

Various Rating Actions Taken In Spanish ABS Transactions BBVA Consumo 1, BBVA Consumo 2, And BBVA Consumo 3

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OVERVIEW

- We have reviewed the performance of the transactions' underlying collateral and their structural features.
- The transactions are all amortizing and overall enhancement levels have increased.
- Delinquency levels are stabilizing and in some cases declining. However, the rate at which delinquencies are rolling into default has increased and recoveries are low.
- BBVA Consumo 1 and 2 are still performing in line with our expectations, but the transaction documents do not comply with our updated counterparty criteria. Therefore, while we have affirmed our ratings on the class B and C notes in both transactions, our ratings on the class A notes are unchanged but will remain on CreditWatch negative for counterparty reasons.
- We have affirmed the rating on BBVA Consumo 3's class A notes, and placed the rating on the class B notes on CreditWatch negative due to deteriorating levels of credit enhancement.
- The portfolios backing these transactions comprise unsecured consumer loans to Spanish residents originated and serviced by Banco Bilbao Vizcaya Argentaria and BBVA Finanzia.

MADRID (Standard & Poor's) May 3, 2011--Standard & Poor's Ratings Services today took various credit rating actions on BBVA Consumo 1 Fondo de Titulización de Activos, BBVA Consumo 2 Fondo de Titulización de Activos, and BBVA Consumo 3 Fondo de Titulización de Activos.

Specifically, we:

- Kept the ratings on BBVA Consumo 1 and 2's class A notes unchanged, but these notes remain on CreditWatch negative for counterparty reasons;
- Affirmed the ratings on BBVA Consumo 1 and 2's class B and C notes;
- Affirmed the rating on BBVA Consumo 3's class A notes; and
- Placed the rating on BBVA Consumo 3's class B notes on CreditWatch negative.

BBVA CONSUMO 1 AND BBVA CONSUMO 2

The underlying pools of assets for both BBVA Consumo 1 and 2 are displaying similar performance and both have increasing levels of credit enhancement available to their class A and B notes.

The reserve funds for BBVA Consumo 1 and 2 are at 66% and 76% of their required levels, respectively. Both funds were partially replenished on the last three interest payment dates.

Delinquency levels have declined over 2010, but in our opinion appear to be stabilizing since the beginning of 2011. However, the rate at which delinquencies are rolling into defaults (defined as assets being 12 months in arrears in these transactions) has increased. Furthermore, levels of recoveries on defaulted assets are relatively low and show no evidence of improvement.

Key Data For BBVA Consumo 1 And 2

	BBVA Consumo 1 (%)	BBVA Consumo 2 (%)
Assets being delinquent for more than 90 days (overdue and outstanding debt excluding defaults) over current portfolio balance	1.77	2.31
Assets being delinquent for more than 90 days (overdue and outstanding debt excluding defaults) over closing portfolio balance	0.48	0.86
Cumulative level of assets being delinquent for more than 12 months (including interest) over current portfolio balance	20.65	16.30
Cumulative level of assets being delinquent for more than 12 months (including interest) over closing portfolio balance	5.64	6.07
Pool factor	27.30	37.23

Neither deal is close to a breach of the interest-deferral trigger. However, we note that the trigger levels in these deals are relatively high.

The performance of these transactions is in line with our expectations at closing. Nevertheless, the ratings on the class A notes remain on CreditWatch negative while we wait to see if and how our 2010 counterparty criteria will be reflected in the transaction documents (see "Counterparty And Supporting Obligations Methodology And Assumptions," published on Dec. 6, 2010).

BBVA CONSUMO 3

BBVA Consumo 3 closed in April 2008 and its revolving period ended one year ahead of the February 2010 scheduled date, due to a breach of the 90-day delinquency early-amortization trigger of 2.2%.

An increase in the level of defaults has resulted in a depletion of the transaction's reserve fund since August 2009, which is currently at 34% of its required level. At the same time, the level of recoveries we have observed on defaulted assets is low compared with our expectations at closing.

The cumulative level of defaults since closing (including interest), based on the original balance of the portfolio, stands at 5.73%. The class B interest-deferral trigger is set at 8.80%.

Key Data For BBVA Consumo 3

	BBVA Consumo 3 (%)
Assets being delinquent for more than 90 days (overdue and outstanding debt excluding defaults) over current portfolio balance	2.46
Assets being delinquent for more than 90 days (overdue and outstanding debt excluding defaults) over closing portfolio balance	1.20
Cumulative level of assets being delinquent for more than 12 months (including interest) over current portfolio balance	11.78
Cumulative level of assets being delinquent for more than 12 months (including interest) over closing portfolio balance	5.73
Pool factor	48.66

Following our review of the performance of the underlying collateral and taking into account the current levels of credit enhancement available to the class A and B notes, we have affirmed our 'AA+ (sf)' rating on the class A notes and placed our 'BBB (sf)' rating on the class B notes on CreditWatch negative. We will now conduct further analysis and we aim to resolve this CreditWatch placement within 90 days.

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

RELATED CRITERIA AND RESEARCH

- Principles Of Credit Ratings, Feb. 16, 2011
- EMEA Structured Finance CreditWatch Actions In Connection With Revised Counterparty Criteria, Jan. 18, 2011
- Counterparty And Supporting Obligations Update, Jan. 13, 2011
- Counterparty And Supporting Obligations Methodology And Assumptions, Dec. 6, 2010
- Methodology: Credit Stability Criteria, May 3, 2010
- Use Of CreditWatch And Outlooks, Sept. 14, 2009
- European Consumer Finance Criteria, March 10, 2000

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RATINGS LIST

Class	Rating
To	From

RATING PLACED ON CREDITWATCH NEGATIVE

BBVA Consumo 3, Fondo de Titulizacion de Activos
€1.360 Billion Floating-Rate Notes

B	BBB (sf)/Watch Neg	BBB (sf)
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RATINGS AFFIRMED

BBVA Consumo 1, Fondo de Titulizacion de Activos
€1.5 Billion Floating-Rate Notes

B	AA (sf)
C	A- (sf)

BBVA Consumo 2, Fondo de Titulizacion de Activos
€1.5 Billion Floating-Rate Notes

B AA (sf)
C A- (sf)

BBVA Consumo 3, Fondo de Titulizacion de Activos
€975 Million Floating-Rate Notes

A AA+ (sf)

RATINGS UNCHANGED AND REMAINING ON CREDITWATCH NEGATIVE

BBVA Consumo 1, Fondo de Titulizacion de Activos
€1.5 Billion Floating-Rate Notes

A AAA (sf)/Watch Neg

BBVA Consumo 2, Fondo de Titulizacion de Activos
€1.5 Billion Floating-Rate Notes

A AAA (sf)/Watch Neg

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