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FITCH AFFIRMS 14, DOWNGRADES 2 BBVA RMBS SERIES TRANCHES

Fitch Ratings-London/Madrid-12 December 2008: Fitch Ratings has today affirmed 14 and downgraded two tranches of the BBVA RMBS series transactions following a performance review. The portfolios backing the transactions comprise loans originated by Banco Bilbao Vizcaya (BBVA). The rating actions are as follows:

BBVA RMBS I, Fondo de Titualizacion Activos:
Class A1 (ISIN ES0314147002) affirmed at 'AAA'; Outlook Stable.
Class A2 (ISIN ES0314147010) affirmed at 'AAA'; Outlook Stable.
Class A3 (ISIN ES0314147028) affirmed at 'AAA'; Outlook Stable.
Class B (ISIN ES0314147036) affirmed at 'A'; Outlook Stable.
Class C (ISIN ES0314147044) affirmed at 'BBB'; Outlook revised to Negative from Stable

BBVA RMBS II, Fondo de Titualizacion Activos:
Class A1 (ISIN ES0314148000) affirmed at 'AAA'; Outlook Stable.
Class A2 (ISIN ES0314148018) affirmed at 'AAA'; Outlook Stable.
Class A3 (ISIN ES0314148026) affirmed at 'AAA'; Outlook Stable.
Class A4 (ISIN ES0314148034) affirmed at 'AAA'; Outlook Stable.
Class B (ISIN ES0314148042) affirmed at 'A+'; Outlook Stable.
Class C (ISIN ES0314148059) affirmed at 'BBB+'; Outlook revised to Negative from Stable

BBVA RMBS III, Fondo de Titualizacion Activos:
Class A1 (ISIN ES0314149008) affirmed at 'AAA'; Outlook Stable.
Class A2 (ISIN ES0314149016) affirmed at 'AAA'; Outlook Stable.
Class A3 (ISIN ES0314149024) affirmed at 'AAA'; Outlook Stable.
Class B (ISIN ES0314149032) downgraded to 'A' from 'A+'; Outlook revised to Negative from Stable
Class C (ISIN ES0314149040) downgraded to 'BBB-'(BBB minus) from 'BBB+'; Outlook revised to Negative from Stable

BBVA RMBS III has experienced an upward trend of its three month plus arrears which reached 2.03% of the current collateral balance in October 2008. Defaults, defined as loans more than twelve months in arrears, reached 0.20% of the current collateral balance on the 16th month of the transaction. Defaulted loans are written-off using available excess spread, however because they have been higher than the available excess spread in the last period, the Reserve Fund (RF) was drawn from EUR39m to EUR38,8m. Although the amount used was low, increasing arrears imply there is a high probability that further draws of the RF will occur. The deteriorating performance of BBVA RMBS III prompted the downgrade of classes B and C.

The arrears of BBVA I and II are still below the Spanish Fitch 3 month plus arrears index, but the upward trend of arrears and the downward pressure on Spanish house prices are reflected in the Outlook revisions to the junior class notes. The lower arrears of the first two deals is explained by the fact that their seasoning at closing was double that of BBVA III. The three transactions closed between February and July 2007.

The original loan-to-value (OLTV) at closing ranged between 85% and 100%, 65% and 100%, 79.6% and 100% for of BBVA I, II and III, respectively. The high loan-to-value (LTV) of loans in a Spanish real estate market marked by declining prices will put pressure on losses when loans start to foreclose.
BBVA is Spain's second-largest banking group. Its Spanish and Latin America operations are focussed on retail and corporate banking, insurance, and investment and pension fund management.
Rating Outlooks for European structured finance tranches provide forward-looking information to the market. An Outlook indicates the likely direction of any rating change over a one- to two-year

period. For further information on Rating Outlooks, please see Fitch's "Scanning the Horizon - Rating Outlooks in European Structured Finance" 1 June 2007 report which is available on the agency's public website, www.fitchratings.com.

Further commentary and performance data on the BBVA RMBS series transactions are available on the agency's subscriber website, www.fitchresearch.com.

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