MOODY'S
INVESTORS SERVICE

PRE-SALE REPORT

# BBVA Consumo 5, FTA

ABS / Unsecured Consumer Loans / Spain

### Closing Date

December 2010

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## Provisional (P) Ratings

| Series | Rating | Amount (Million) | % Of Assets | Legal Final Maturity | Coupon | Subordi-Nation* | Reserve Fund** | Total Credit Enhance-Ment*** |
|---|---|---|---|---|---|---|---|---|
| A | (P)Aaa(sf) | €900.0 | 100.00 | Nov 2025 | 3mE +0.3% | 0.00% | 47.00% | 47.00% |
| Total | | €900.0 | 100.00 | | | | | |

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 rated notes

*** No benefit attributed to excess spread.

| | |
|---|---|
| V Score for the sector (*Spanish consumer loan*): | *Medium* |
| V Score for the subject transaction: | *Medium* |

The subject transaction is a cash securitisation of consumer loans extended to borrowers resident in Spain and is a revolving structure. 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 23/11/2010)

| | |
|---|---|
| Seller(s)/Originator(s): | Banco Bilbao Vizcaya Argentaria, S.A. (BBVA - Aa2/P-1); BBVA Finanzia (NR) |
| Servicer(s): | BBVA (Aa2/P-1), BBVA Finanzia (NR) |
| Receivables: | Loans granted to individuals resident in Spain to finance the purchase of consumer goods and services. |
| Methodology Used: | » The Lognormal Method Applied to ABS Analysis, June 2000 (SF 8827)<br>» V Scores and Parameter Sensitivities in the Global Consumer Loan ABS Sector, May 2009 (SF161508)<br>» Historical Default Data Analysis for ABS Transactions in EMEA, December 2005 (SF64042) |
| Total Amount: | €900 million |
| Length of Revolving Period: | Revolving (7 quarters) |
| Number of Borrowers: | 105,993 |
| Borrower Concentration: | 0.01% |

This pre-sale report addresses the structure and characteristics of the proposed transaction based on the information provided to Moody's as of 23 November 2010. Investors should be aware that certain issues concerning this transaction have yet to be finalised. Upon conclusive review of all documents and legal information as well as any subsequent changes in information, Moody's will endeavour to assign definitive ratings to this transaction. The definitive ratings may differ from the provisional ratings set forth in this report. Moody's will disseminate the assignment of definitive ratings through its Client Service Desk. This report does not constitute an offer to sell or a solicitation of an offer to buy any securities, and it may not be used or circulated in connection with any such offer or solicitation

*This report was originally published on 15th December 2010 but republished on 17th December 2010 in order to correct some of the parameter sensitivity table results*

## Asset Summary (Continued)

| | |
|---|---|
| WA Remaining Term: | 5.2 years |
| WA Seasoning: | 1.4 years |
| WAL of Portfolio in Years: | 3 years |
| Interest Basis: | 100% fixed rate |
| Delinquency Status: | No loans in arrears for more than 30 days at closing |
| **Historical Portfolio Performance Data** | |
| Default Rate Observed: | 10.2% (cumulative 90+ days arrears reported by BBVA Finanzia Autos 1); 6.6% (average cumulative 90+ days arrears reported by BBVA Consumo 1, BBVA Consumo 2, and BBVA Consumo 3) |
| Delinquencies Observed: | 8% - 9% (90 days arrears of BBVA Finanzia total book registered in 2010) |
| **Coefficient of Variation Observed:** | |
| Recovery Rate Observed: | 34%/42% (recovery after 1 and 2 years, respectively, reported by BBVA Finanzia Autos 1); 32%/41% (average recovery after 1 and 2 years, respectively, reported by BBVA Consumo 1, BBVA Consumo 2, and BBVA Consumo 3) |

## Liabilities, Credit Enhancement and Liquidity

| | |
|---|---|
| Excess Spread at Closing: | 1.75% guaranteed by the swap agreement |
| Credit Enhancement/Reserves: | 1.75% excess spread as modelled<br>47% amortising reserve fund |
| Form of Liquidity: | Excess spread, amortising reserve fund, principal to pay interest mechanism |
| Number of Interest Payments Covered by Liquidity: | No liquidity line. However, at closing cash reserve covers more than 8 years of interest and senior fees, assuming *a* 3mEuribor equal to 4% and 0.5% of stressed senior fees |
| Interest Payments: | Quarterly in arrears on each payment date |
| Principal Payments: | Pass-through on each payment date |
| Payment Dates: | 21 February, 21 May, 21 August, 21 November<br>First payment date: 23 May 2011 |
| Hedging Arrangements: | |

## Counterparties

| | |
|---|---|
| Issuer: | BBVA Consumo 5, FTA |
| Sellers/Originators: | Banco Bilbao Vizcaya Argentaria, S.A. ("BBVA") (Aa2/P-1/B-; negative outlook); 8.1%<br>BBVA Finanzia (Not Rated); 91.9% |
| Servicer(s): | BBVA and BBVA Finanzia, each its own portfolio |
| Back-up Servicer(s): | BBVA will back-up BBVA Finanzia and a back-up servicer will be appointed if BBVA is downgraded below Baa3. |
| Back-up Servicer Facilitator(s): | Europea de Titulización ("EdT") (Not Rated). 87.5% owned by BBVA. |
| Cash Manager: | EdT |
| Back-up Cash Manager: | - |
| Calculation Agent/Computational agent: | EdT |
| Back-up Calculation/Computational Agent: | - |
| Swap Counterparty: | BBVA |
| Issuer Account Bank: | BBVA |
| Collection Account Bank: | BBVA |
| Paying Agent: | BBVA |
| Management Company: | EdT |
| Issuer Administrator/Corporate Service Provider: | EdT |
| Arranger: | EdT |
| Lead Manager(s): | BBVA and BBVA Finanzia |

## Moody's View

| | |
|---|---|
| **Rating Spain** | Aa1/P-1 |
| **Outlook for the Sector:** | Negative |
| **Unique Feature:** | Asset type and structure previously seen in market |
| **Degree of Linkage to Originator:** | BBVA and BBVA Finanzia will act as servicers (BBVA will back-up BBVA Finanzia and a back-up servicer will be appointed if BBVA is downgraded below Baa3), interest rate swap counterparty (replacement triggers are in line with Moody's swap guidelines), issuer account bank (replacement eligible entity or a eligible guarantor will need to be found if BBVA is downgraded below P-1), and paying agent (replacement eligible entity or a eligible guarantor will need to be found if BBVA is downgraded below P-1). |
| **Originator's Securitisation History:** | |
| # of Precedent Transactions in Sector: | BBVA: 4 – BBVA Finanzia: 1 – Mixed portfolio both originators: 2 |
| % of Book Securitised: | BBVA: 35.9% - BBVA Fiananzia : 42.7% |
| Behaviour of Precedent Transactions: | 90+ delinquencies reported on BBVA Consumo 3 and BBVA Finanzia Autos 1 are in line with the average delinquency reported in the Spanish index, and slightly better than the average index in the case of BBVA Consumo 1, BBVA Consumo 2, and BBVA Consumo 4. Defaults reported in BBVA Consumo 1 are better than the average defaults reported in the Spanish index, whereas they are worse in the case of BBVA Consumo 3 and BBVA Finanzia Autos 1. In November 2009, BBVA Finanzia Autos 1, 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. |
| Key Differences Between Subject and Precedent Transactions: | Present transaction is similar to BBVA Consumo 4 in terms of structure Regarding portfolio composition, the portfolio has a higher percentage of loans originated by BBVA Finanzia (90% vs. 56% in BBVA Consumo 4); portfolio composition in terms of loan purpose, there is a higher portion of auto loans (95% vs. 70% in BBVA Consumo 4) |
| **Portfolio Relative Performance:** | |
| Default Rate Assumed/Ranking: | 12.5% (initial pool) / 14% (subsequent portfolios) - in line with peer group |
| Coefficient of Variation Assumed on Default Rate/Ranking: | 35% - in line with peer group |
| Recovery Rate Assumed/Ranking: | 30% - in line with peer group |

## Parameter Sensitivities for Tranche A

| | |
|---|---|
| Table Interpretation: | The model sensitivity output indicated that Series A model output would vary from Aaa to Aa1 in these scenarios (all other factors being constant). |
| Factors Which Could Lead to a Downgrade: | The following factor may have a significant impact on the subject transaction's ratings: higher than anticipated increase in the unemployment rate as a result of a deterioration of the Spanish economy beyond the stressed scenarios considered. |

TABLE 1*:
### Tranche A

| | | Recovery Rate | | |
|---|---|---|---|---|
| | | **30.0%** | **25.0%** | **20.0%** |
| **Mean Default** | **12.5%** | Aaa* | Aaa (0) | Aaa (0) |
| | **13.5%** | Aaa (0) | Aaa (0) | Aa1 (1) |
| | **14.5%** | Aaa (0) | Aa1 (1) | Aa1 (1) |

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

Change in outputs of model output (# of notches) is noted in parentheses.

Results are outputs of model, 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 output 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.

## Composite V Score

| Breakdown of the V Scores Assigned To | | Sector | Trans-Action | Remarks |
|---|---|---|---|---|
| Composite Score: | | | | |
| Low (L), Low/Medium (L/M), Medium (M), Medium/High (M/H), or High (H) | | M | M | |
| **1** | **Sector Historical Data Adequacy and Performance Variability** | **M/H** | **M/H** | |
| 1.1 | Quality of Historical Data for the Sector | M/H | M/H | » Same as sector score |
| 1.2 | Sector's Historical Performance Variability | M/H | M/H | » Same as sector score |
| 1.3 | Sector's Historical Downgrade Rate | M/H | M/H | » Same as sector score |
| **2** | **Issuer/Sponsor/Originator Historical Data Adequacy, Performance Variability and Quality of Disclosure** | **M/H** | **M/H** | » |
| 2.1 | Quality of Historical Data for the Issuer/Sponsor/Originator | M/H | M/H | » The historical information does not cover a full severe stress scenario (uncertainty whether past performance adequately reflects future performance).<br>» Moody's has received performance data on BBVA previous transactions from 2006 through 2010 on delinquencies over 90 days, recoveries, and prepayments. |
| 2.2 | Issuer/Sponsor/Originator's Historical Performance Variability | M/H | M/H | » Same as sector score<br>» Both BBVA and BBVA Finanzia default rates have significantly deteriorated in recent times in line with the rest of the market. |
| 2.3 | Disclosure of Securitization Collateral Pool Characteristics | L/M | L/M | » Internal scoring system information was made available<br>» Both stratification tables and line by line data of the portfolio were provided |
| 2.4 | Disclosure of Securitization Performance | M | M | » Same as sector score.<br>» As for most deals in this mature market, Moody's has not received a specific template for the monitoring report.<br>» Expectations are that the management company EdT will continue providing at least the same amount and quality of data as it is currently doing for previous deals, including line-by-line portfolio information and static vintage performance data on defaults and recoveries. |
| **3** | **Complexity and Market Value Sensitivity** | **L/M** | **L/M** | |
| 3.1 | Transaction Complexity | L/M | L/M | » In line with a typical transaction in the sector |
| 3.2 | Analytic Complexity | L/M | L/M | » In line with a typical transaction in the sector |
| 3.3 | Market Value Sensitivity | L | L | » In line with a typical transaction in the sector |
| **4** | **Governance** | **L/M** | **L/M** | |
| 4.1 | Experience of, Arrangements Among and Oversight of Transaction Parties | L/M | L/M | » BBVA Finanzia has around 4 years of securitisation experience, while BBVA launched its first ABS transaction in 2004 (whereas the first RMBS transaction was closed in 1993). |
| 4.2 | Back-up Servicer Arrangement | L | L | » BBVA is rated Aa2/P-1. BBVA will act as back-up servicer of BBVA Finanzia and a back-up servicer will be appointed if BBVA is downgraded below Baa3 |
| 4.3 | Alignment of Interests | L/M | L/M | » In line with a typical transaction in the sector |
| 4.4 | Legal, Regulatory, or Other Uncertainty | L/M | L/M | » In line with a typical transaction in the sector |

## Strengths and Concerns

### Strengths:

- **Portfolio composition** Securitised portfolio is highly granular with the largest and 20 largest borrowers representing 0.01% and 0.1% respectively.
- **Financial strength of BBVA**: BBVA is rated Aa2/P-1 and is acting as co-originator and co-servicer in the transaction. The bank 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.
- **Back-up servicer**: BBVA acts as back-up servicer for BBVA Finanzia since closing and will cover any loss due to commingling. Furthermore, the servicers will, within 60 days, identify a back-up servicer if BBVA is downgraded below Baa3. At this stage, the back-up servicer will enter into a back-up servicer arrangement, and will only step in at the discretion of the management company.
- **Hedging arrangements**: An interest rate swap agreement will guarantee the weighted-average margin on the notes plus an excess spread of 1.75%, and the servicing fees.

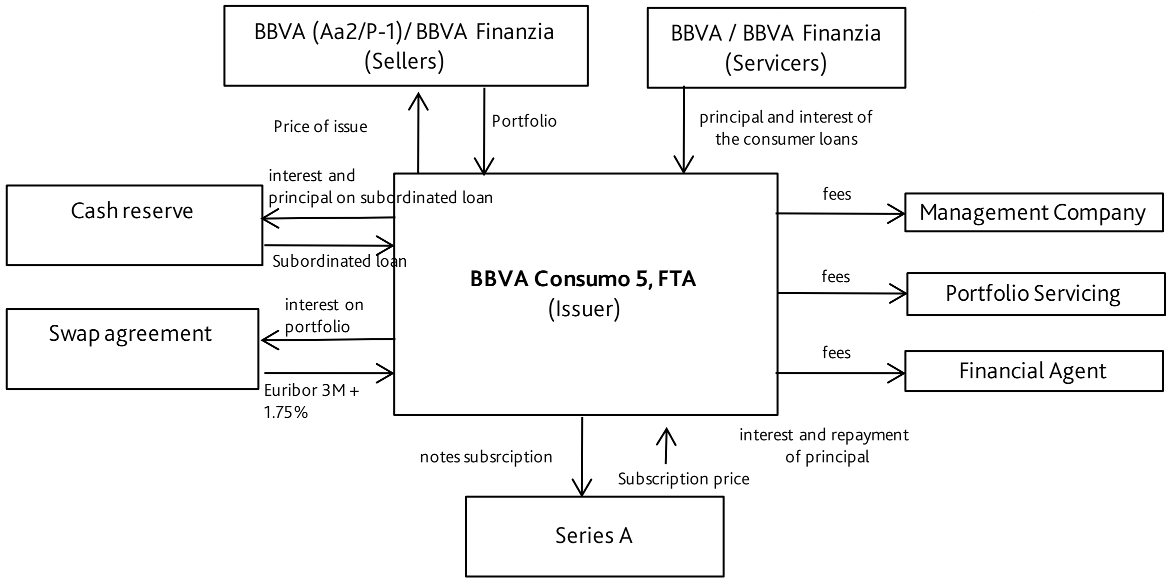
### Concerns and Mitigants:

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

- **Limited historical information**: Historical performance data provided by BBVA and BBVA Finanzia do not cover a full economic cycle. Moreover, Moody's has only received performance data of past transactions since 2006. Moody's has factored this when deriving its modelling assumptions as further explained under "Credit Analysis".
- **Performance of past transactions**: A weak and deteriorating performance is observed for the previous consumer loan transactions launched by BBVA and BBVA Finanzia. Specifically, in November 2009, BBVA Finanzia Autos 1, 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. Moody's has taken this into consideration when deriving its modelling assumptions as further explained under "Credit Analysis".
- **Revolving transaction**: There will be a revolving period (almost 2 years). This feature increases the potential portfolio performance volatility caused by additional portfolio purchases. However, this risk is mitigated by the eligibility criteria established for the additional pools and the early amortisation triggers.
- **High degree of linkage to BBVA**: BBVA is acting as originator, servicer, swap counterparty, collection account bank, issuer account bank and GIC provider of the transaction. There are suitable replacement triggers as well as collateral posting requirements in place to mitigate this risk.
- **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, the 1.75% guaranteed excess spread under the swap agreement, and the fully funded amortising reserve fund of 47.0%.
- **Commingling risk**: Commingling risk on collections is mitigated - to a limited degree - by (i) a guarantee provided by BBVA, rated Aa2/P-1, on the payment obligations of BBVA Finanzia mitigates the commingling risk of the portion of portfolio serviced by this entity (ii) the sweep of collections from the servicers collection accounts into the issuer collection account, initially done weekly, will be done daily if BBVA is downgraded below P-1**,** (iii) the constitution of a commingling reserve or the establishment of a guarantee provided by a P-1 entity in case BBVA is downgraded below under further trigger downgrade (below Baa3).

## Structure, Legal Aspects and Associated Risks

CHART 1
**Structure Chart**




### Liabilities:

**Description of transaction structure:**

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

1. Senior expenses;
2. Interest payments to swap counterparty and swap termination payments if the issuer is the defaulting party;
3. Interest on Class A
4. Principal payments on Class A based on the target principal amount (or purchase of additional portfolios during the revolving period)
5. Reserve Fund
6. 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.

The "artificial write-off" speeds up the amortisation of non-performing loans (NPL); thus, the amount of notes collateralised by NPLs is minimised, and, consequently, the negative carry. However, the most significant benefit for the transaction is that the amount of spread trapped in the structure is larger (the excess spread between the "artificial write-off" time and the "natural write-off" time would otherwise be lost). Therefore, the transaction makes better use of the spread, allowing for lower levels of other credit enhancement figures.

### Performance Triggers:

| Trigger | Conditions | Remedies/Cure |
|---|---|---|
| Stop Purchase | 1. Insolvency, failure to pay or bankruptcy of BBVA or BBVA Finanzia<br>2. The 90+ days arrears level exceeds 2.2%<br>3. 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)<br>4. The outstanding amount of the non-written-off loans is less than:<br>a) 90% of the outstanding amount of the notes after purchase on the two previous payment dates<br>b) 80% of the outstanding amount of the notes after purchase on the previous payment date<br>5. BBVA or BBVA Finanzia ceases to be the servicer of the loans<br>6. There is a termination under the swap agreement and no replacement, guarantor or alternative solution is found within 15 days<br>7. The cash reserve is not funded at the required level.<br>8. Failure to pay interest on Series A on any payment date. | The revolving period will be terminated and the notes will start amortising |
| Reserve Fund Amortisation | » The arrears level (percentage of loans more than 90 days in arrears not written-off) exceeds 1.0%; or<br>» The reserve fund is not funded at its required level or<br>» Less than two years have elapsed since closing | The target amount of the reserve fund will not be reduced on any payment date on which these occur |

**Reserve fund**:

» At close: 47% of original pool balance

» Amortising to: 94% of current pool balance

» Floor: 23.5% of original pool balance

After the first 2 years from closing, the reserve fund may amortise over the life of the transaction subject to the reserve fund amortisation trigger.

The reserve fund will be replenished after principal payments of the Series A notes. 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.

## 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 (FTA/FTH) 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 almost 2 years, during which the Seller has the option to sell additional portfolios on a monthly 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.

**Excess spread**: 1.75% of annual excess spread according to the swap agreement (see below).

**Interest rate mismatch**: At closing, 100% of the pool balance comprises fixed rate loans, whereas the notes are floating liabilities. 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 the portfolio).

**Mitigant:** To mitigate the fixed-floating rate mismatch, the issuer has entered into a swap agreement with swap counterparty. Under the swap agreement:

» The issuer will pay will pay the interest received from the loans since the previous payment date

» The swap counterparty will pay the sum of (1) the weighted average coupon on the notes plus 1.75%, over a notional calculated as the daily average of the outstanding amount of loans not more than 90 days in arrears since the last payment date; (2) potential negative carry due to the revolving mechanism if any amount is deposited in the principal account and (3) the servicer fee due on that payment date

» The swap framework is CMOF and is in line with Moody's swap guidelines.

**Cash commingling**: All the payments received from the securitised loans are made through direct debit and deposited into accounts in the name of each servicer. As a result, in the event of insolvency of any 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 servicers and may be commingled with other funds belonging to them.

**Mitigant**:

» Payments are transferred on a weekly basis to the treasury account in the name of the issuer held in BBVA. If BBVA's short-term rating falls below P-1, transfers will be done daily by both originators.

» Triggers are in place to protect the treasury account from a possible downgrade of the GIC provider's short-term rating. If BBVA's short-term rating falls below P-1, it will within 30 days have to find a suitably rated guarantor or substitute.

» BBVA guarantees, without any cost for the issuer, any potential commingled amount with regards BBVA Finanzia.

» If BBVA long term rating falls below Baa3, it will fund a commingling reserve. This reserve will be equal to the highest future scheduled monthly amount of principal and the interest collections, at the time of the downgrade, assuming a 0% delinquency rate and 10 % prepayment rate. This reserve will be part of the available funds if the servicer does not transfer received collections to the issuer (drawn amounts will be equal to the amount of collections received and not transferred by BBVA and/or BBVA Finanzia). Alternatively a liquidity line (provided by a P-1 entity) could be put in place to provide equivalent support.

» In the event of insolvency, administration by the Bank of Spain, liquidation or substitution of the servicers, or because the management company deems it reasonable, the management company may demand that the servicers notify obligors of the portfolio's transfer to the issuer and advises obligors that payments on their loans will only be effective as a discharge if made into the treasury account in the name of the issuer. The management company also has the ability to carry out the notification.

**Set-off**: All BBVA obligors have accounts with this seller. BBVA Finanzia it is not an account bank.

**Mitigant:**

Set off risk is mitigated by the exposure to highly rated counterparty (Aa2/P-1). In addition, set off is very limited because, according to a legal opinion received by Moody's, only unpaid instalments prior to the declaration of insolvency might be offset against the deposits hold by 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: | November 2010 |

### Originator Background:

| | |
|---|---|
| Rating: | » BBVA: Aa2/P-1; negative outlook<br>» BBVA Finanzia – NR |
| Financial Institution Group Outlook for Sector: | » Negative |
| Ownership Structure: | » N/A |
| Asset Size: | » BBVA: €5.8 billion – BBVA Finanzia: €3.2 billion |
| % of Total Book Securitised: | » BBVA: 35.9% - BBVA Fiananzia : 42.7% |
| Transaction as % of Total Book: | » BBVA: 15.5% - BBVA Fiananzia : 28.0% |
| % of Transaction Retained: | » 100% (Aaa tranche might be used for repo with ECB) |

| **Originator Assessment** | **Main Strengths (+) And Challenges(-)** |
|---|---|
| | Strengths<br>» Experienced servicers<br>» One of the top banking groups in Spain by asset size<br>» Scoring systems validated by the Bank of Spain<br>» Attention to servicing activities to tackle the increase in delinquencies in the Spanish market<br>» Interest rates and commissions paid to brokers adjusted by risk<br>Weaknesses<br>» Due to the bank's large size, it cannot achieve deep knowledge of each client as would a smaller entity<br>» BBVA Finanzia: origination through brokers (car dealers), thus not direct contact with debtors |

### Servicer Background:

| | |
|---|---|
| Rating: | » BBVA: Aa2/P-1; negative outlook<br>» BBVA Finanzia – NR |
| Regulated by: | » Bank of Spain |
| Total Number of Receivables Serviced: | » BBVA: 1.3 billion of loans - BBVA Finanzia: 336,643 loans |
| Number of Staff: | » Not made available |

| **Servicer Assessment:** | **Main Strengths And Challenges** |
|---|---|
| | » See originator assessment above |

### Back-up Servicer Background:

| | |
|---|---|
| Back up servicer arrangements: | » BBVA (Aa2/P-1) commits to be the back-up servicer of BBVA Finanzia<br>» A back-up servicer will be appointed if BBVA is downgraded below Baa3. This is standard practice in the Spanish market. |
| Ownership Structure: | |
| Regulated by: | Bank of Spain |
| Total Number of Receivables Serviced: | |
| Number of Staff: | |
| Strength of Back-up Servicer Arrangement: | See Servicer's strengths and weaknesses |
| **Receivables Administration** | |
| Method of Payment of Borrowers in the Pool: | 100% Direct debit |
| % of Obligors with Account at Originator: | 100% BBVA portion of portfolio<br>0% BBVA Finanzia portion of portfolio (not a deposit taking institution) |
| Distribution of Payment Dates: | Well spread over the month |

## Cash Manager Background: EdT

| | |
|---|---|
| Rating: | Europea de Titulización S.G.F.T; S.A (NR) |
| Main Responsibilities: | » Keeping the Fund's accounts duly separate from the Management Company's own<br>» Complying with its formal, documentary and reporting duties to the CNMV, the Rating Agencies and any other supervisory body.<br>» Appointing and, as the case may be, replacing and dismissing the auditor who is to review and audit the Fund's annual accounts<br>» Complying with the calculation duties provided for and taking the actions laid down in the Deed of Constitution and in this Prospectus<br>» Checking that the Mortgage Credit income amount actually received by the Fund matches the amounts that must be received by the Fund, on the terms of issue of the Pass-Through Certificates and on the terms of the relevant Mortgage Credits<br>» Calculating and determining on each Determination Date the principal to be amortised and repaid on each Bond Series on the relevant Payment Date<br>» Watching that the amounts credited to the Treasury Account return the yield set in the Agreement<br>» Instructing transfers of funds between the various borrowing and lending accounts, and issuing all relevant payment instructions, including those allocated to servicing the Bonds<br>» 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.<br>» 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 the payment date) |

### Back-up Cash Manager Background: None appointed at closing

| | |
|---|---|
| Back-up Cash Manager and Its Rating: | |
| Main Responsibilities of Back-up Cash Manager: | |

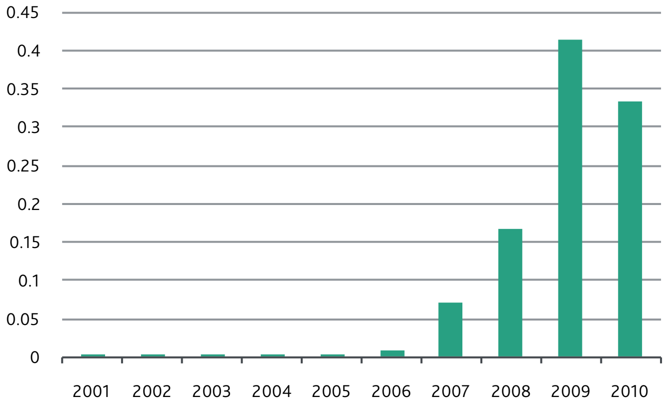
### Originator/Servicer/Cash Manager Related Triggers

| | |
|---|---|
| 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: | BBVA's loss of Baa3 rating |
| 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): | BBVA's loss of P-1 rating |
| 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

CHART 2

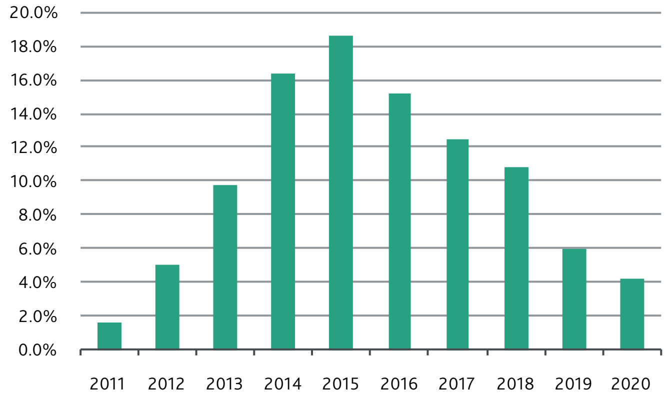
### Initial Portfolio Breakdown by Year of Origination




*Source: BBVA & BBVA Finanzia*

CHART 3

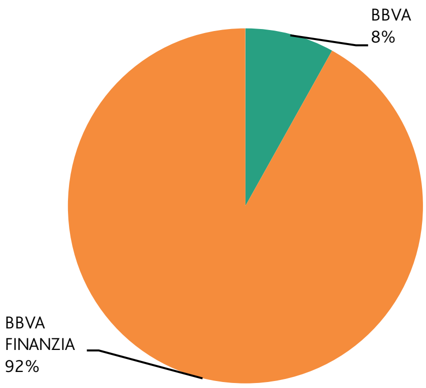
### Initial Portfolio Breakdown by Year of Maturity




*Source: BBVA & BBVA Finanzia*

CHART 4

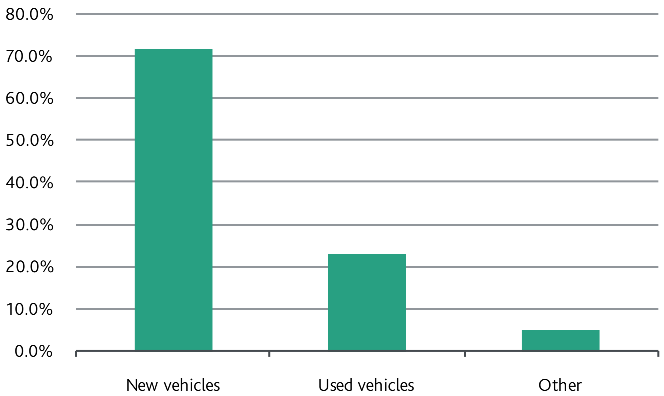
### Initial Portfolio Breakdown by Originator




*Source: BBVA & BBVA Finanzia*

CHART 5

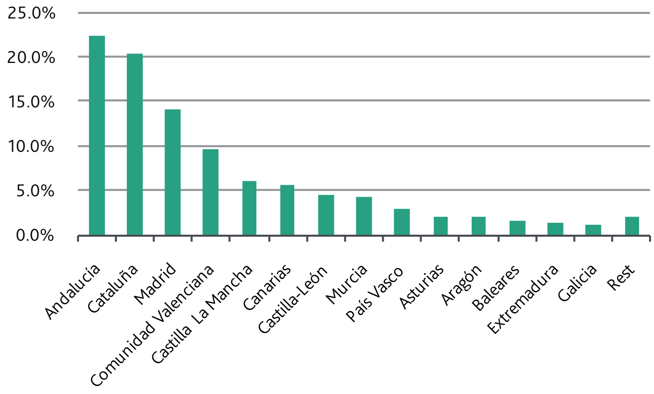
### Initial Portfolio Breakdown by Loan Purpose




*Source: BBVA & BBVA Finanzia*

CHART 6

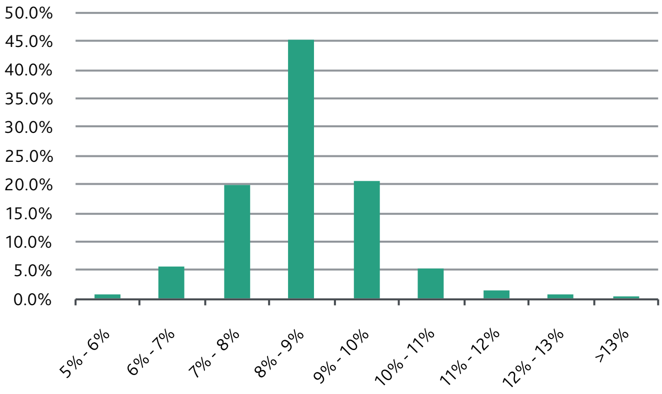
### Initial Portfolio Breakdown by Region




*Source: BBVA & BBVA Finanzia*

CHART 7

### Initial Portfolio Breakdown by interest rate




*Source: BBVA & BBVA Finanzia*

**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 Provisional Portfolio (as described in the prospectus). Similar data and information for the final portfolio has not been provided to Moody's.

The balance of the portfolio (as of November 2010) corresponds to approximately €1.1 billion, for a total number of 106,503 loans. The tenor of the loans varies (from 0.1 years to 10 years) depending on the purposes of the loan. Loans are standard amortising loans.

**Eligibility criteria**:

The key eligibility criteria are as follows:

» Fixed-rate loans (in Euros) with a personal guarantee granted to individuals resident in Spain. Debtors are not BBVA or BBVA Finanzia employees

» Fully drawn down and direct debit loans

» Loans enjoying payment holidays are excluded

» Not more than 30 days past due and at least one instalment has been paid

» The loans will amortise through monthly instalments

» No loan incorporates any type of balloon payments or deferred payments of interest or principal

» The outstanding amount of any loan is equal or less than €65,000

» No loan will mature later than October 2022

**Global Eligibility Criteria for the total pool:**

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

» BBVA Finanzia sub pool will represent at least 80% of the total resulting pool (in BBVA Consumo 4 BBVA portfolio was between 30% and 70%).

» The weighted average interest rate is at least equal to 5%.

» The aggregate outstanding balance of the pool belonging to debtors within the same region is not over 30% of the outstanding balance (25% in BBVA Consumo 4).

» The aggregate outstanding balance of the pool belonging to debtors within the three most represented regions is not over 68% of the outstanding balance (60% in BBVA Consumo 4).

» The aggregate outstanding balance of the loans, which purpose is the acquisition of used cars, is not over 25% (14.5% in BBVA Consumo 4) of the outstanding balance.

» Top debtor represents less than 0.008% and top 10 less than 0.08% (0.06% in BBVA Consumo 4).

» The weighted average remaining term is less than 6 years.

» The weighted average seasoning is at least 6 months (3 months for additional portfolios).

» WAL of additional portfolios is less than 3.5 years.

» Spanish debtors or debtors from the first 15 countries joining the EU will account for at least 94% of the additional portfolios.

**Additional information on Borrowers:**

| | |
|---|---|
| Top Debtor Concentration | 0.01% |
| Top 5 Debtors | 0.03% |
| Top 10 Debtors | 0.05% |
| Top 20 Debtors | 0.10% |

**Additional information on Portfolio:**

| | |
|---|---|
| Number of Contracts | 106,503 |
| Number of Borrowers | 105,993 |
| Contract Amortisation Type | Amortising loans |
| WA Interest Rate | 8.6% |
| WA Internal PD Estimate | 5.5% |
| Origination Channel | BBVA Finanzia (92% of portfolio): Brokers<br>BBVA (8% of portfolio): Branches |
| Geographic Diversification | Andalucía (22%), Cataluña (20%), Madrid (14%) |

**Replenishment conditions**

The key replenishment criteria are as follows

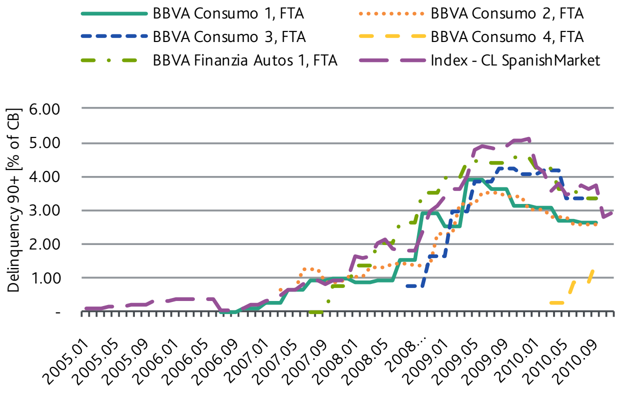
| | |
|---|---|
| Maximum Used Cars % | 30% |
| Maximum Top Obligor Exposure | 0.008% |
| Maximum Top 10 Obligor Exposure | 0.08% |
| Maximum Top Region Exposure | 30% |
| Maximum Top 3 Regions Exposure | 68% |
| Minimum Portfolio Yield | 5% |
| Minimum WA seasoning of additional portfolios | 6 months |
| Maximum WA remaining term of additional portfolios | 6 years |
| Maximum WAL of additional portfolios | 3.5 years |
| Minimum Spanish debtors or debtors from the first 15 countries joining the EU % | 94% |

## Credit Analysis

**Precedent transactions' performance**:

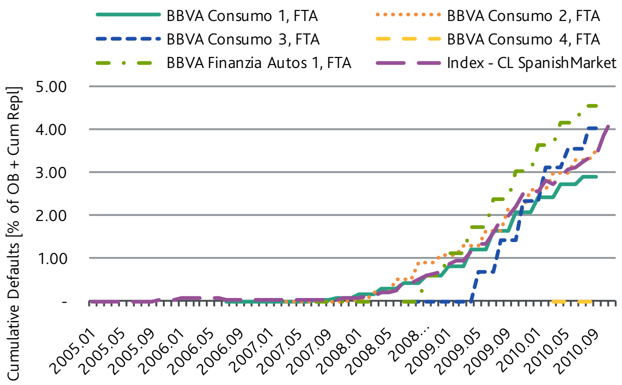
» The performance of most of the originator's precedent transactions in this sector are below Moody's expectations. In fact, in November 2009, BBVA Finanzia Autos 1, BBVA Consumo 2 and BBVA Consumo 3 were subject to rating actions due to the deterioration of the collateral performance and the greater than expected weakening of macro-economic conditions in Spain.

CHART 8
**90+ cumulative arrears for BBVA/BBVA Finanzia ABS transactions**




*Source: Moody's investors Service*

CHART 9
**Cumulative write-offs for BBVA/BBVA Finanzia ABS transactions**




*Source: Moody's investors Service*

### Data quantity and content

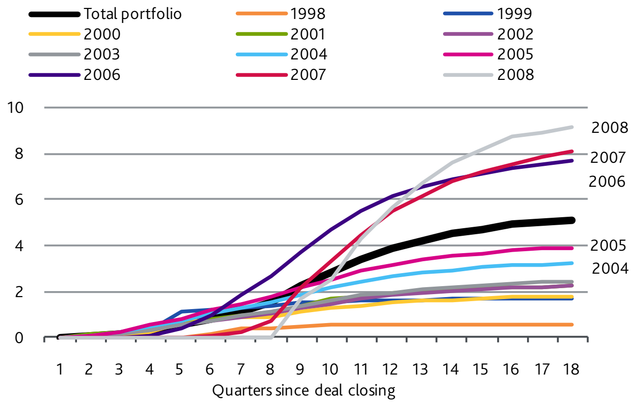
» Moody's has received data from 2006 through 2010 reflecting cumulative 90+ days arrears, cumulative 12+ months arrears, recoveries with both default definitions, and prepayment rates. The information provided is only based on performance data on the past ABS transactions of both originators (BBVA Consumo 1, BBVA Consumo 1, BBVA Consumo 1, BBVA Consumo 1, and BBVA Finanzia Autos 1). No performance information was provided based on the current book of the originators.

» The data received do not cover a full economic cycle.

» In addition, Moody's has received line-by-line data of the portfolio to be securitised.

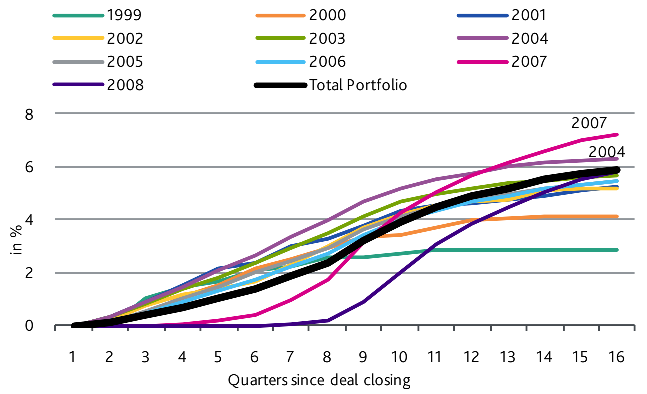
» In Moody's view, the quantity and quality of data received is somehow below average compared to transactions, which have achieved high investment grade ratings in this sector.

CHART 10
**Default vintage Data from BBVA Consumo 1**



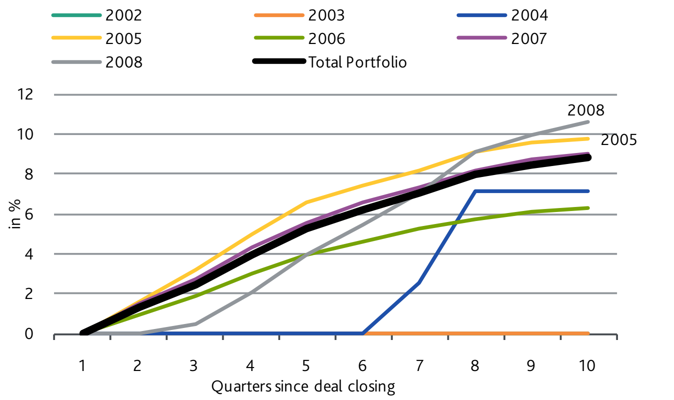

*Source: EdT*

CHART 11
**Default vintage Data from BBVA Consumo 2**



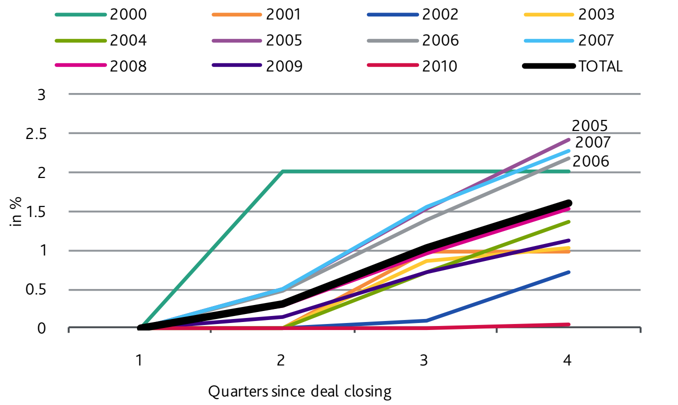

*Source: EdT*

CHART 12
**Default vintage Data from BBVA Consumo 3**



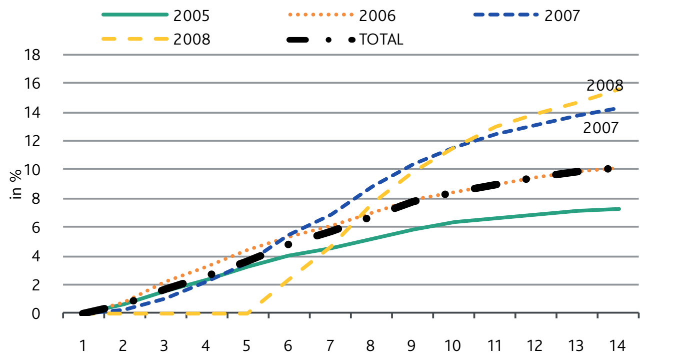

*Source: EdT*

CHART 13
**Default vintage Data from BBVA Consumo 4**



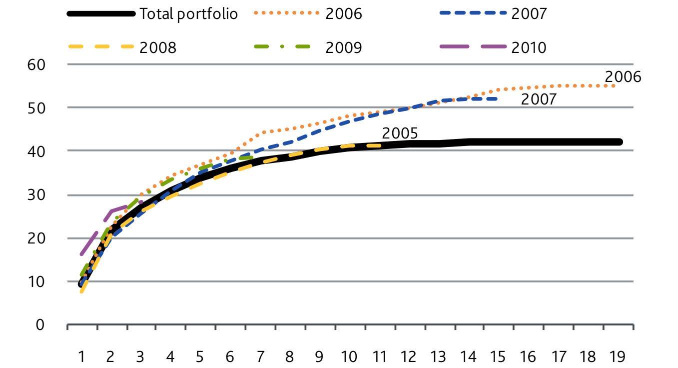

*Source: EdT*

CHART 14
**Default vintage Data from BBVA Finanzia Autos 1**



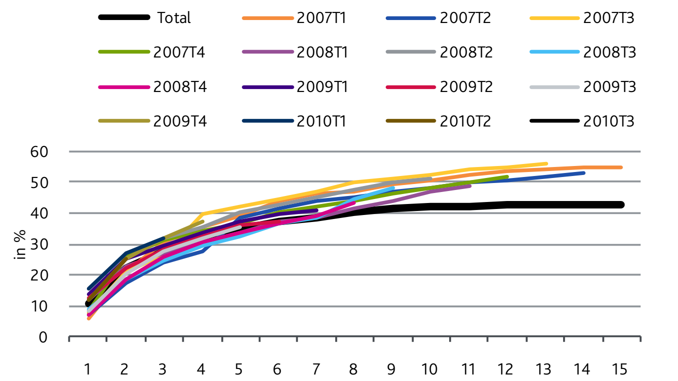

*Source: EdT*

CHART 15
**Recovery vintage Data from BBVA Consumo 1**



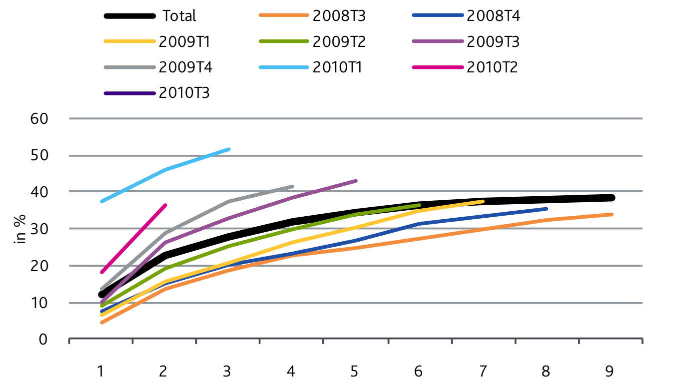

*Source: EdT*

CHART 16
**Recovery vintage Data from BBVA Consumo 2**



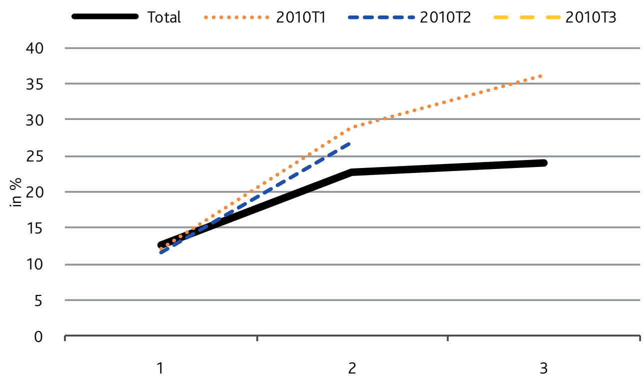

*Source: EdT*

CHART 17
**Recovery vintage Data from BBVA Consumo 3**



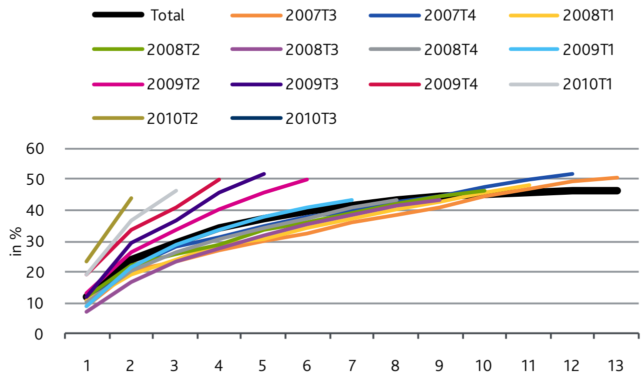

*Source: EdT*

CHART 18
### Recovery vintage Data from BBVA Consumo 4




*Source: EdT*

CHART 19
### Recovery vintage Data from BBVA Finanzia Autos 1




*Source: EdT*

**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

| | |
|---|---|
| Default Distribution | Lognormal |
| Cumulative Default (Initial Portfolio/Revolving Portfolios) | 12.5%/14% |
| Default Definition | 90 days arrears |
| Standard Deviation/Mean | 35% |
| Timing of Default | Sinus 6-8-15 (first quarter of default/peak of defaults/last quarter of defaults) |
| Recovery | 30% |
| Recovery Lag | 60% after 1 year, 20% after 2 years, 10% after 3 years, 10% after 4 years |
| Conditional Prepayment Rate (CPR) | 5% |
| Amortisation Profile | Scheduled portfolio amortization (0% CPR) |
| Portfolio Yield | 1.75% (guaranteed by the swap) |
| Fees (as modelled) | 0.5% on portfolio/collections p.a. |
| Euribor/Swap Rate | 1.5% (growing over time) |
| 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 to approximate the default distribution: the lognormal distribution.

In fact, in order to determine the shape of the curve, two parameters are needed: 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 for the previous consumer loan transactions sponsored by BBVA and BBVA Finanzia. The historical analysis has been then complemented with the evaluation of 1) the general Spanish market trend, 2) line by line portfolio information provided by the originators on their internal estimation of the borrowers PDs 3) other qualitative considerations. Moody's has stressed the results obtained from the historical data analysis to account for 1) the fact that the historical data do not cover a full economic cycle and that vintage performance on the total book of the originators was not provided, 2) the Spanish recessionary economic environment and 3) the below average performance of some of the previous originator deals and the fact that some transactions have recently closed.

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 fixed asset correlation of 4%.

**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 an 18-month lag (according to transaction definition), a peak at quarter 8 and last default at quarter 15.

**Derivation of recovery rate assumption**

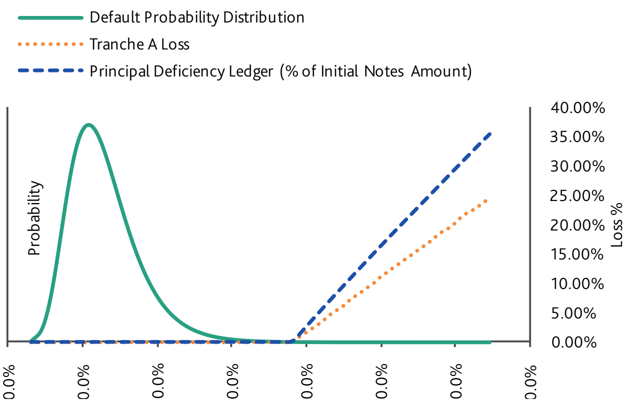
Moody's has considered that part of the recovery data provided was compiled during good economic cycles; therefore observed data might overestimate recovery rates during a stressed economic environment. In addition, we note that if a loan returns to performing status, its recovery rate is recorded as 100%. Assumptions for recoveries have hence been made on the basis of (i) historical information received on past transactions of the same originators; (ii) statistical information on the Spanish consumer loan market; (iii) line-by-line portfolio information provided by the originators on their internal estimations of LGDs (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 modelling of the deal.

CHART 20
**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 simulate the quantitative performance of the transaction, 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 with 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 blue line in Chart 20 represents each default scenario on the default distribution curve for the loss suffered by the Class A notes (in Moody's modelling). For default scenarios up to 38.5%, the line is flat at zero, hence the Class A notes are not suffering any loss. 38.5% 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 securitised 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 roles of the swap and hedging providers; and

» The legal and structural integrity of the issue.

## Treatment of Concerns:

» **Limited historical data and performance of past transactions:** Some of the past BBVA/BBVA Finanzia's consumer loan transactions have been downgraded due to weaker-than-expected performance. In addition, the originators were only able to provide historical performance data from past transactions, which does not cover a full economic cycle. In addition, the pool composition of past transactions is not entirely representative of the portfolio composition of the present transaction (in terms of mix of products as well as participation of each originator). However, the originators provided line by line information on their internal estimations of PD and LGD, which have been validated by the Bank of Spain. Moody's portfolio assumptions were hence defined by applying a stress to the mean historical values as well as by confronting results with the originators' internal estimation of PDs and benchmarking the securitised portfolios with other similar transactions launched in the Spanish market in the recent years.

## Benchmarking Analysis

**Performance relative to sector**: 90+ delinquencies reported on BBVA Consumo 3 and BBVA Finanzia Autos 1 are in line with the average delinquency reported in the Spanish index, and compares slightly positively to the average index in the case of BBVA Consumo 1, BBVA Consumo 2, and BBVA Consumo 4. Defaults reported in BBVA Consumo 1 are better than the average defaults reported in the Spanish index, whereas they are worse in the case of BBVA Consumo 3 and BBVA Finanzia Autos 1. In November 2009, BBVA Finanzia Autos 1, 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.

Please refer to charts 8 and 9 that show the delinquencies and defaults of transactions closed by BBVA and BBVA Finanzia compared with the market index. Please note 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 5 | Madrid Consumo II, FTA | FTA Santander Consumer Spain Auto 2010-1 | BBVA Consumo 4, FTA | Post-Review: BBVA Finanzia Autos 1, FTA | Fondo De Titulización De Activos, Santander Financiación 4 |
|---|---|---|---|---|---|---|
| Country | Spain | Spain | Spain | Spain | Spain | Spain |
| Originator | BBVA (8%) - BBVA Finanzia (92%) | CAJA DE AHORROS Y MONTE DE PIEDAD DE MADRID | Santander Consumer EFC | BBVA | BBVA Finanzia | Banco Santander SA |
| Long-term Rating | Aa2 - NR | A1 | NR | Aa2 | NR | Aa2 |
| Short-term Rating | P-1 -NR | P-1 | NR | P-1 | Jan 1900 | P-1 |
| Name of Servicer | BBVA (8%) - BBVA Finanzia (92%) | CAJA DE AHORROS Y MONTE DE PIEDAD DE MADRID | Santander Consumer EFC | BBA | BBVA Finanzia | Banco Santander SA |
| Long-term Rating | Aa2 - NR | A1 | NR | Aa2 | NR | Aa2 |
| Short-term Rating | P-1 -NR | P-1 | NR | P-2 | Jan 1900 | P-1 |
| Name of separate Cash Administrator | Europea de Titulizacion S.G.F.T. S.A. | Titulización de Activos, S.G.F.T., S.A. | Santander de Titulizacion S.G.F.T. S.A. | Europea de Titulizacion S.G.F.T. S.A. | EdT | Santander de Titulizacion S.G.F.T. S.A. |
| Long-term Rating | NR | NR | NR | NR | NR | NR |
| Short-term Rating | NR | NR | NR | NR | NR | NR |
| Portfolio Information (as of [...] ) | | 07/10/2010 | as of closing | | as of Rating Review | |
| Currency of securitised pool balance | Euro | Euro | Euro | Euro | Euros | Euro |
| Securitised Pool Balance ("Total Pool") | 900,000,000 | 625,000,000 | 600,000,000 | 1,100,000,000 | 517,234,613 | 1,500,000,000 |
| Contract Information (as % Total Pool) | | | | | | |
| Auto loan receivables % | 95% | | 100.00% | | 100.00% | |
| Unsecured consumer loan receivables % | 5% | 100.00% | | | | |
| Portion of (fully) amortising contracts % | 100% | 96.04% | 100.00% | 100.00% | 100.00% | 93.80% |
| Portion of bullet / balloon contracts % | 0% | 3.96% | 0.00% | 0.00% | 0.00% | 2.90% |
| Monthly paying contracts % | 100% | 95.87% | 100.00% | 100.00% | 100.00% | 82.60% |
| Quarterly paying contracts % | 0% | 0.45% | | 0.00% | 0.00% | 9.10% |
| Semi-annually paying contracts % | 0% | 3.66% | | 0.00% | 0.00% | 1.10% |
| Annually paying contracts % | 0% | 0.03% | | 0.00% | 0.00% | 4.00% |
| Floating rate contracts % | 0% | 58.66% | 0.00% | 0.00% | 0.00% | 30.10% |
| Fixed rate contracts % | 100% | 41.34% | 100.00% | 100.00% | 100.00% | 69.90% |
| WA initial yield (Total Pool) | 8.60% | 7.20% | 8.10% | 8.54% | 6.20% | 9.11% |
| WA initial yield (of fixed rate contracts) | 8.60% | 8.40% | | 8.54% | 0.00% | |
| WA initial spread (of floating rate contracts) | | 4.30% | | na | 0.00% | |
| Minimum yield for additional portfolios p.a. | 5% | | na | | 5% (FOR TOTAL POOL) | |
| WAL of Total Pool initially (in years) | 3.0 | 2.5 | 2.9 | 2.8 | 2.2 | 2.7 |
| WA original term (in years) | 6.7 | | na | | 0.0 | |

## Benchmark Table

| Deal Name | | BBVA Consumo 5 | Madrid Consumo II, FTA | FTA Santander Consumer Spain Auto 2010-1 | BBVA Consumo 4, FTA | Post-Review: BBVA Finanzia Autos 1, FTA | Fondo De Titulización De Activos, Santander Financiación 4 |
|---|---|---|---|---|---|---|---|
| WA seasoning (in years) | | 1.4 | 1.4 | 0.7 | 1.7 | 0.0 | 1.2 |
| WA remaining term (in years) | | 5.3 | 4.4 | 4.8 | 4.6 | 0.0 | 4.7 |
| Obligor Information (as % Total Pool) | | | | | | | |
| No. of obligors | | 105,993 | 69,733 | 52,053 | 117,907 | 0 | 169,818 |
| Single obligor (group) concentration % | | 0.01% | 0.20% | 0.09% | 0.01% | 0.00% | 0.14% |
| Top 10 obligor (group) concentration % | | 0.05% | 1.64% | 0.36% | 0.06% | 0.00% | 1.30% |
| Geographical Stratification (as % Total Pool) | | | | | | | |
| Name | 1st largest region | Andalucía | MADRID | Andalusia | Catalonia | Cataluña | Madrid |
| | 2nd largest region | Cataluña | CATALUÑA | Catalonia | Andalucia | Andalucía | Andalusia |
| | 3rd largest region | Madrid | CASTILLA LA MANCHA | Madrid | Madrid | Comunidad Valenciana | Cataluña |
| Size % | 1st largest region | 22.2% | 59.9% | 27.0% | 19.4% | 30.0% | 18.7% |
| | 2nd largest region | 20.4% | 7.9% | 11.0% | 18.6% | 25.0% | 16.7% |
| | 3rd largest region | 14.1% | 7.8% | 11.0% | 13.6% | 10.0% | 11.0% |
| Asset Assumptions | | | | | | | |
| Mean gross default rate - initial pool | | 12.50% | 10.00% | 12.00% | 11.50% | 12.00% | 19.50% |
| Mean gross default rate - replenished pool | | 14.00% | 10.00% | 12.00% | 13.00% | 0.00% | 19.50% |
| CoV | | 35% | 40.00% | 35.00% | 30.00% | 25.00% | 25.00% |
| Mean recovery rate | | 30% | 20.00% | 30.00% | 35.00% | 20.00% | 27.00% |
| Recovery lag (in months) | | 60%/20%/10%/10% each year after default | 50% after 1 year; 50% after 2 years | 10.50 | 12.90 | 4.50 | 22.50 |
| Prepayment Rate(s) | | 5% | 10% | 6% (15 months) / 6% | 8% (15 months) / 8% | 5% (12 months) / 5% | 5% (15 months) / 5% |
| Capital structure (as % Total Pool) | | | | | | | |
| Size of | Aaa rated class | 100% | 76.00% | 82.25% | 85.25% | | 74.25% |
| | Aa1 rated class | | | | | | |
| | Aa2 rated class | | | 9.50% | | | 5.00% |
| | Aa3 rated class | | | | | | |
| | A1 rated class | | | | | | |
| | A2 rated class | | | | | 89.17% | 5.00% |
| | A3 rated class | | | | 14.75% | | |
| | Baa1 rated class | | | | | | |
| | Baa2 rated class | | | 8.25% | | | 4.00% |
| | Baa3 rated class | | | | | | |
| | Ba1 rated class | | | | | | |
| | Ba2 rated class | | | | | | |
| | Ba3 rated class | | | | | | |
| | B1 rated class | | | | | 5.18% | |
| | B2 rated class | | | | | | |
| | B3 rated class | | | | | | 11.75% |
| rated class | Caa1 and below | | | | | 5.65% | 13.00% |
| | NR class | | 24.00% | | | | |
| | Equity | | | 14.75% | | | |
| Credit Enhancement (as % Total Pool) | | | | | | | |
| Initial Overcollateralisation | | 0% | 0.00% | 0.00% | 0.00% | | 0.00% |
| Reserve fund as % of notes excl. Equity | | 47% | 15.50% | 14.75% | 21.00% | 1.33% | 13.00% |
| Annualised net excess spread | | | 1.57% | 0.54% | 1.73% | 1.80% | 0.07% |
| Credit Enhancement for | Aaa rated class | 47% | 39.50% | 32.50% | 35.75% | | 38.75% |
| | Aa1 rated class | | | | | | |
| | Aa2 rated class | | | 23.00% | | | 33.75% |
| | Aa3 rated class | | | | | | |

## Benchmark Table

| Deal Name | BBVA Consumo 5 | Madrid Consumo II, FTA | FTA Santander Consumer Spain Auto 2010-1 | BBVA Consumo 4, FTA | Post-Review: BBVA Finanzia Autos 1, FTA | Fondo De Titulización De Activos, Santander Financiación 4 |
|---|---|---|---|---|---|---|
| A1 rated class | | | | | | |
| A2 rated class | | | | | 12.16% | 28.75% |
| A3 rated class | | | | 21.00% | | |
| Baa1 rated class | | | | | | |
| Baa2 rated class | | | 14.75% | | | 24.75% |
| Baa3 rated class | | | | | | |
| Ba1 rated class | | | | | | |
| Ba2 rated class | | | | | | |
| Ba3 rated class | | | | | | |
| B1 rated class | | | | | 6.98% | |

As of closing date

## 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. For more information on V Score and Parameter Sensitivity methodology for Consumer Loan ABS, please refer to 'V Scores and Parameter Sensitivities in the Global Consumer Loan ABS Sector, ' published in May 2009.

Parameter sensitivities for this transaction have been calculated in the following manner: Moody's tested 9 scenarios derived from the combination of mean default: 12.5% (base case), 13.5% (base case +1%), 14.5% (base case + 2%) and recovery rate: 30% (base case), 25% (base case - 5%), 20% (base case - 10%). The 12.5% / 30% 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.

TABLE 2*:
**Tranche A**

| | | 30.0% | 25.0% | 20.0% |
|---|---|---|---|---|
| Mean Default | 12.5% | Aaa* | Aaa (0) | Aaa (0) |
| | 13.5% | Aaa (0) | Aaa (0) | Aa1 (1) |
| | 14.5% | Aaa (0) | Aa1 (1) | Aa1 (1) |

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

**Worse case scenarios:** The model sensitivity output indicated that series A model output would vary from Aaa to Aa1 in these scenarios (all other factors being constant).

## 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**: both originators will act as servicers (a back-up servicer will be appointed if BBVA is downgraded below Baa3 and BBVA will be the backup of BBVA Finanzia if needed). BBVA will also be the interest rate swap counterparty (replacement triggers are in line with Moody's swap guidelines), the issuer account bank (replacement eligible entity or a eligible guarantor will need to be found if BBVA is downgraded below P-1), and the paying agent (replacement eligible entity or an eligible guarantor will need to be found if BBVA is downgraded below P-1).

**Significant influences**: In addition to the counterparty issues noted, the following factors may have a significant impact on the subject transaction's ratings: increase in the unemployment rate as a result of a deterioration of the Spanish economy beyond the stressed scenarios considered by Moody's.

| Counterparty Rating Triggers | Condition | Remedies |
|---|---|---|
| Interest Rate Swap Counterparty | In accordance with Moody's swap guidelines* | |
| Issuer Account Bank | Loss of P-1 | Replace |
| Collection Account Bank | Loss of P-1 | Sweep will switch from weekly to daily |
| | Loss of Baa3 | Commingling reserve will be deposited |
| Servicer | Loss of Baa3 | Appointment of back up servicer |

* See Framework for De-Linking Hedge Counterparty Risks from Global Structured Finance Transactions Moody's Methodology, 18 Oct 2010

**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 triggers 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 undertaken 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.

## 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:

### Methodology Used:

- » The Lognormal Method Applied to ABS Analysis, June 2000 (SF8827)
- » Historical Default Data Analysis for ABS Transactions in EMEA, November 2005 (SF64042)
- » V Scores and Parameter Sensitivities in the Global Consumer Loan ABS Sectors, May 2009 (SF161508)

### Originator Profile:

- » Banco Bilbao Vizcaya Argentaria, S.A., April 2010 (124250)

### Credit Opinion:

- » Banco Bilbao Vizcaya Argentaria, S.A., March 2010

### Performance Overviews of previous deals from the same originator:

- » BBVA Finanzia Autos 1, FTA
- » BBVA Consumo 1, FTA
- » BBVA Consumo 2, FTA
- » BBVA Consumo 3, FTA
- » BBVA Consumo 4, FTA
- » BBVA Autos 1, FTA
- » BBVA Autos 2, FTA

### Pre-Sale/New Issue Reports:

- » BBVA Finanzia Autos 1, FTA, May 2007 (SF97344)
- » BBVA Consumo 1, FTA, May 2006 (SF75160)
- » BBVA Consumo 2, FTA November 2006 (SF87611)
- » BBVA Consumo 3, FTA, April 2008 (SF128967)
- » BBVA Consumo 4, FTA, December 2009 (SF190606)
- » BBVA Autos 1, FTA, October 2004 (SF48836)
- » BBVA Autos 2, FTA, December 2005 (SF67123)

### Index Report:

- » EMEA Consumer Loan ABS Indices - July 2010 (SF218799)

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

## BBVA Finanzia

| Originator Ability | At Closing |
|---|---|
| **Sales and Marketing Practices** | |
| Origination Channels: | 100% brokers |
| **Underwriting Procedures** | |
| % of Loans Automatically Underwritten: | 100% |
| % of Loans Manually Underwritten: | Between 20-30% get a "doubt" scoring, thus are further analysed by lender's centralised office |
| Ratio of Loans Underwritten per FTE* per Day: | Not applicable |
| Average Experience in Underwriting or Tenure with Company: | 80% 0-5 years, 8% 5-10 and 12% with 10+ years |
| Approval Rate: | Spanish debtors: 52% automatically approved; 14% manually approved<br>Non-Spanish debtors: 15% automatically approved; 9% manually approved |
| Percentage of Exceptions to Underwriting Policies: | 2009 :1,86% 2010:2,67% |
| **Underwriting Policies** | |
| Source of Credit History Checks: | Internal database, external database: Experian / ASNEF |
| Methods Used to Assess Borrowers' Repayment Capabilities: | » DTI<br>» Income multiples: not used<br>» Affordability calculation: not used |
| Income Taken into Account in Affordability Calculations: | Gross income including base salary, bonus, overtime, and other income sources |
| Other Borrower's Exposures (i.e. other debts) Taken into Account in Affordability Calculations: | Only size of loan originated |
| Method Used for Income Verification: | Payslips |
| Maximum Loan Size: | Up to €30,000 automatically approved, higher than €30,000, application assessed by an analyst |
| **Closing Policies and Procedures** | |
| Quality Check Before Releasing Funds: | Phone calls to employer to confirm borrower information |
| **Credit Risk Management** | |
| Reporting Line of Chief Risk Officer: | To risk management Spain/Portugal |
| Ability to Track Loan Performance for Specific Loan Characteristics: | Score, dealer, branch |

* FTE: Full Time Employee

| Originator Stability | At Closing |
|---|---|
| **Quality Controls and Audits** | |
| Responsibility of Quality Assurance: | Independent team |
| Number of Files per Underwriter per Month Being Monitored: | 2009: 100 2010:135 |
| **Management Strength and Staff Quality** | |
| Average Turnover of Underwriters: | 2009: # dealers 3583 2010: # dealers 3239 |
| Training of New Hires and Existing Staff: | New Hires: 15 days of on-the-job training; then 2 months of work closely supervised by manager |
| **Technology** | |
| Frequency of Disaster Recovery Plan Test: | Annual |

## BBVA

| Originator Ability | At Closing |
|---|---|
| **Sales and Marketing Practices** | |
| Origination Channels: | 100% branches |
| **Underwriting Procedures** | |
| % of Loans Automatically Underwritten: | 100% |
| % of Loans Manually Underwritten: | Around 10% get a "doubt" scoring, thus are further analysed by lender's centralised office |
| Ratio of Loans Underwritten per FTE* per Day: | Not applicable |
| Average Experience in Underwriting: | 5-10 years |
| Approval Rate: | 71% (similar to previous years) |
| Percentage of Exceptions to Underwriting Policies: | Around 10% (similar to previous years) |
| **Underwriting Policies** | |
| Source of Credit History Checks: | Internal database, external database: Experian / ASNEF/CIRBE/RAI |
| Methods Used to Assess Borrowers' Repayment Capabilities: | » DTI (other debts are taken into account to determine the numerator of the ratio)<br>» Income multiples: not used<br>» Affordability calculation: not used |
| Income Taken into Account in Affordability Calculations: | Gross income including base salary, bonus, overtime, and other income sources |
| Other Borrower's Exposures (i.e. other debts) Taken into Account in Affordability Calculations: | Size of loan originated + other outstanding debt |
| Method Used for Income Verification: | Payslips |
| Maximum Loan Size: | Up to €60,000 |
| **Closing Policies and Procedures** | |
| Quality Check Before Releasing Funds: | No |
| **Credit Risk Management** | |
| Reporting Line of Chief Risk Officer: | To CEO |
| Ability to Track Loan Performance for Specific Loan Characteristics: | Score, origination channel, nationality |

* FTE: Full Time Employee

| Originator Stability | At Closing |
|---|---|
| **Quality Controls and Audits** | |
| Responsibility of Quality Assurance: | Independent team (25 people) |
| Number of Files per Underwriter per Month Being Monitored: | 120 per month (similar to previous years) |
| **Management Strength and Staff Quality** | |
| Average Turnover of Underwriters: | Not very high |
| Training of New Hires and Existing Staff: | Training is done regularly |
| **Technology** | |
| Frequency of Disaster Recovery Plan Test: | Semi-annual |

# Appendix 2: Summary of Servicer's Collection Procedures

## BBVA Finanzia

| Servicer Ability | At Closing |
|---|---|
| **Loan Administration** | |
| Entities Involved in Loan Administration: | External company |
| Early Stage Arrears Practices: | |
| Entities Involved in Early Stage Arrears: | 0-90 arrears management outsourced to Garsa (company 100% owned by BBVA Finanzia); 90+ arrears followed by centralised at head office (some parts of the process are outsourced to external companies) |
| **Definition of Arrears:** | |
| Arrears Strategy for 1-90 Days Delinquent | » Activity start after first unpaid instalment: a letter and sms is sent. Debtors are regularly contacted by the call center<br>» Around 80% of the arrears are solved in this stage through either return to performing, loan renegotiation (loan extension). |
| Data Enhancement in Case Borrower is Not Contactable: | Call to employer |
| **Loss Mitigation and Asset Management Practices:** | |
| Transfer of a Loan to the Late Stage Arrears Team: | After 90 days |
| Entities Involved in Late Stage Arrears: | Centralised at head office; loans lower that 6000euros activities are outsourced to external companies |
| Ratio of Loans per Collector (FTE): | 200 |
| Time from First Default to Litigation: | Varies case-by-case |
| Average Recovery Rate: | 2009: 25,58% 2010: 24,07% (recovery of outstanding principal) |

| Servicer Stability | At Closing |
|---|---|
| **Management and Staff** | |
| Average Experience in Servicing or Tenure with Company: | 5-10 years (tenure) |
| Training of New Hires Specific to the Servicing Function: | Length of the training: 1-2 months; type of training: work with experienced collector |
| **Quality Control and Audit** | |
| Responsibility of Quality Assurance: | independent team (internal audit) / In the early arrears stage calls are registered and reviewed |

## BBVA

| Servicer Ability | At Closing |
|---|---|
| **Loan Administration** | |
| Entities Involved in Loan Administration: | Centralized office |
| Early Stage Arrears Practices: | |
| Entities Involved in Early Stage Arrears: | Centralized office |
| **Definition of Arrears:** | |
| Arrears Strategy for 1-90 Days Delinquent | » Activity start after first unpaid instalment: a letter and sms is sent. Debtors are regularly contacted by the call center<br>» Meeting with client to find a solution/alternatives to repay the loan (around 3-4% of loans are re-structured)<br>» Contact guarantors<br>» External companies |
| Data Enhancement in Case Borrower is Not Contactable: | Specialised external companies |
| **Loss Mitigation and Asset Management Practices:** | |
| Transfer of a Loan to the Late Stage Arrears Team: | After 90 days |
| Entities Involved in Late Stage Arrears: | Centralised at head office; loans lower that 15,000Euros activities are outsourced to external companies |
| Ratio of Loans per Collector (FTE): | 600 |
| Time from First Default to Litigation: | Not made available |
| Average Recovery Rate: | Not made available |

| Servicer Stability | At Closing |
|---|---|
| **Management and Staff** | |
| Average Experience in Servicing or Tenure with Company: | >10 years (experience) |
| Training of New Hires Specific to the Servicing Function: | Training when hired or upon changes of relevant regulations |
| **Quality Control and Audit** | |
| Responsibility of Quality Assurance: | independent team (internal audit) – 5/6 people |

» contacts continued from page 1

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