña	Cataluña
3rd largest region	Comunidad Valenciana	Comunidad Valenciana	Madrid	Madrid	Madrid
Size (%) 1st largest region	[19.14]%	22.30%	18.80%	19.10%	22.20%
2nd largest region	[18.00]%	16.84%	16.10%	14.60%	20.50%
3rd largest region	[11.99]%	11.65%	14.30%	12.00%	14.10%

Source: Moody's Investors Service

Exhibit 30

Comparable transaction - Asset assumptions

Deal Name	BBVA Consumer Auto 2018-1	BBVA Consumo 8, FT	FTA, Santander Consumer Auto 2016-1	BBVA Consumo 7, FT	BBVA Consumo 5, FTA
Gross default / Net loss definition in this deal	6 months	18 months	12 months	18 months	18 months
Default Definition captured by data?	No	No	N/A	No	No
Data available for each subpool?	Yes	Yes	N/A	Yes	Yes
Period Covered by Vintage data (in years)	8	8	N/A	9	5
Type of default / loss distribution	Lognormal	Lognormal	Lognormal	Lognormal	Lognormal
Model running on defaults/losses	Defaults	Defaults	Defaults	Defaults	Defaults
Mean gross default/net loss rate - initial pool	4.00%	6.25%	5.00%	8.00%	12.50%
Mean gross default/net loss rate - replenished pool	4.00%	6.25%	N/A	8.00%	14.00%
Default timing curve	Sine (2-7-21)	Sine (6-9-24)	Sine(4-7-23) in	Sine(6-9-26)	Sine(6-8-15)
Mean recovery rate	35.0%	32.5%	30.00%	20.00%	30.00%
Recovery lag (in months)	5% before 1 quarter, 15% before 2 quarters, 20% before 4 quarters, 20% before 6 quarters, 20% before 8 quarters, and 20% before 12 quarters	60% / 20% / 10% / 10% each year after default	5% before 1 quarter, 15% before 2 quarters, 20% before 4 quarters, 20% before 6 quarters, 20% before 8 quarters, and 20% before 12 quarters	60% / 20% / 10% / 10% each year after default	60% / 20% / 10% / 10% each year after default
PCE	15.0%	17.5%	16.00%	19.00%	N/A
Prepayment Rate(s)	5% first 18 months; 10% thereafter	5% first 18 months; 10% thereafter	5% first 18 months, 7.5% thereafter	5%	5%
Seasoning as modelled (in months)	N/A	N/A	N/A	N/A	N/A
Stressed Fees modelled	1.00%	1.00%	1.00%	0.50%	0.50%
Assumed Portfolio Yield p.a. - initial pool	7.43%	7.50%	7.00%	8.50%	1.75%
Assumed Portfolio Yield p.a. - additional pool	6.95%	7.00%	N/A	7.50%	N/A
Index Rate assumed in 1st period	0.00%	0.50%	N/A	N/A	N/A

Source: Moody's Investors Service

Origination/servicing quality

The main strengths of the originator in this transaction are its several years of experience in the Spanish consumer and auto loan market and its large market share, meaning that it does not target niche consumer segments. It also has well established processes for underwriting loans.

The main challenge to originator quality is monitoring their broker originated portfolio via BBVA's compensation scheme and on-site visits. In this transaction, 100% of the Auto loans were originated via car dealers that work together with BBVA.

BBVA (A3/P-2; A3(cr)/P-2(cr); A2 LT bank deposits) also acts as the servicer. No backup servicer is in place at closing. However, BBVA is investment grade, and the management company acts as a backup servicing facilitator, in that it will be charged to find a replacement servicer in case BBVA is unable to continue as the servicer. (See "Securitization structure description - Detailed description of the structure - Replacement of the servicer" for additional information.)

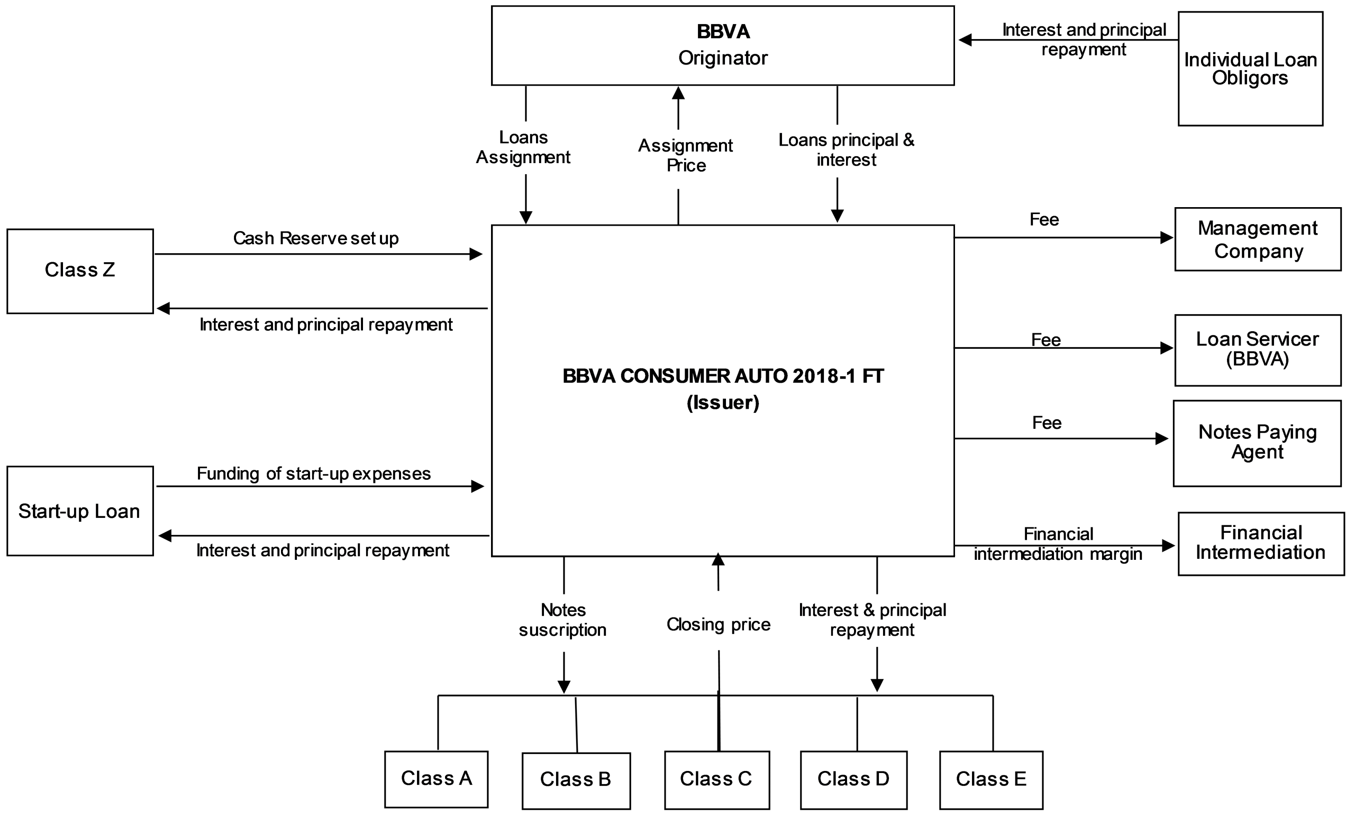
Securitisation structure description

The issuer is a special purpose vehicle (SPV) incorporated under the laws of Spain. Interest on the notes is paid quarterly.

Structural diagram

Below is a structural diagram for the transaction, illustrating the relationship among the issuer, BBVA Consumer Auto 2018-1, FT, and the other transaction parties.

Exhibit 31
Structural diagram for BBVA Consumer Auto 2018-1, FT



Source: BBVA

Detailed description of the structure

The transaction structure is a senior subordinated structure with a reserve fund.

Credit enhancement

Credit enhancement in the transaction includes excess spread, an amortising cash reserve and subordination of the notes.

Allocation of payments/waterfall

On each payment date, the issuer's available funds — interest collections and recoveries received from defaulted loans, the reserve fund and principal from the loans — will be applied in the simplified order of priority of the interest waterfall described below. Nominally, the pre-enforcement interest and principal waterfalls are separated, but in practice there is principal to pay interest (except for deferred Classes B to D interest).

Pre-enforcement waterfall

1. Senior expenses
2. Interest on Class A
3. Interest on Class B, unless it has been deferred
4. Interest on Class C, unless it has been deferred
5. Withholding of an amount sufficient for the required cash reserve amount to be maintained
6. Interest on Class D, unless it has been deferred

7. Principal withholding in an amount equivalent to difference between current Classes A to E balance and non-defaulted loans balance, (or during the revolving period, the non-defaulted loans balance plus the amounts standing to the credit of the principal account)
8. Interest on Class B if deferred
9. Interest on Class C if deferred
10. Interest on Class D if deferred
11. Interest on Class E
12. Interest due on Class Z notes
13. Repayment of principal of Class Z notes up to the Class Z principal payment amount
14. Junior expenses

The principal withholding funds shall be applied on each payment date in accordance with the following rules:

1. During the revolving period, payment of the assignment price comprising the face value of the outstanding capital or principal of the additional receivables acquired by the fund on the relevant payment date. The remaining principal available funds not used for acquiring additional loans shall remain credited to the principal account.
2. After the revolving period ends, the principal available funds shall be sequentially applied:

» to amortising Class A notes until fully amortised

» to amortising Class B notes until fully amortised

» to amortising Class C notes until fully amortised

» to amortising Class D notes until fully amortised

» to amortising Class E notes until fully amortised

Post-enforcement waterfall
All cash flows, whatsoever received by the issuer or held in its accounts, will be applied as follows, at each payment date following an issuer enforcement event in the following simplified manner:

1. Senior expenses
2. Interest on Class A
3. Principal on Class A
4. Interest on Class B
5. Principal on Class B
6. Interest on Class C
7. Principal on Class C
8. Interest on Class D
9. Principal on Class D
10. Interest on Class E

11. Principal on Class E
12. Interest on Class Z
13. Principal on Class Z
14. Junior expenses

Allocation of payments/Principal Deficiency Ledger (“PDL”)-like mechanism: The definition of the notes required amortisation amount ensures that excess spread and recoveries will be applied towards reducing defaults of the period and previous periods. The target principal amortisation amount after the replenishment period has ended is the difference between the aggregate outstanding Classes A to E principal balance and the performing assets remaining in the portfolio. Assets are deemed to be nonperforming at six months, or an asset that has been written-off at management's discretion.

Cash reserve

The 0.5% reserve fund will be fully funded at closing date through the issuance of Class Z. The reserve fund is available to cover interest shortfalls on Classes A to C. The required reserve amount will be €4,000,000 during the revolving period.

On each payment date, prior to the end of the revolving period, the reserve fund required amount will be equal to €4,000,000 and after the end of the revolving period 0.50% of the outstanding balance on the Classes A to C notes, subject to a floor of €1.0 million.

However, as reserve fund amortisation is not subject to any performance trigger, over time it will offer a decreasing level of liquidity protection, which is weaker than comparable auto ABS transactions.

The reserve fund required amount will be equal to €0 once the principal amount outstanding of the Class A, Class B and Class C notes is equal to 0. As a result, the reserve fund released amounts will flow through the waterfall.

Performance triggers

The revolving period will stop, and early amortisation of the notes will be triggered if any of the following conditions apply:

» Cumulative outstanding balance of defaulted loans, reckoned at the amount of the outstanding balance at the defaulted loans classification date, since the date on which the fund was established, is in excess of the reference value (the Reference Value) applied on the outstanding balance of the loans upon the fund being established. The Reference Value shall be the result of multiplying 0.75% by the number of determination dates elapsed since the date on which the fund was established, including the determination date preceding the relevant payment date.

» Outstanding balance of delinquent loans is in excess of 3.50%.

» Outstanding balance of Classes A to E is higher than the sum of (1) the outstanding balance of non-defaulted loans, and (2) the principal account balance.

» On the two immediately preceding payment dates, the outstanding balance of non-defaulted loans shall have been less than 90.00% of the outstanding balance of the Classes A to E.

» The interest on Classes A to E is not paid owing to a shortfall of available funds.

» The cash reserve cannot be provisioned up to the required cash reserve amount.

» BBVA has been declared insolvent, in liquidation or in a position, which might result in its credit institution authorisation being revoked or in a resolution process under Law 11/2015.

» BBVA has been replaced as the servicer under the servicing agreement.

» Spanish tax laws shall have been modified to such an extent that the assignment of additional loans is exceedingly burdensome for the originator.

- On the preceding payment date, the outstanding balance of non-defaulted loans is less than 80.00% of the outstanding balance of Classes A to E.
- The audited annual accounts of BBVA closed as of 31 December 2018 or 31 December 2019 shall be howsoever qualified regarding its credit rating.

Originator/servicer/cash manager-related triggers
The appointment of the servicer will be terminated if any of the following events occur (always at the discretion of the management company):

- Insolvency of the servicer
- Administration by the Bank of Spain
- Breach of obligation
- Servicer's financial condition being detrimental to the fund or noteholders' interest

The appointment of the cash manager will be terminated if any of the following events occur:

- Insolvency of the cash manager
- Failure to perform material obligations that is not remedied within the grace period

Other counterparty rating triggers
The issuer account bank will be replaced if its long-term bank deposit rating falls below Baa3. The paying agent will be replaced if its long-term bank deposit rating falls below Baa3.

Interest rate mismatch
The underlying loan contracts and the notes are all fixed rate and denominated in euros. Therefore, the only source of interest rate mismatch relates to potential portfolio yield compression.

Excess spread
All assigned loans will be purchased by the issuer at par. The weighted average portfolio interest rate of the initial portfolio is 7.66% and the minimum weighted average portfolio interest rate after replenishment is 7.25%. Having deducted stressed senior fees, and stressed the yield further for prepayments and potential yield renegotiations, the issued notes benefit from an estimated 7.0% of excess spread.

Excess spread represents the first layer of credit enhancement, as well as a limited liquidity buffer to the transaction. Such excess spread will, however, vary depending on actual costs, portfolio amortisation, prepayment rates and default levels, as well as on a potential portfolio rate compression as the underlying auto loan contracts redeem/prepay.

The revolving period allows lower-yielding assets to be substituted into the pool. Also, as the highest-yielding assets could have a propensity to prepay, and yield renegotiations are possible, subject to an overall securitised portfolio weighted average floor of 7.25%, the excess spread could be compressed further.

Asset transfer/true sale/bankruptcy remoteness
The purchase of the asset portfolio is financed by the issuance of Classes A to E notes. The purchase is a true sale of the loan receivables and ancillary receivables under Spanish law to the issuer for the benefit of the noteholders.

The issuer is an SPV incorporated under the laws of Spain as a *Sociedad Gestora de Fondos de Titulizacion.*

Cash manager
Europea de Titulizacion (EdT), 88.24% owned by BBVA, acts as cash manager in the transaction. The cash manager's main responsibilities are the preparation of the investor report, making payments according to the waterfall and drawing on the cash reserve and other sources of liquidity. The cash manager will make cash flow calculations on each quarterly payment date. Events that could

lead to termination of the cash manager include insolvency and a failure to perform that the cash manager does not remedy within the grace period.

There is no backup cash manager appointed at closing.

Replacement of the servicer

EdT will act as de facto backup servicing facilitator in case BBVA can no longer act as the servicer, as it will use reasonable commercial endeavours to find a backup servicer in case of a servicer insolvency or another servicer termination event. In the event of servicer insolvency or another event, the transaction will have available the principal to pay interest, the cash reserve and excess spread.

Exhibit 32

Backup servicer facilitator

Back-up Servicer Facilitator:	Europea de Titulizacion
Rating:	NR
Ownership Structure:	88.24% owned by BBVA (A3/P-2; A3(cr)/P-2(cr); A2 LT Bank Deposits)
Regulated by:	CNMV
Total Number of Receivables Serviced:	N/A
Number of Staff:	N/A

Securitisation structure analysis

Primary structural analysis

We base our primary analysis of the transaction structure on the default distribution of the portfolio to derive our cash flow model.

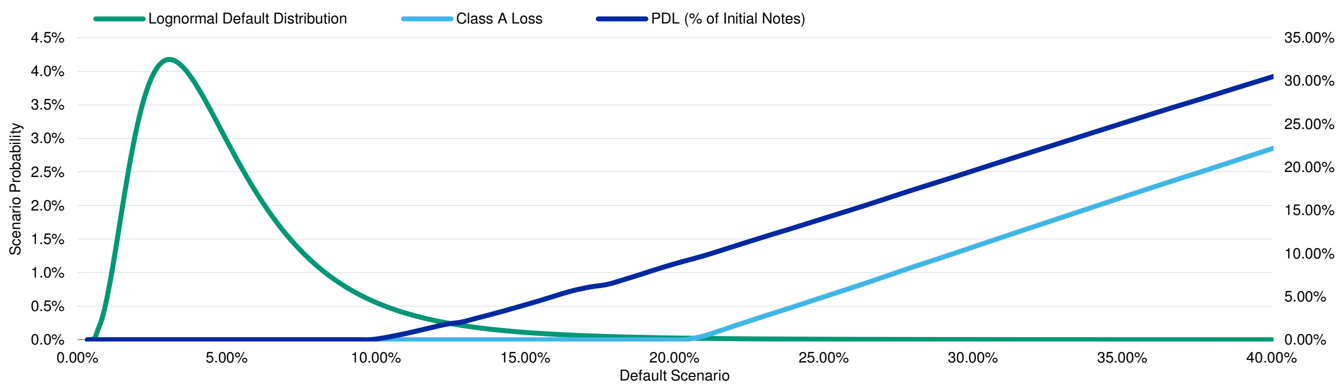
Tranching of the notes

We used a lognormal distribution to describe the default distribution of the portfolio. We used this distribution in the cash flow model to ultimately derive the level of losses on the notes under each default scenario.

The chart below represents the default distribution (green line) that we used in modelling loans/lessee defaults.

Exhibit 33

Lognormal loan DP distribution, including tranche A losses and PDL as a percentage of initial notes amount



Source: Moody's Investors Service

We considered the allocation to each of the parties within the transaction of the cash flows that the collateral generates and the extent to which the structural features of the transaction might themselves provide additional credit protection to investors, or alternatively act as a further source of risk in addition to the intrinsic risk of the loan assets. For example, we analysed the strength of early amortisation triggers.

As a first step towards determining the theoretical rating of the notes, we used an expected- loss methodology that reflects the probability of default for the notes multiplied by the severity of the loss expected for the notes.

To allocate losses to the notes in accordance with their priority of payment and relative size, we used a cash flow model (ABSROM) that reproduces most of the deal-specific characteristics.

We have already described above the main input parameters of the model. The result of weighting each severity of loss output (the result of inputting each default scenario into ABSROM) with the probability of occurrence is both the expected loss for the notes and the expected average life.

We then compare both values to our idealised expected loss table.

Timing of defaults

We have 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 six-month lag (according to transaction definition), a peak at quarter 7 and last default at quarter 21.

Default definition

The definition of a defaulted loan receivable in this transaction is one (1) which is more than six months in arrears, (2) where the borrower has declared bankruptcy and the servicer had to terminate the receivable early as a consequence, or (3) the servicer has determined that the owed amount is uncollectable.

The shorter the definition of default, the more spread will be trapped in the structure. The transaction structure benefits from an artificial write-off, which traps available excess spread to cover losses (if any), whereby the full amount of the loan will be artificially written-off in the deal if the loans have been six months in arrears.

Exhibit 34

Comparable transactions - Structural features

Deal Name	BBVA Consumer Auto 2018-1, FT	BBVA Consumo 8, FT	FTA, Santander Consumer Auto 2016-1	BBVA Consumo 7, FT	BBVA Consumo 5, FTA
Revolving Period (in years)	1.5	1.5	3.0	1.00	2.00
Credit reserve ("RF") available and when can it be used?	Yes, to cover interest and provision for defaulted loans	Yes, to cover interest and provision for defaulted loans	N/A	Yes	Yes
Size of credit RF ongoing (as % of rated	0.50%	4.50%	2.05%	4.50%	47.00%
RF amortisation floor (as % of initial total pool)	Minimum of [0.5]% Class A-C or EUR 1 million	2.25%	2.00%	2.25% of original notes balance	23.5% of original pool balance
Set-off risk?	Yes	Yes	Yes	N/A	N/A
Set-off mitigant	N/A	N/A	N/A	N/A	N/A
Commingling Risk?	Yes	Yes	Yes	Yes	Yes
Commingling mitigant	Payments are transferred every two days to the issuer account in the name of the SPV	Payments are transferred every two days to the issuer account in the name of the SPV	Commingling reserve upon trigger breach	Payments are transferred every two days to the issuer account in the name of the SPV	Payments are transferred on a weekly basis to the treasury account. A commingling reserve will be funded upon trigger breach
Back-up servicer appointed if servicer	N/A	N/A	N/A	N/A	N/A
Back-up Servicer name	N/A	N/A	N/A	N/A	N/A
Back-up Servicer facilitator	Europea de Titulizacion ("EdT") (Not Rated). 88.24% owned by BBVA	Europea de Titulizacion ("EdT") (Not Rated). 88.24% owned by BBVA	Santander de Titulizacion SGFT	Europea de Titulizacion ("EdT") (Not Rated). 88.24% owned by BBVA	Europea de Titulizacion ("EdT") (Not Rated). 88.24% owned by BBVA
Swap in place?	N/A	N/A	No	N/A	N/A
Swap counterparty Long-term Rating	N/A	N/A	N/A	N/A	N/A
Short-term Rating	N/A	N/A	N/A	N/A	N/A
Type of Swap	N/A	N/A	N/A	N/A	N/A
Size of Aaa rated class	N/A	N/A	N/A	N/A	100%
Aa1 rated class	91.00%				
Aa2 rated class	N/A	87.50%	85.00%	N/A	N/A
Aa3 rated class	N/A	N/A	N/A	85.50%	N/A
A rated class	2.90%	N/A	4.00%	N/A	N/A
Baa rated class	4.10%	N/A	5.50%	N/A	N/A
Ba rated class	1.25%	N/A	3.00%	N/A	N/A
B rated class	0.75%	12.50%	N/A	14.50%	N/A
NR class	N/A	N/A	2.50%	N/A	N/A
Reserve fund as % of inital total pool	0.50%	4.50%	2.00%	4.50%	47.50%
Annualised net excess spread as modelled	7.00%	N/A	N/A	6.00%	1.75%

Source: Moody's Investors Services

Additional structural analysis

Asset transfer, true sale and bankruptcy remoteness

We consider the purchase of the loan receivables to be an effective true sale under Spanish law and the issuer to be a bankruptcy remote entity. Our assessment is based on the analysis of the transaction documentation and takes into account the legal opinion provided by the transaction counsel.

Cash reserve

The reserve fund will be fully funded at closing date through the issuance of Class Z. The reserve fund will be available for interest shortfall on Classes A to C. Owing to the amortising reserve fund structure, we consider the reserve fund weaker than comparable auto ABS transactions. Reserve fund amortisation is not subject to any performance trigger, over time it will offer a decreasing level of liquidity protection.

Commingling risk

Commingling risk is mitigated by payment transfer within one day to the issuer account in the name of the SPV and held at BBVA. In addition, underlying borrowers will be notified about the assignment and instructed to redirect payments to the issuer account by the Back-Up Servicer ("BUS") facilitator upon BBVA's insolvency or servicer substitution.

Insurance set-off risk

Set-off risk could arise if insurance policies signed together with the loan contract are not honoured in the event of a default of the insurance provider, who is part of the BBVA Group. In such a scenario, borrowers may be able to set-off the unused premium amount, which has been paid upfront, against the financing company. Owing to the legal uncertainty, we believe that the probability of insurance set-off cannot be disregarded.

We have taken into account a set-off loss of 2.0% in the cash flow modelling, considering a counterparty rating of A3.

Interest deferral trigger

Interest payments on Classes B to D notes will be brought to a more junior position after principal payments in the waterfall, if the interest deferral trigger is hit. The deferral of interest payment on Classes B to D benefits the repayment of the series senior to each of them, but increases the expected loss on the classes themselves.

Interest on Class B will be brought to a more junior position in the waterfall if the difference between (1) the outstanding balance of Classes A to E, and (2) the outstanding balance of non-defaulted loans is greater than the outstanding balance of Class C, Class D and Class E, and provided that Class A has not been and will not be fully amortised on the relevant payment date.

Interest on Class C will be brought to a more junior position in the waterfall if the difference between (1) the outstanding balance of Classes A to E, and (2) the outstanding balance of non-defaulted loans is greater than the outstanding balance of Class D and Class E, and provided that Class A and Class B have not been and will not be fully amortised on the relevant payment date.

Interest on Class D will be brought to a more junior position in the waterfall if the difference between (1) the outstanding balance of Classes A to E, and (2) the outstanding balance of non-defaulted loans is greater than the outstanding balance of Class E, and provided that Class A, Class B and Class C have not been and will not be fully amortised on the relevant payment date

Monitoring

We 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.

Data quality: The transaction will provide a finalised investor report and discuss it with us. This report will include all necessary information for us to monitor the transaction.

Data availability: EdT will provide the investor report. Transaction documentation will set out a timeline for the investor report. EdT will publish the priority of payment section on the interest payment date and will publish the completed report on each quarterly payment date. The investor report will be published quarterly. The frequency of the interest payment date is quarterly during both the revolving period and during the amortisation period. Investor reports will be publicly available on the EdT website.

Parameter sensitivities

Parameter sensitivities provide a quantitative, model-indicated calculation of the number of notches that a 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.

Parameter sensitivities for this transaction have been calculated in the following manner: We tested nine scenarios derived from the combination of mean loan default: 4.0% (base case), 5.0% (base case + 1.0%), 6.0% (base case + 2.00%) and recovery rate: 35.0% (base case), 30.0% (base case - 5%), 25.0% (base case - 10%). The 4.0%/35.0% scenario would represent the base case assumptions used in the initial rating process.

The exhibits below show the parameter sensitivities for this transaction with respect to all rated tranches.

Exhibit 35

Class A

		Recovery Rate		
		35.00%	30.00%	25.00%
Cumulative Default Rate	4.00%	Aa1*	Aa1(0)	Aa1(0)
	5.00%	Aa1(0)	Aa1(0)	Aa1(0)
	6.00%	Aa1(0)	Aa1(0)	Aa1(0)

Exhibit 36

Class B

		Recovery Rate		
		35.00%	30.00%	25.00%
Cumulative Default Rate	4.00%	A1*	A2(-1)	A3(-2)
	5.00%	A2(-1)	A2(-1)	A3(-2)
	6.00%	A2(-1)	A2(-1)	A3(-2)

Exhibit 37

Class C

		Recovery Rate		
		35.00%	30.00%	25.00%
Cumulative Default Rate	4.00%	Baa1*	Baa2(-1)	Baa3(-2)
	5.00%	Baa1(0)	Baa2(-1)	Baa3(-2)
	6.00%	Baa2(-1)	Baa3(-2)	Baa3(-2)

Exhibit 38

Class D

		Recovery Rate		
		35.00%	30.00%	25.00%
Cumulative Default Rate	4.00%	Ba2*	Ba3(-1)	B1(-2)
	5.00%	Ba2(0)	Ba3(-1)	B1(-2)
	6.00%	Ba3(-1)	B1(-2)	B2(-3)

* Results under base case assumptions indicated by asterisk ' * '. Change in model output (# of notches) is noted in parentheses.
Source: Moody's Investors Service

Worse-case scenarios: At the time the rating was assigned, the model output indicated that Class A would have achieved Aa1(sf) with a mean default rate as high as 6.0% and a recovery rate of 25.0% (all other factors unchanged).

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

LCC sensitivities: The tables below show sensitivities for this transaction if the local currency ceiling (LCC) and the account bank reference points would have been different, while assuming the same bank replacement triggers and all else being equal. Base case bank account rating is A2 (LT Bank Deposit) and the replacement trigger falls below Baa3.

Exhibit 39
Class A

		Bank Account		
		A1	A2	A3
LCC	Aaa	Aaa (+1)	Aaa (+1)	Aaa (+1)
	Aa1	Aa1 (0)	**Aa1***	Aa1 (0)
	Aa2	Aa2 (-1)	Aa2 (-1)	Aa2 (-1)

Exhibit 40
Class B

		Bank Account		
		A1	A2	A3
LCC	Aaa	Aa2 (+2)	Aa2 (+2)	Aa2 (+2)
	Aa1	A1 (0)	**A1***	A1 (0)
	Aa2	A2 (-1)	A2 (-1)	A2 (-1)

Exhibit 41
Class C

		Bank Account		
		A1	A2	A3
LCC	Aaa	A1 (+3)	A1 (+3)	A1 (+3)
	Aa1	Baa1 (0)	**Baa1***	Baa1 (0)
	Aa2	Baa2 (-1)	Baa2 (-1)	Baa2 (-1)

Modelling assumptions

Please be aware that other values within a range of the notional amount listed below may result in the same rating being achieved.

Exhibit 42
Modelling assumptions

	Lognormal
Cumulative Defaults (Initial/Revolving Portfolio):	4.00%
Default Definition:	6 months
Aaa Portfolio Credit Enhancement:	15.00%
Timing of Defaults:	Sine(2-7-21)
Recovery rate:	35.00%
Recovery lag:	60% after 1 year; 20% after 2 years; 20% after 3 years
Residual Value Inputs:	N/A
Conditional Prepayment Rate (CPR):	5% first 18 months; 10% thereafter
Amortization Profile:	Scheduled portfolio amortization
Portfolio Yield (as modelled):	Stressed scheduled portoflio yield
Fees (as modelled):	1.00%
PDL definition:	Gross defaults
Index Rate:	0.00%
Set-off Amount:	2.05% considering a counterparty rating of A3

Appendix 1: Summary of the originator's underwriting policies and procedures

Exhibit 43

Originator Ability	At Closing [or, if possible at time of when most loans were originated]
Sales and Marketing Practices	
Origination Channels:	
Origination Volumes:	
Average Length of Relationship Between Dealer and Originator:	
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:	**Not Disclosed**
Approval Rate:	
Percentage of Exceptions to Underwriting Policies:	
Underwriting Policies	
Source of Credit History Checks:	
Methods Used to Assess Borrowers' Repayments Capabilities:	
Income Taken into Account in Affordability Calculations:	
Other Borrower's Exposures (i.e. other debts) Taken in Account in Affordability Calculations:	
Method Used for Income Verification:	
Maximum Loan Size:	
Average Deposit Required:	
Credit Risk Management	
Reporting Line of Chief Risk Officer:	
*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	**Not Disclosed**
Average Turnover of Underwriters:	
Training of New Hires and Existing Staff:	
Technology	
Frequency of Disaster Recovery Plan Test:	

Source:

Appendix 2: Summary of the servicer's collection procedures

Not provided.

Exhibit 44

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:	**Not Disclosed**
Data Enhancement in Case Borrower is Not Contactable:	
Loss Mitigation and Asset Management Practices	
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 /Sale:	
Average Recovery Rate (on Vehicle):	
Channel Used to Sell Repossessed Vehicles:	
Average Total Recovery Rate (after vehicle sale):	

Servicer Stability	At Closing
Management and Staff	
Average Experience in Servicing or Tenure with Company:	
Training of New Hires Specific to the Servicing Function (i.e. excluding the company induction training):	
Quality Control and Audit	**Not Disclosed**
Responsibility of Quality Assurance:	
IT and Reporting	
Frequency of Disaster Recovery Plan Test:	

Source:

Moody's related publications

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

Methodology Used:

» Moody's Approach to Rating Auto Loan- and Lease-Backed ABS, December 2015

New Issue Report:

» BBVA Consumo 8, FT July 2016

» BBVA Consumo 7, FT, July 2015

Credit Opinion:

» Banco Bilbao Vizcaya Argentaria, S.A., 26 April 2018

Special Comments:

» Auto ABS Market Comparison Tool

» Sovereigns – Brexit and European Union - Direct impact is minor, but may have credit implications for those with less policy space, July 2016

» Spain's New Securitisation Law Gives Originators More Flexibility and Improves the Management of Some Credit Risks, April 2015

Special Report:

» Consumer Loan ABS - EMEA: Performance Update - Excel, March 2018

Please 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.

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