

RatingsDirect®

Ratings On BBVA RMBS 5 Class A Notes And BBVA RMBS 9 Notes Lowered; Ratings On BBVA RMBS 5's Class B And C Notes Raised

Surveillance Credit Analyst:

Isabel Plaza, Madrid (34) 91-788-7203; isabel_plaza@standardandpoors.com

OVERVIEW

- We have conducted our performance review and applied our 2012 counterparty criteria. After our 2012 counterparty criteria came into effect, the issuer modified the transaction documents for BBVA RMBS 5 and BBVA RMBS 9.
- We have today lowered our ratings on the class A notes in BBVA RMBS 5 and the notes in BBVA RMBS 9 because, although the issuer has amended the transaction documents, they are no longer commensurate with previous rating levels under our 2012 counterparty criteria.
- At the same time, we have raised our ratings on BBVA RMBS 5's class B and C notes to reflect the significant increase in the level of available credit enhancement since closing.
- BBVA originated and currently services the loans backing these two Spanish RMBS transactions, which closed in May 2008 and April 2010, respectively.

MADRID (Standard & Poor's) Sept. 18, 2012--Standard & Poor's Ratings Services today took various credit rating actions in two of Banco Bilbao Vizcaya Argentaria S.A.'s (BBVA) Spanish residential mortgage-backed securities (RMBS) series.

Specifically, we:

- Lowered to 'A- (sf)' from 'A (sf)' our rating on BBVA RMBS 5, Fondo de Titulización de Activos' (BBVA RMBS 5) class A notes;

- Raised our ratings on BBVA RMBS 5's class B and C notes; and
- Lowered and removed from CreditWatch negative our rating on the BBVA RMBS 9, Fondo de Titulización de Activos' (BBVA RMBS 9) notes (see list below). The notes were placed on Creditwatch negative on May 8, 2012 (see "Various Rating Actions Taken On 98 Tranches In 85 Spanish Securitizations Following Sovereign Downgrade,")

Each transaction securitizes a portfolio of secured, "flexible" loans to individuals resident in Spain for the acquisition of residential properties. A "flexible" loan is defined as one for which the maturity can be modified, installments can be deferred, a final balloon payment may be defined, or the interest rate can change from a floating to a fixed rate during three years. BBVA originated the loans and is the servicer, bank account provider, paying agent, and swap provider in both portfolios.

As with other Spanish transactions, interest and principal are combined into a single priority of payments.

After our 2012 counterparty criteria came into effect, the issuer modified the documentation for both transactions (see "Counterparty Risk Framework Methodology And Assumptions," published on May 31, 2012).

BBVA RMBS 5

On May 6, 2011, the transaction was restructured and the required amount of the reserve fund was increased by €271.91 million, to €413.91 million from €142.00 million. On the latest payment date in June 2012, the cash reserve represented 7.13% of the initial balance of the notes. While it was not at the required level defined in the documents (8.28% of the initial balance of the notes), the level of credit enhancement was still much higher than that at closing.

The class B and C notes benefit from the increased size of the reserve fund. The level of credit enhancement available to the class B notes is 2.75 times higher than at closing, while the level of credit enhancement available to the class C notes has increased 3.5 times over the same period. This enabled both classes of notes to support a higher rating. We have therefore raised our ratings on the class B and C notes.

Delinquency levels in the portfolio backing this transaction have stabilized over the past two years. During the past year, arrears of 180+ days up to default have increased by only 39 basis points (bps) over the outstanding balance of the pool. The cumulative defaults as of the latest payment date were 2.82% over the initial balance of the pool. If defaults continue to rise at the same rate for the next year, the transaction will not hit its deferral-of-interest triggers over that period (the deferral-of-interest trigger on the class C notes is defined as 10% over the initial balance).

We lowered to 'A- (sf)' from 'A (sf)' our rating on the class A notes, even though performance has been fairly stable for the past year and the reserve

fund has increased in size considerably, because of the notes' counterparty exposure. Although the issuer amended the transaction documentation, under our 2012 counterparty criteria, the remedy actions at the issuer's disposal for the class A notes support a maximum rating of 'A- (sf)'.

BBVA RMBS 9

The transaction closed in April 2010 and has a very low level of arrears--the maximum level of total arrears was 1.24%, in March 2012. Cumulative defaults only represent 0.06% of the initial balance of the pool. The level of credit enhancement available to the notes in itself would support a higher rating and we consider transaction performance to be good, based on the low level of arrears and cumulative defaults.

However, we have lowered our rating on the notes because, under our 2012 counterparty criteria, the amendments to the transaction documents indicate that the remedy actions at the issuer's disposal support a maximum rating of 'A- (sf)'.

STANDARD & POOR'S 17G-7 DISCLOSURE REPORT

SEC Rule 17g-7 requires an NRSRO, for any report accompanying a credit rating relating to an asset-backed security as defined in the Rule, to include a description of the representations, warranties and enforcement mechanisms available to investors and a description of how they differ from the representations, warranties and enforcement mechanisms in issuances of similar securities. The Rule applies to in-scope securities initially rated (including preliminary ratings) on or after Sept. 26, 2011.

If applicable, the Standard & Poor's 17g-7 Disclosure Report included in this credit rating report is available at <http://standardandpoorsdisclosure-17g7.com>

RELATED CRITERIA AND RESEARCH

- Counterparty Risk Framework Methodology And Assumptions, May 31, 2012
- Various Rating Actions Taken On 98 Tranches In 85 Spanish Securitizations Following Sovereign Downgrade, May 8, 2012
- European Structured Finance Scenario And Sensitivity Analysis: The Effects Of The Top Five Macroeconomic Factors, March 14, 2012
- Global Structured Finance Scenario And Sensitivity Analysis: The Effects Of The Top Five Macroeconomic Factors, Nov. 4, 2011
- Principles Of Credit Ratings, Feb. 16, 2011
- Methodology: Credit Stability Criteria, May 3, 2010
- Methodology And Assumptions: Update To The Cash Flow Criteria For European RMBS Transactions, Jan. 6, 2009
- European Legal Criteria For Structured Finance Transactions, Aug. 28, 2008
- Criteria for Rating Spanish Residential Mortgage-Backed Securities, March 1, 2002

Ratings On BBVA RMBS 5 Class A Notes And BBVA RMBS 9 Notes Lowered; Ratings On BBVA RMBS 5's Class B And C Notes Raised

- Methodology And Assumptions: Update To The Criteria For Rating Spanish Residential Mortgage-Backed Securities, Jan. 6, 2009

RATINGS LIST

Class	Rating	
	To	From

BBVA RMBS 5, Fondo de Titulización de Activos
€5 Billion Mortgage-Backed Floating-Rate Notes

Rating Lowered

A	A- (sf)	A (sf)
---	---------	--------

Ratings Raised

B	A- (sf)	BBB- (sf)
C	BBB (sf)	BB (sf)

BBVA RMBS 9, Fondo de Titulización de Activos
€1.3 Billion Mortgage-Backed Floating-Rate Notes

Rating Lowered And Removed From CreditWatch Negative

Notes	A- (sf)	AA+ (sf)/Watch Neg
-------	---------	--------------------

Additional Contact:

Structured Finance Europe; StructuredFinanceEurope@standardandpoors.com

Copyright © 2012 by Standard & Poor's Financial Services LLC. All rights reserved.

No content (including ratings, credit-related analyses and data, model, software or other application or output therefrom) or any part thereof (Content) may be modified, reverse engineered, reproduced or distributed in any form by any means, or stored in a database or retrieval system, without the prior written permission of Standard & Poor's Financial Services LLC or its affiliates (collectively, S&P). The Content shall not be used for any unlawful or unauthorized purposes. S&P and any third-party providers, as well as their directors, officers, shareholders, employees or agents (collectively S&P Parties) do not guarantee the accuracy, completeness, timeliness or availability of the Content. S&P Parties are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, for the results obtained from the use of the Content, or for the security or maintenance of any data input by the user. The Content is provided on an "as is" basis. S&P PARTIES DISCLAIM ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, FREEDOM FROM BUGS, SOFTWARE ERRORS OR DEFECTS, THAT THE CONTENT'S FUNCTIONING WILL BE UNINTERRUPTED, OR THAT THE CONTENT WILL OPERATE WITH ANY SOFTWARE OR HARDWARE CONFIGURATION. In no event shall S&P Parties be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs or losses caused by negligence) in connection with any use of the Content even if advised of the possibility of such damages.

Credit-related and other analyses, including ratings, and statements in the Content are statements of opinion as of the date they are expressed and not statements of fact. S&P's opinions, analyses, and rating acknowledgment decisions (described below) are not recommendations to purchase, hold, or sell any securities or to make any investment decisions, and do not address the suitability of any security. S&P assumes no obligation to update the Content following publication in any form or format. The Content should not be relied on and is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment and other business decisions. S&P does not act as a fiduciary or an investment advisor except where registered as such. While S&P has obtained information from sources it believes to be reliable, S&P does not perform an audit and undertakes no duty of due diligence or independent verification of any information it receives.

To the extent that regulatory authorities allow a rating agency to acknowledge in one jurisdiction a rating issued in another jurisdiction for certain regulatory purposes, S&P reserves the right to assign, withdraw, or suspend such acknowledgement at any time and in its sole discretion. S&P Parties disclaim any duty whatsoever arising out of the assignment, withdrawal, or suspension of an acknowledgement as well as any liability for any damage alleged to have been suffered on account thereof.

S&P keeps certain activities of its business units separate from each other in order to preserve the independence and objectivity of their respective activities. As a result, certain business units of S&P may have information that is not available to other S&P business units. S&P has established policies and procedures to maintain the confidentiality of certain nonpublic information received in connection with each analytical process.

S&P may receive compensation for its ratings and certain analyses, normally from issuers or underwriters of securities or from obligors. S&P reserves the right to disseminate its opinions and analyses. S&P's public ratings and analyses are made available on its Web sites, www.standardandpoors.com (free of charge), and www.ratingsdirect.com and www.globalcreditportal.com (subscription), and may be distributed through other means, including via S&P publications and third-party redistributors. Additional information about our ratings fees is available at www.standardandpoors.com/usratingsfees.