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.

Mario Masiá Vicente
Director General
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.


Paris
Carole Gintz
VP - Senior Credit Officer
Structured Finance Group
Moody’s France S.A.
JOURNALISTS: 44 20 7772 5456
SUBSCRIBERS: 44 20 7772 5454

Frankfurt
Iris Thate
Asst Vice President - Analyst
Structured Finance Group
Moody’s Deutschland GmbH
JOURNALISTS: 44 20 7772 5456
SUBSCRIBERS: 44 20 7772 5454

© Copyright 2010, Moody’s Investors Service, Inc. and/or its licensors including Moody’s Assurance Company, Inc. (together, “MOODY’S”). All rights reserved.

CREDIT RATINGS ARE MOODY'S INVESTORS SERVICE, INC.'S ("MIS") CURRENT OPINIONS OF THE RELATIVE FUTURE CREDIT RISK OF ENTITIES, CREDIT COMMITMENTS, OR DEBT OR DEBT-LIKE SECURITIES. MIS DEFINES CREDIT RISK AS THE RISK THAT AN ENTITY MAY NOT MEET ITS CONTRACTUAL, FINANCIAL OBLIGATIONS AS THEY COME DUE AND ANY ESTIMATED FINANCIAL LOSS IN THE EVENT OF DEFAULT. CREDIT RATINGS DO NOT ADDRESS ANY OTHER RISK, INCLUDING BUT NOT LIMITED TO: LIQUIDITY RISK, MARKET VALUE RISK, OR PRICE VOLATILITY. CREDIT RATINGS ARE NOT STATEMENTS OF CURRENT OR HISTORICAL FACT. CREDIT RATINGS DO NOT CONSTITUTE INVESTMENT OR FINANCIAL ADVICE, AND CREDIT RATINGS ARE NOT RECOMMENDATIONS TO PURCHASE, SELL, OR HOLD PARTICULAR SECURITIES. CREDIT RATINGS DO NOT COMMENT ON THE
SUITABILITY OF AN INVESTMENT FOR ANY PARTICULAR INVESTOR. MIS ISSUES ITS CREDIT RATINGS WITH THE EXPECTATION AND UNDERSTANDING THAT EACH INVESTOR WILL MAKE ITS OWN STUDY AND EVALUATION OF EACH SECURITY THAT IS UNDER CONSIDERATION FOR PURCHASE, HOLDING, OR SALE.

ALL INFORMATION CONTAINED HEREIN IS PROTECTED BY LAW, INCLUDING BUT NOT LIMITED TO, COPYRIGHT LAW, AND NONE OF SUCH INFORMATION MAY BE COPIED OR OTHERWISE REPRODUCED, REPACKAGED, FURTHER TRANSMITTED, TRANSFERRED, DISSEMINATED, REDISTRIBUTED OR RESOLD, OR STORED FOR SUBSEQUENT USE FOR ANY SUCH PURPOSE, IN WHOLE OR IN PART, IN ANY FORM OR MANNER OR BY ANY MEANS WHATSOEVER, BY ANY PERSON WITHOUT MOODY'S PRIOR WRITTEN CONSENT. All information contained herein is obtained by MOODY'S from sources believed by it to be accurate and reliable. Because of the possibility of human or mechanical error as well as other factors, however, all information contained herein is provided "AS IS" without warranty of any kind. Under no circumstances shall MOODY'S have any liability to any person or entity for (a) any loss or damage in whole or in part caused by, resulting from, or relating to, any error (negligent or otherwise) or other circumstance or contingency within or outside the control of MOODY'S or any of its directors, officers, employees or agents in connection with the procurement, collection, compilation, analysis, interpretation, communication, publication or delivery of any such information, or (b) any direct, indirect, special, consequential, compensatory or incidental damages whatsoever (including without limitation, lost profits), even if MOODY'S is advised in advance of the possibility of such damages, resulting from the use of or inability to use, any such information. The ratings, financial reporting analysis, projections, and other observations, if any, constituting part of the information contained herein are, and must be construed solely as, statements of opinion and not statements of fact or recommendations to purchase, sell or hold any securities. Each user of the information contained herein must make its own study and evaluation of each security it may consider purchasing, holding or selling. NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, TIMELINESS, COMPLETENESS, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OF ANY SUCH RATING OR OTHER OPINION OR INFORMATION IS GIVEN OR MADE BY MOODY'S IN ANY FORM OR MANNER WHATSOEVER.

MIS, a wholly-owned credit rating agency subsidiary of MOODY'S Corporation ("MCO"), hereby discloses that most issuers of debt securities (including corporate and municipal bonds, debentures, notes and commercial paper) and preferred stock rated by MIS have, prior to assignment of any rating, agreed to pay to MIS for appraisal and rating services rendered by it fees ranging from $1,500 to approximately $2,500,000. MCO and MIS also maintain policies and procedures to address the independence of MIS's ratings and rating processes. Information regarding certain affiliations that may exist between directors of MCO and rated entities, and between entities who hold ratings from MIS and have also publicly reported to the SEC an ownership interest in MCO of more than 5%, is posted annually at www.moodys.com under the heading "Shareholder Relations - Corporate Governance - Director and Shareholder Affiliation Policy."

Any publication into Australia of this Document is by MOODY'S affiliate MOODY'S Investors Service Pty Limited ABN 61 003 399 657, which holds Australian Financial Services License no. 336969. This document is intended to be provided only to wholesale clients (within the meaning of section 761G of the Corporations Act 2001). By continuing to access this Document from within Australia, you represent to MOODY'S and its affiliates that you are, or are accessing the Document as a representative of, a wholesale client and that neither you nor the entity you represent will directly or indirectly disseminate this Document or its contents to retail clients (within the meaning of section 761G of the Corporations Act 2001).