Europea de Titulización
Sociedad Gestora de Fondos de Titulización

Hecho Relevante de BBVA LEASING 1 FONDO DE TITULIZACIÓN DE ACTIVOS

En virtud de lo establecido en el apartado 4.1.4 del Módulo Adicional a la Nota de Valores del Folleto Informativo de **BBVA LEASING 1 Fondo de Titulización de Activos** (el "**Fondo**") se comunica a la COMISIÓN NACIONAL DEL MERCADO DE VALORES el presente hecho relevante:

- La Agencia de Calificación Moody's Investors Service ("**Moody's**"), con fecha 22 de marzo de 2010, comunica que ha bajado las calificaciones asignadas a las Series de Bonos emitidos por **BBVA LEASING 1 Fondo de Titulización de Activos**:
    - **Serie A1**: **Baa3** (anterior **Aaa**, bajo revisión para posible descenso)
    - **Serie A2**: **Baa3** (anterior **Aaa**, bajo revisión para posible descenso)
    - **Serie B**: **Ca** (anterior **A3**, bajo revisión para posible descenso)
    - **Serie C**: **C** (anterior **Baa3**, bajo revisión para posible descenso)

Se adjunta la comunicación emitida por Moody's.

Madrid, 23 de marzo de 2010.

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Moody's Investors Service

Rating Action: **Moody's downgrades 4 classes of notes of BBVA Leasing 1, FTA Spanish Leasing ABS transaction**

Global Credit Research - 22 Mar 2010

EUR 1,337 million of rated securities affected

Frankfurt, March 22, 2010 -- Moody's Investors Service has today downgraded the following classes of notes issued by BBVA Leasing 1, FTA:

- EUR379.8 million A1 Certificate, Downgraded to Baa3 from Aaa; previously on 9 December 2009 placed under review for possible downgrade

- EUR813.3 million A2 Certificate, Downgraded to Baa3 from Aaa; previously on 9 December 2009 placed under review for possible downgrade

- EUR82.5 million B Certificate, Downgraded to Ca from A3; previously on 9 December 2009 placed under review for possible downgrade

- EUR61.3 million C Certificate, Downgraded to C from Baa3; previously on 9 December 2009 placed under review for possible downgrade

Moody's says that the downgrades were prompted by the worse than expected collateral performance and the weakening of macro-economic conditions in Spain during the past year, which prompted Moody's to revise its assumptions for the transaction. The magnitude of the downgrades reflects the current credit enhancement levels, which, combined with the revised assumptions, lead to a higher expected loss on the rated notes.

The rapid deterioration in performance is evidenced by the sharp increase in the artificial write-offs from EUR5.5 million in February 2009 to EUR61.0 million in February 2010 or 0.15% and 1.64% of the total securitised pool respectively. The cumulative amount of loans in arrears exceeding 90 days increased from 2.2% in February 2009 to 4.1% in February 2010. The structure initially benefited from a fully funded reserve account of EUR41.25 million, which has been partially drawn to cover write-offs on the previous interest payments dates and was fully depleted on the interest payment date in February 2010.

As of February 2010, the pool factor was 53% based on the notes' amount.

During its analysis, Moody's assessed macro-economic indicators as well as information made available from the management company Europea de Titulización.

Moody's assumptions for the cumulative mean default rate have been raised to 12% of current pool balance, which translates into 9% of the total securitised pool balance (vs. 2.0% initially). Moody's considers the debtors in this transaction to be SME and accordingly used its SME approach to determine the expected mean default rate. Moody's first revised its assumption for the default probability (DP) of the Spanish SME debtors to an equivalent rating in the single B-range for debtors operating in the building and real estate sector, and in the low Ba-range for non-real-estate debtors.

In addition, Moody's made DP adjustments to reflect the size of the debtors' companies, notching down its rating proxy on a portion of the debtors to reflect additional default risk associated with micro-sized SMEs and self-employed borrowers.

Moody's equivalent rating for loans in arrears for more than 30 days was also notched down depending on the length of time the loans had been in arrears, and it was notched up for those performing loans not in the building and real estate sector originated prior to 2006, depending on their actual seasoning.

Following these adjustments, the portfolio's overall DP equivalent rating was assumed at B2, which, over a weighted average life of 2.8 years, results in a DP of 12% on current pool balance.

This is also in line with levels observed using a roll rate analysis based on delinquent loans. The roll rate analysis was based on the level of 90+ delinquencies as well as doubtful loans.

Based on recovery data received, the recovery rate was lowered to 30% (vs. 40% initially). Lastly, the coefficient of variation (CoV) was reduced to 35% from 45% initially given the increased mean default, the relative uncertainty around this trend could be viewed lower than at closing.

The combination of the revised assumptions with the current levels of credit enhancement led to the downgrade of all tranches. In particular, the credit enhancement below the pro-rata amortising tranches A1 and A2 currently stands at 10.5%. This level of credit enhancement is considered to be only in line with a Baa3 rating, given the future expected losses of 8.4% calculated as the product of mean default on current balance and a recovery rate of 30%.

BBVA Leasing 1, FTA closed in June 2007. The originator is Banco Bilbao Vizcaya Argentaria (BBVA) (rated Aa2/Prime-1). This transaction is backed by a portfolio of credit rights derived from real estate and equipment leasing of SMEs and self-employed individuals in Spain.

Moody's sector outlook for Spanish SME ABS is negative.

The ratings address the expected loss posed to investors by the legal final maturity date (May 2031). In Moody's opinion, the structure allows for timely payment of interest and ultimate payment of principal at par on or before the final legal maturity date.

The principal methodologies used in rating this transaction were Moody's "Refining the ABS SME Approach: Moody's Probability of Default Assumptions in the Rating Analysis of Granular Small and Mid-Sized Enterprise Portfolios in EMEA", published in March 2009; "Moody's Approach to Rating Granular SME Transactions in Europe, Middle East and Africa", published in June 2007, and "Revising Default/Loss Assumptions Over the Life of an ABS/RMBS Transaction", published on December 2008 and available on www.moodys.com in the Rating Methodologies sub-directory under the Research & Ratings tab. Further information on Moody's analysis of this transaction is available on www.moodys.com. In addition, Moody's publishes a weekly summary of structured finance credit, ratings and methodologies, available to all registered users of our website, at www.moodys.com/SFQuickCheck.

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Moody's Investors Service