MOODY'S
INVESTORS SERVICE

NEW ISSUE REPORT

BBVA RMBS 9 FTA

RMBS / Prime / SPAIN

Closing Date

22 April 2010

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Definitive Ratings

CLASS	RATING	AMOUNT (MILLION)	% OF NOTES	PAYMENT TYPE	LEGAL FINAL MATURITY	COUPON	SUBORDI-NATION*	RESERVE FUND*	TOTAL CREDIT ENHANCE-MENT**
Notes	Aaa	€1,295	100.00	Passthrough	Sept-2053	3ME +0.30%	0.00%	20.50%	20.50%
Total		€1,295	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 percentage of all notes outstanding.

** No benefit attributed to excess spread.

V Score for the sector (Spanish RMBS):	*Medium*
V Score for the subject transaction:	*Medium*

The subject transaction is a static cash securitisation of RMBS extended to obligors located in Spain. The portfolio consists of high LTV mortgage loans secured by residential properties located in Spain.

Asset Summary (Definitive Pool as of closing)

Seller(s)/ originator(s):	Banco Bilbao Vizcaya Argentaria ("BBVA", Aa2 / P-1)
Servicer(s):	BBVA
Receivables:	First-lien prime mortgage loans to individuals secured by property located in Spain.
Methodology Used:	» Moody's updated methodology for rating Spanish RMBS, 29 July 2008 (SF133138) » V Scores and Parameter Sensitivities in the Major EMEA RMBS Subsectors, April 2009 (SF158654) » Cash Flow Analysis in EMEA RMBS: Testing Features with the MARCO Model (Moody's Analyser of Residential Cash Flows), January 2006 (SF58290)
Models Used:	MILAN (Spain settings) & ABSROM
Total Amount:	€1,295,100,979
Length of Revolving Period:	Static
Number of Borrowers:	7,547
Borrower concentration:	Top 20 borrowers make up 0.89% of the pool
WA Remaining Term:	34.6 years
WA Seasoning:	15.4 months
Interest Basis:	100% floating rate loans indexed to 12-month EURIBOR (99.5%) and IRPH(0.5%)
WA Current LTV:	87.5%
WA Original LTV:	88.9%
Moody's calculated WA indexed LTV:	91.3%
Borrower credit profile:	Prime borrowers
Delinquency Status:	100% performing as of closing date

Liabilities, Credit Enhancement and Liquidity

Excess Spread At Closing:	0.40% guaranteed by the swap
Credit Enhancement/Reserves:	Excess spread; Reserve fund sized at 20.50% of all notes outstanding; and Guaranteed Investment Contract (GIC) account earning three-month EURIBOR – 0.10% on deposits
Form of Liquidity:	Excess spread, reserve fund, principal to pay interest mechanism
Number of Interest Payments Covered by Liquidity:	Initial reserve fund will cover more than ten years of interest payments for the rated notes assuming 1.2% three-month EURIBOR
Interest Payments:	Quarterly in arrears on each payment date
Principal Payments:	Pass-through on each payment date
Payment Dates:	20 March, 20 June, 20 September, 20 December First payment date: 20 September 2010
Hedging Arrangements:	Interest rate swap to cover interest rate risk

Counterparties

Issuer:	BBVA RMBS 9, Fondo de Titulización de Activos
Sellers/Originators:	BBVA(Aa2/P-1)
Contractual Primary Servicer(s):	BBVA(Aa2/P-1)
Sub-Servicer(s):	None
Back-up Servicer(s):	None
Back-up Servicer Facilitator:	None
Cash Manager:	Europea de Titulización S.G.F.T., S.A ("EdT") (not rated.)
Back-up Cash Manager:	None
Calculation Agent/Computational agent:	EdT
Back-up Calculation/Computational Agent:	None
Swap Counterparty:	BBVA
Treasury Account Bank:	BBVA
Principal Account Bank:	N/A
Paying Agent:	BBVA
Note Trustee (Manager Company):	EdT
Issuer Administrator/Corporate Service Provider:	N/A
Arranger:	EdT
Lead Manager(s):	BBVA

Moody's View

Outlook for the Sector:	Negative
Unique Feature:	BBVA has previously launched HLTV deals
Degree of Linkage to Originator:	BBVA acts as servicer for its own portfolio. There is no back-up servicing agreement in place at closing. BBVA also acts as swap counterparty, issuer account bank, collection account bank, treasury account holder and paying agent.
Originator's Securitisation History:	
# of Precedent Transactions in Sector:	8
% of Book Securitised:	39%
Behaviour of Precedent Transactions:	Better than average
Key Differences between Subject and Precedent Transactions:	Higher LTV
Portfolio Relative Performance:	
Expected Loss/Ranking:	4.5% Lower than other prime Spanish RMBS deals with HLTV, due to relatively good performance on previous deal
MILAN Aaa CE/Ranking:	17.0% Lower than other prime Spanish RMBS deals with HLTV, due to the comprehensive information provided and the good portfolio quality.
Weighted-Average Aaa Stress Rate For House Prices:	44.5%

Potential Rating Sensitivity:

Table Interpretation:	At the time the rating was assigned, the model output indicated that Class A would have achieved a Aaa rating even if the expected loss was as high as 9.0%, assuming a Milan Aaa CE at 20.4%, and all other factors were constant.
Factors Which Could Lead to a Downgrade:	Deterioration in the real estate market and the transaction performance beyond modelled stress. Unforeseen regulatory changes.

TABLE 1:

		MILAN Aaa CE			
		17.0%	**20.4%**	**23.8%**	**27.2%**
MEDIAN EXPECTED LOSS	**4.5%**	**Aaa***	Aaa (0)	Aa1 (1)	Aa1 (1)
	6.75%	Aaa (0)	Aaa (0)	Aa1 (1)	Aa3 (3)
	9.0%	Aaa (0)	Aaa (0)	Aa2 (2)	A1 (4)
	12.8%	Aaa (0)	Aa1 (1)	A2 (5)	A3 (6)

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

Composite V Score

		BREAKDOWN OF THE V SCORES ASSIGNED TO	SPAIN RMBS SECTOR	TRANS-ACTION	REMARKS
		Composite Score: Low (L), Low/Medium (L/M), Medium (M), Medium/High (M/H), or High (H) "Low" reflects lowest level of uncertainty in estimating credit risk relative to other Structured Finance instruments.	M	M	
1		**Sector Historical Data Adequacy and Performance Variability**	**M**	**M**	
	1.1	Quality of Historical Data for the Sector	M	M	» Same as sector score
	1.2	Sector's Historical Performance Variability	M	M	» Same as sector score
	1.3	Sector's Historical Downgrade Rate	L/M	M	» HLTV deals from different originators have been severely downgraded recently
2		**Issuer/Sponsor/Originator Historical Data Adequacy, Performance Variability and Quality of Disclosure**	**M**	**M/H**	
	2.1	Quality of Historical Data for the Issuer/Sponsor/Originator	M	M/H	» Global data on performance for BBVA's HLTV mortgage loans received, showing arrears levels since 2002 » Vintage data was not provided
	2.2	Issuer/Sponsor/Originator's Historical Performance Variability	M	M	» Former HLTV deals from BBVA show better performance than other originators in Spain
	2.3	Disclosure of Securitisation Collateral Pool Characteristics	M	M	» Months Current data was not provided (number of months elapsed since the last time a borrower unpaid any amount)
	2.4	Disclosure of Securitisation Performance	L/M	L/M	» Good level of data received from the previous eight RMBS deals from BBVA
3		**Complexity and Market Value Sensitivity**	**L/M**	**M**	
	3.1	Transaction Complexity	L/M	M	» HLTV pools are more exposed to house price declines
	3.2	Analytic Complexity	L/M	L/M	» Used standard MILAN and cash flow models
	3.3	Market Value Sensitivity	L/M	L/M	» In line with the sector
4		**Governance**	**L/M**	**L/M**	
	4.1	Experience of, Arrangements Among and Oversight of Transaction Parties	L/M	L/M	» BBVA has ten years of experience in securitization, and more than 30 deals issued
	4.2	Back-up Servicer Arrangement	L	L	» No back up servicer arrangement in place at closing, however role performed by Aa2 rated entity » Back-up Servicer facilitator at loss of Baa3
	4.3	Alignment of Interests	L/M	L/M	» In line with the sector
	4.4	Legal, Regulatory, or Other Uncertainty	L/M	L/M	» In line with the sector

Strengths and Concerns

Strengths:

- **Asset quality:** Particular strengths related to the portfolio include:
- Civil servants: 8.7% of the portfolio corresponds to protected life time employed (Spanish civil servants).
- Geographical diversification: The portfolio is well diversified among regions, with the maximum exposure in Andalusia (24%).
- **Performance:** Former transactions issued by BBVA with HLTV show better performance than other deals in the specific HLTV segment.
- **Hedging arrangements:** There is an interest rate swap with guaranteed excess spread in place to cover the mismatch between the base rate on the mortgages and on the notes, as well as the timing mismatch on interest payments due to the subsidies. The swap secures the weighted-average margin on the notes plus 0.40%. The swap also eliminates any risk related to the reduction of the margin and holiday payments.

Concerns and Mitigants:

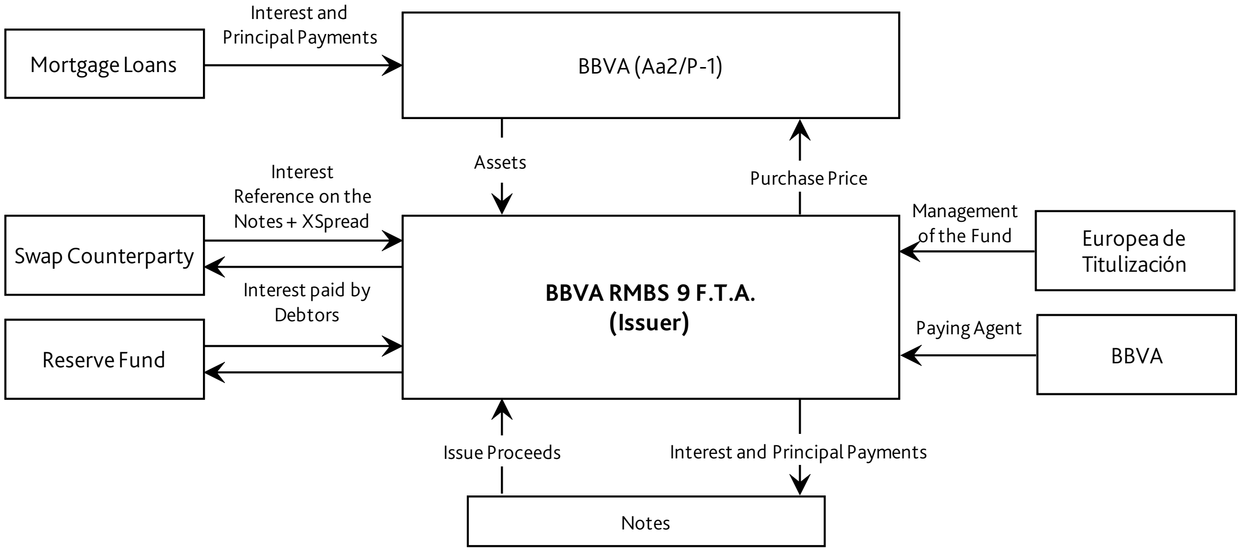
Moody's committees particularly focused on the following factors, listed in order of those most likely to affect the ratings:

Loan Characteristics:

- Weighted-average LTV: Only mortgage loans with a current LTV above 80% have been selected. The weighted-average current LTV (based on valuation at origination) of 87.5% is significantly higher than the market average.
- Month current: BBVA has not provided information with respect to the "Month Current" field (meaning last time that the loan was in arrears, if any).
- Brokers: 6.3% of the pool corresponds to loans originated via brokers. In Moody's view, loans initially originated via brokers have a riskier profile than standard branch origination (see "Treatment of Concerns" section for more details).
- New residents: 2.3% of the pool corresponds to loans granted to self-employed borrowers. In Moody's view, new residents have a riskier profile than residents with a longer stay in Spain (see "Treatment of Concerns" section for more details).
- Amortisation: 97% of the portfolio can request a semi-bullet final payment, while 99% can opt for reducing or increasing the final maturity (see "Treatment of Concerns" section for more details).
- **Commingling risk**: The transaction is partially exposed to commingling risk. This risk is mitigated by several provisions. If BBVA's short-term rating falls below P-1, the payments will be transferred daily. If BBVA is downgraded below Baa3, a commingling reserve covering one month of collections from the loans will be deposited with, or a credit facility will be provided by a suitably rated entity.
- **Economic conditions**: Weak economic prospects in Spain, with rising unemployment likely to drive delinquencies up in the short to medium term. This is mitigated by an increased expected loss to account for this risk.

Structure, Legal Aspects and Associated Risks

CHART 1
Structure Chart



Allocation of payments/pre-accelerated revenue waterfall:

On each quarterly payment date, the issuer's available funds (i.e. amounts received from the portfolio, the reserve fund, interest earned on the issuer account and amounts received from the swap counterparty) will be applied in the following simplified order of priority:

1. Cost and fees, including servicing fee
2. Any amount due under the swap agreement (other than swap termination payments due to a default or breach of contract by the swap counterparty)
3. Interest payment to the notes
4. Retention of an amount equal to the principal due under the notes to amortise the notes (target principal amount)
5. Replenishment of the reserve fund
6. Termination payment under the swap agreement (except if the counterparty is the defaulting party or the only affected party)
7. Repayment of subordinated loans
8. Originator consideration

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.

Performance Triggers:

TRIGGER	CONDITIONS	REMEDIES/CURE
Reserve Fund Amortisation	» The arrears level (defined as the percentage of loans that are more than 90 days in arrears but not defaulted) exceeds 1.00%; or » The reserve fund is not funded at its required level on the current payment date; or » Less than three 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 closing, the reserve fund will be 20.5% of the initial note balance. Three years from closing, subject to the amortisation trigger described in the table above, the reserve fund will amortise to the lower of the following amounts:

» 20.5 % of the initial balance of the notes; and

» The higher of the following amounts:

» 41.0 % of the outstanding balance of the notes; and

» 10.25% of the initial amount of the notes

The reserve fund will be replenished after the principal payment of the notes. Through these mechanisms, Moody's considers that the reserve fund in this transaction is in line with other comparable Spanish RMBS transactions.

Liquidity:

There is no specific source of liquidity in the transaction. However, the following mechanisms in place provide liquidity for the payment of interest to the notes:

» Swap payments based on the balance of the notes.

» 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 Fondo.

Interest rate mismatch:

» All the final portfolio corresponds to floating-rate loans linked to 12-month EURIBOR (99.5%) or IRPH(0.5%), and most of them resetting semiannually; whereas the notes are linked to three-month EURIBOR and reset every quarter on the determination dates.

» This leads to an interest rate mismatch in the transaction.

Mitigant:

To reduce the risk that interest received under the mortgage loans and the bank accounts is insufficient to cover interest payments under the notes due to mismatches in underlying base rate movements, the *Fondo* has entered into a swap agreement with BBVA.

According to the swap agreement entered into between the *Fondo* and the swap counterparty, on each payment date:

The *Fondo* will pay the interest actually received from all the loans during the previous quarter.

The swap counterparty will pay the notes' coupon plus 40 bps, over a notional calculated as the daily average of outstanding amount of the non written-off loans that are less than 90 days in arrears.

The *Fondo* will be exposed to reductions in the notional due to loans rolling into arrears over 90 days. If these loans become current again, the arrears amount received from the borrowers would be passed onto the swap counterparty.

The swap documentation complies with Moody's swap criteria and has been articulated under CMOF.

Cash Commingling: All of the payments under the loans in the pool are collected by the servicer under a direct debit scheme. Consequently, in the event of insolvency of BBVA 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 servicer and may be commingled with other funds belonging to BBVA.

Mitigant: Payments are transferred weekly to the treasury account in the name of the Fondo held by BBVA.

Subject to triggers mentioned in the Counterparty Rating Trigger table, the sweep will be accelerated to daily and the servicer will put in place a commingling reserve as described in the "Servicer Related Triggers" section.

Set-off:

100% of obligors have accounts with the seller (BBVA).

Mitigant: Set off is very limited as only unpaid instalments that are considered as fully due and payable prior to the declaration of insolvency might be offset against the deposits held by the originator.

Permitted variations:

Any renegotiation of the terms and conditions of the loans is subject to the management company's approval. The management company may authorise BBVA to renegotiate the interest rate or maturity of the loans without requiring its approval.

Mitigant: BBVA will not be able to extend the maturity of any loan beyond 15 January 2050. The renegotiation of the maturity of the loans is also subject to various conditions, of which the following are the most significant:

1. The global initial amount of loans on which the maturity has been extended cannot be greater than 10% of the initial amount of the pool.
2. The frequency of payments cannot be decreased.
3. The amortisation profile cannot be modified.

Additionally, BBVA will not be able to renegotiate the interest margin on the loans if the weighted-average margin of the portfolio is lower than 50 bps. This renegotiation limit aims to protect the swap's liquidity. The swap provider will take on the risk of reduced margin as all the interest received on the loans are swapped.

Payment Holidays

99.4% of the portfolio can enjoy a payment holiday, though no loan will be under such condition as of closing. The maximum period for a payment holiday is only two months, therefore the liquidity risk due to this optionality is mitigated by the Reserve Fund amount, as well as principal to pay interest.

Originator Profile, Servicer Profile and Operating Risks

Date of Operations Review:	March 2010

Originator Background: BBVA

Rating:	» Aa2/P-1
Financial Institution Group Outlook:	» Negative
Ownership Structure:	» N/A
Asset Size:	» €77.5 billion as at end 2009 (residential mortgages)
% of Total Book Securitised:	» 39% of residential mortgages securitised
Transaction as % of Total Book:	» 1.7%
% of Transaction Retained:	» 100%

ORIGINATOR ASSESSMENT	MAIN STRENGTHS (+) AND CHALLENGES(-)
Overall Assessment:	**Above-Average** BBVA is one of the biggest Spanish lenders and is above the average originator in Spain. Its underwriting policies and marketing practices are in line with market standards. A positive factor is its above-average stability in the Spanish market.
Originator Ability	
Sales & Marketing Practices	+ BBVA holds a market share of 12.8% of the Spanish mortgage market (as of 2009). + Strong commercial network (3,300 branches) - Some broker origination in recent years (6.3% in this securitised portfolio), though lately reduced to 2.8% of the total origination during 2009.
Underwriting Policies & Procedures	+ The prompt response given by BBVA to the current crisis made a reinforcement of underwriting criteria and tool developments possible in 2008. The almost 60% of the current portfolio originated in 2009 may benefit from these improved practises. +/- Underwriting function is provided by the branch network (also for brokers applications), organised in 69 Regional sub-areas, which are coordinated by seven regional areas. + The scoring model is based on internal data and is audited and reviewed periodically (including back-testing, fit of predictive model and readjustment of risk factors) by internal teams and the external regulator. Processes seem to be in line with the high standard required from a big institution. + The scoring discriminates non clients versus clients with account history. A borrower is considered a bank client if it has an account with the lender for more than six month with relevant insightful activity (payslip, direct debits, pension contributions, etc.) + BBVA discriminates borrowers with temporary contract versus permanent contracts, and files this field in their IT systems. +/- Approvals are only authorised at the Central Risk Unit level for certain characteristics (LTV>80%, or > €200-250,000, or Negative Scoring). The current portfolio is subject to the first condition (LTV>80%). Central Risk Unit: created in 2008 and based in Madrid. Before 2008, underwriting teams were distributed on a regional basis. The country is split in different regional areas with a coordinator per area (six), and 39 analysts. Different underwriting criteria per region. Ratio: 230 monthly applications/analyst - Since 2008, BBVA requires a personal guarantor for any mortgage with LTV>80%. Guarantors have a key importance in the HLTV underwriting (52% of the current portfolio has guarantors). There is certain risk of overestimating the positive effect of guarantors, in lowering the probability of default and mainly on severity upon default. - Affordability: Interest rate is not stressed in the DTI calculation. Full income verification, in line with Spanish standards. Average DTI: 35%. Maximum DTI: 45%.
Property Valuation Policies & Procedures	+/- Full valuation used for all house purchases. BBVA works with a list of 14 valuators. Quality of valuations in Spain is standardised by the Bank of Spain, who certifies valuators. +/- Before 2008, each branch might choose one out of three valuators (from the total list of 14). Since 2008, it can choose one out of two. - Brokers worked with a lower number of valuators (five).
Closing Policies & Procedures	+/- Standard proceedings checking documents (two most recent payslips, national identity card, employment contract, recent loan statement, proof of additional assets or tax return for self-employed) and managing the closing process (i.e. ensuring that mortgage deeds are registered) +/- It usually takes 13 days in total from application to closing.
Credit Risk Management	+/- The current Credit Risk Department, created in 2006, performs the control and monitoring of tools, models, stats and data (Risk Analysis Unit, 14 people) and supports the regional network providing specific solutions (Network Risk Unit, 10 people). + The department receives inputs from the regional managers in monthly meetings, and reports to the senior management different analysis, based on monthly information, discriminating origination channel, borrower profile, LTV, regions. + They also monitor the performance per area and branch, sizing the efficiency on recoveries. All this information is used to assess corrective actions.
Originator Stability	
Quality Control & Audit	+ Quality controls (staff: 30) managed through the line and include regular competence checks on each underwriter, monitoring the accuracy of data on each mortgage file, the documents proving such data and the breach of scoring

ORIGINATOR ASSESSMENT	MAIN STRENGTHS (+) AND CHALLENGES(-)
	outputs. + Monthly controls are applied to a random selection of mortgage loans (around 3,200 mortgages controlled per month). + More than 15% of incidences in a particular branch penalises all the salaries from the branch staff. + External audit reviews performed periodically.
Management Strength & Staff Quality	+ Separate risk functions + Good hierarchy for decision-making and access to intranet resources. + Underwriters also give advice to branches and data processing team
Technology	+ Adequate legacy system, back-up and contingency plan.

Servicer Background: BBVA

Rating:	»	Aa2/P-1
Total Number of Mortgages Serviced:	»	877,000
Number of Staff:	»	225

SERVICER ASSESSMENT:	MAIN STRENGTHS AND CHALLENGES
Overall Assessment:	**Above-Average**
Servicer Ability	
Loan Administration	+/- BBVA does not out-source any of its residential mortgages servicing activities. + It strengthened its legal team with external lawyers during 2009 to improve its servicing capacity.
Early Arrears Management	+ Large collections staff with a mix of experienced and junior employees. + Collections approach modified according to borrower's risk category. + BBVA has been fairly quick at noticing and adjusting its servicing criteria to the downturn. During late 2007 and first half 2008, new processes for early arrears management were implemented and deployed across branches and central departments: assignment of a counsellor to the borrower for the life of the special servicing period, branches always own the risk of originated loans, increased bonus linked to servicing performance, more staff at the servicing central resources, servicing responsibilities per geographic area (currently 69 areas in Spain) plus about two area coordinators within each region. A total of 83 people were added in 2008. + Central resources are focused on helping the weakest performing branches. 80 Analysts based at the branch level to support them with early arrears management. + Preventative Alerts: a significant number of preventative alerts in place, i.e. delinquencies in other credit products, unpaid receivables, credit cards drawn to face mortgage payments etc. + Automatic process depends on whether the borrower is a client or no-client (see Underwriting Policy section for client definition). +/- Most common allowed renegotiation is an increase of maturity. + 70% of loans 30 days in arrears cures before 90 days in arrears. - Partial payments (that reach principal) update the loan into a new arrears bucket. Priority of payments is arrears penalty interest first, unpaid nominal interest second and principal third. Arrears penalty interest is 23%. This is typically a disincentive to cure positions. + Clients that cannot be located (e.g. foreigners leaving the country) are accelerated into foreclosure process.
Loss Mitigation and Asset Management	+ 14,750 foreclosure proceedings currently open. +/- Late arrears management carried out by central services. They are added to the cure effort during the period after 90 days until the case is filed with court. On average about 87 days (i.e. from 90 days arrears to 180 days arrears) (Staff: 10 people) + Branch counsellor still with the case and in charge of following up. The counsellor tries to cure during all the period up to auction date. + Based on the lender's recent experience, foreclosure process takes 18 months from arrears 90 days to end of auction. If the property is not sold in the auction, then another 2 to 3 years are needed to execute. Foreclosure costs are on average 8% (sale related) plus all the costs by the court. - 2,700 repossessions in 2009 vs 50 repossessions in 2006.
Servicer Stability	
Management Strength & Staff Quality	+ Significant experience within management team.
IT & Reporting	+ Well established systems and reporting. Existing system for daily tracking and reporting. + Management system: Alerts, track borrower arrears account, classifies arrears, records negotiation follow ups, automatic letters, record sales activity, property management. Tracking foreclosure costs, work load and progress for each lawyer. + Reporting system: Combines the data from management system above with court action information to allow the generation of daily and monthly statistics on the tracking of the recovery process. Allows set up of alerts to highlight delays in the process for a loan. + A back-up system is in place and there is current work on an improved system to reduce disaster recovery times. Back-up servers are in a different location. There is a contingency plan in place and quarterly test on the back-up system.
Quality control & Audit	+ Regular external audits and loan book audits at the branch and central risk department levels. In each review, transactions are randomly selected and there is a review of scoring system inputs and supporting documentation.
Strength of Back-up Servicer Arrangement:	Back-up servicer facilitator at loss of Baa3

Cash Manager: Europea de Titulización, S.G.F.T.

Rating:	» Europea de Titulizacion S.G .F.T.; S.A ("SdT") (not rated)
Main Responsibilities:	» Complying with its formal, documentary and reporting duties to the Spanish stock market regulator (Comisión Nacional del Mercado de Valores or CNMV), the rating agencies and any other supervisory body. » Complying with the calculation duties (including calculation of available funds, withholding obligations) provided for, and taking the actions laid down in the Deed of Constitution and the Prospectus. » Calculating and determining on each determination date the principal to be amortised and repaid on each bond series on the relevant payment date. » Instructing transfers of funds between the various borrowing and lending accounts, and issuing all relevant payment instructions. » 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:	» Determination date (five business days before the payment date)
Back-up Cash Manager and Its Rating:	» None
Main Responsibilities of Back-up Cash Manager:	» N/A

Originator/Servicer/Cash Manager Related Triggers

Key Servicer Termination Events:	Insolvency, administration by the Bank of Spain, breach of servicer's obligations, or servicer's financial condition being detrimental to the Fund or noteholders' interests (always at the management company's discretion).
Appointment of Back-up Servicer Upon:	If the servicer is downgraded below Baa3, it will have 60 days to find a back-up servicer.
Key Cash Manager Termination Events:	Insolvency
Appointment of Back-up Cash Manager Upon:	None
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)	If the servicer is downgraded below P-1, the payments will be done every two days.
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
Build up of Commingling Reserve	If BBVA is downgraded below Baa3, BBVA will put in place a commingling reserve, covering one month's proceeds from the loans. The amount will be equal to the highest future scheduled monthly amount of principal and interest collections, at the time of the downgrade, assuming a 0% delinquency rate and 10% prepayment rate. This amount will be part of the available funds if the servicer does not transfer received collections to the Fondo (draw down amounts will be equal to the amount of collections received and not transferred by BBVA).

Collateral Description (Final Pool as of closing date)

CHART 2
Portfolio Breakdown by Year of Origination

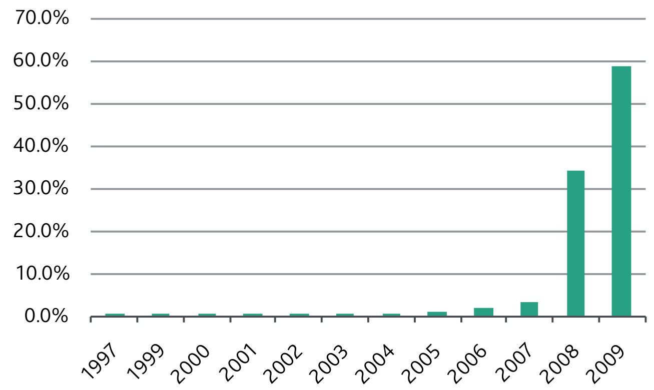


CHART 3
Portfolio Breakdown by LTV

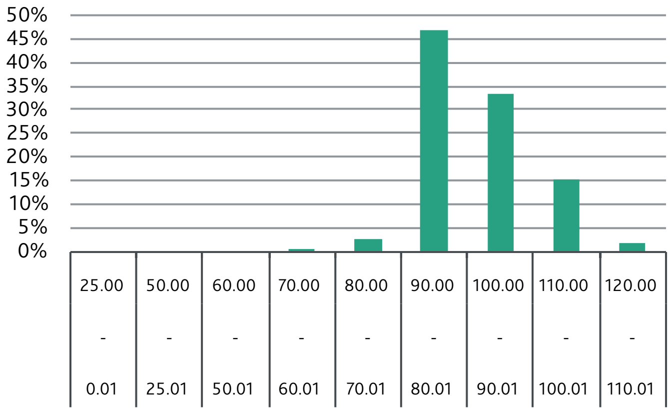


CHART 4
Portfolio Breakdown by Region

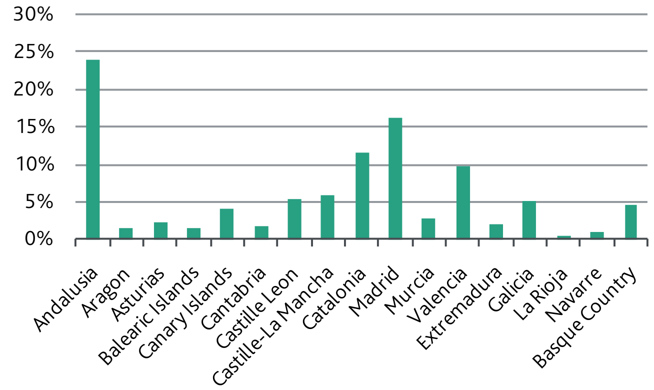
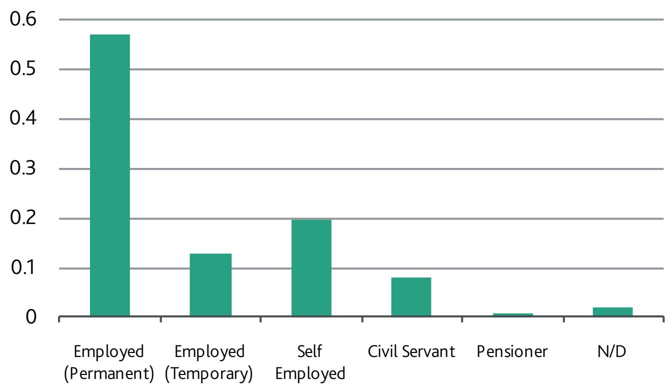


CHART 5
Portfolio Breakdown by Employment Type



Product Description: The collateral backing the notes' issuance is composed of Spanish first-lien mortgage loans backed against residential properties in Spain.

Eligibility Criteria: The key eligibility criteria are as follows

- The final maturity date is not later than 15 January 2050.
- The first two monthly payments due have been paid by the borrower.
- The mortgage certificates exist and are valid and enforceable.
- The mortgage certificates are secured with a first-ranked real estate mortgage granted to individuals.
- The mortgage certificates are all denominated and payable exclusively in euros.
- The mortgaged properties are all finished and located in Spain and have been appraised by duly qualified institutions approved by the Bank of Spain.
- None of the mortgage certificates had any payments more than one month overdue at the date the mortgage certificate was issued.
- The originator has strictly adhered to the policies in force for granting credit at the time in granting each and every one of the mortgage certificates.
- The loans securing the mortgage certificates are not a result of renegotiations on former loans.

Credit Analysis

Precedent Transactions' Performance:

The performance of BBVA's precedent transactions is better than the average delinquency reported in the Moody's Spanish index.

Focused on HLTV deals, the performance of the originator's precedent HLTV transactions show the lowest default rates in this segment of the market.

CHART 6
BBVA 90+ Delinquencies (LTV>80%)

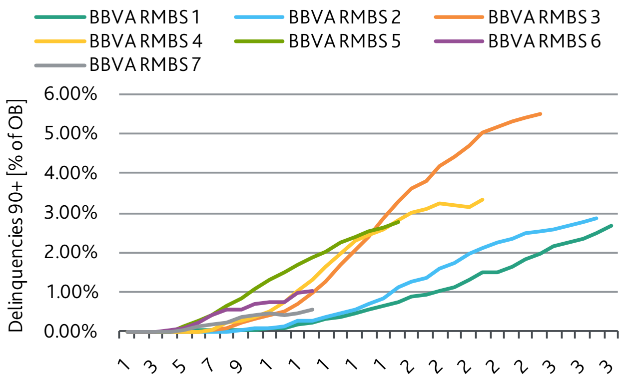


CHART 7
BBVA Defaults (LTV>80%)

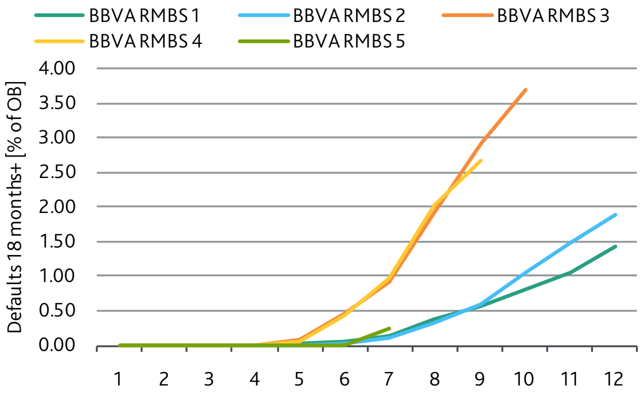


CHART 8
BBVA 90+ Recoveries (LTV>80%)

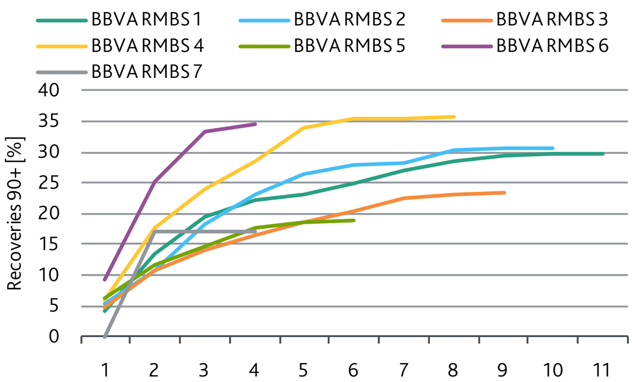
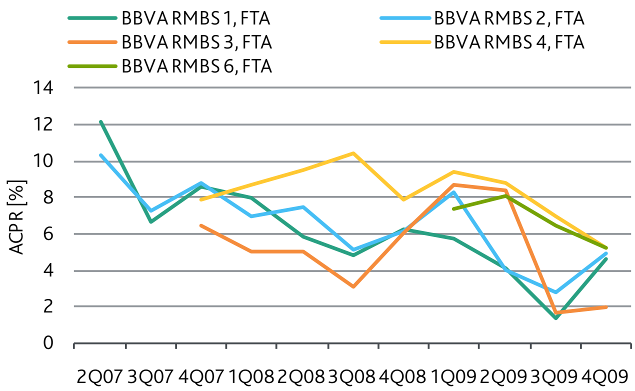


CHART 9
BBVA Prepayments



Data Quantity and Content:

BBVA has provided historical information on delinquencies and prepayments with respect to former securitisation funds. However, it did not provide vintage information from the global mortgage book.

BBVA does not permit Moody's to disclose the historical arrears information that has been made available to us. Moody's notes that the level of 90+ arrears is better than that of other originators from the same market and segment.

In Moody's view, the quantity of data received from the former securitisation deals, as BBVA is a recurrent issuer in the Spanish RMBS market is adequate as compared to transactions which have achieved high investment grade ratings in this sector.

Assumptions and definitions Other values within a range of the notional amount listed below may result in achieving the same ratings.

ASSUMPTIONS	
Spread compression / Margin analysis	Guaranteed margin via the interest rate swap (coupon on the notes + 40 bps)
Stressed Fees	0.30% p.a.
DEFINITIONS	
WA asset margin at closing	99.5% 12-mEuribor linked loans: 0.78% margin (swapped)
WA asset margin after reset	N/A (covered via swap)
Asset reset date	98% semi-annually, spread over the year
Liabilities reset date	EURIBOR resets quarterly
Interest on cash	EURIBOR – 0.10%
Actual Fees	0.02% p.a.
Write off Definition	Artificial write off definition (18 months)

Expected Loss:

The expected loss of 4.5% was predominantly due to the HLTV loans in the portfolio, the worsening general economic conditions and increased arrears in the mortgage pool. This expected loss is lower than in other HLTV deals due to the better performance of previous BBVA deals. Moody's expects that the relatively better performance of BBVA to continue in the HLTV segment, although the expected loss for this deal is higher than in recent BBVA transaction.

Modelling Approach

Loss Distribution: The first step in the analysis is to determine a loss distribution of the pool of mortgages to be securitised. Due to the large number of loans and supporting historical data, Moody's uses a continuous distribution to approximate the loss distribution: the lognormal distribution.

In order to determine the shape of the curve, two parameters are needed: the expected loss and the volatility around this expected loss. These parameters are derived from two important sources: historical loss data and the loan-by-loan model.

Moody's uses performance data provided by the originator in addition to other relevant data in order to extrapolate expected losses for the loan pool. Examples of data include market and sector wide performance data, the performance of other securitisations, and other originators' data.

To obtain the volatility under "stressed" scenarios, Moody's takes into account historical data. However, observed historical volatility may not be significant (given insufficient data points, or incomplete data), and in addition may not be representative for the future as it is based on the previous economic environments experienced.

Consequently, Moody's determines a number representing the enhancement that would be required for a pool of mortgages to obtain a rating consistent with **Aaa** under highly stressed conditions. This enhancement number (the "MILAN **Aaa** CE" number) is produced by using a loan-by-loan model, which looks at each loan in the pool individually and based on its individual characteristics such as LTV or other identified drivers of risk, will produce a benchmark CE number. This assumes stressed recovery rates (through house price decline), time to recovery, interest rates and costs to foreclosure. The weighted-average benchmark CE number will then be adjusted according to positive and negative characteristics of each loan or of the pool as a whole to produce the MILAN **Aaa** CE number.

Modelling assumption: The MILAN Aaa CE number and the expected loss number form the basis of Rating Committee discussions and are used to derive the lognormal distribution of the pool losses

The standard deviation of the distribution is found by setting the expected loss of the area of the lognormal distribution beyond the MILAN Aaa CE equal to the expected loss that is consistent with the idealised expected loss of a Aaa tranche.

Tranching of the notes: Once the loss distribution of the pool under consideration has been computed, a cash flow model is used to assess the impact of structural features of the transaction. It calculates the average lives and the losses experienced by the notes for every loss scenario for the portfolio. Based on these numbers, the expected loss and the weighted-average lives for the notes are calculated as weighted averages based on the probabilities of the respective scenarios. The expected loss on each tranche together with the notes' weighted-average life determines the rating, which is consistent with Moody's target losses for each rating category.

The rating of the notes is therefore based on an analysis of:

- » The characteristics of the mortgage pool backing the notes.
- » The relative roll-rate levels and arrears in this type of lending compared to conventional lending.
- » 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.
- » The legal and structural integrity of the issue.

Treatment of Concerns:

- » **Weighted-average LTV**: The LTV of all the loans in the pool is above 80%, and 33% of the loans have an LTV above 90%. The weighted-average current LTV (based on valuation at origination) is 87.48%, which is higher than typical Spanish RMBS and in line with other Spanish high LTV transactions. LTV is the main driver of default for Moody's in the MILAN analysis.
- » **Month Current**: Information about month current was not provided. A 20% default penalty was applied. However, as stated in the Eligibility Criteria, the loans securing the mortgage certificates are not a result of renegotiations on former loans.
- » Broker Origination: BBVA has reported 6.3% of broker origination. The higher credit risk for loans initiated via brokers is a weakness for the deal, taking into consideration the highest default probability observed for such channel. Moody's has applied a penalty of 50% in the MILAN model. Brokers represent less than 11.2% of BBVA's global mortgage book, while they represent 6.3% of this deal.
- » **Option to switch from floating to fixed-rate loans** (or vice versa): From a collateral analysis perspective, these loans have not been considered riskier than pure floating- rate loans. In the MILAN analysis, these loans

have been treated as floating-rate loans. From a cash flow perspective, the swap counterparty will mitigate this risk.

» **New residents**: BBVA has reported 2.3% of new residents in the current portfolio. The higher credit risk for loans granted to new residents has been taken into account in Moody's analysis applying 200% penalty on such loans.

» **Options affecting the amortisation profile**: Almost all the loans in the portfolio can enjoy different options with an impact on the portfolio amortisation profile, as the option to modify the maturity (99%) or to require a semi-bullet payment at maturity(97.0%). Moody's has applied a penalty of 15% to loans with option of semi-bullet payments. Given these two characteristics, the pass-through amortisation of the notes can be significantly affected: a significant demand of such options will delay the principal repayment scheduled, while riskier borrowers may force back loaded scenarios of losses. Moody's has assessed the impact of such scenarios in the notes' ratings.

» **Payment holiday**: 99.4% of the portfolio can enjoy a payment holiday, though no loan will be under such condition as of closing. The maximum period for a payment holiday is only two months, therefore the liquidity risk due to this optionality is mitigated by the Reserve Fund amount, as well as principal to pay interest.

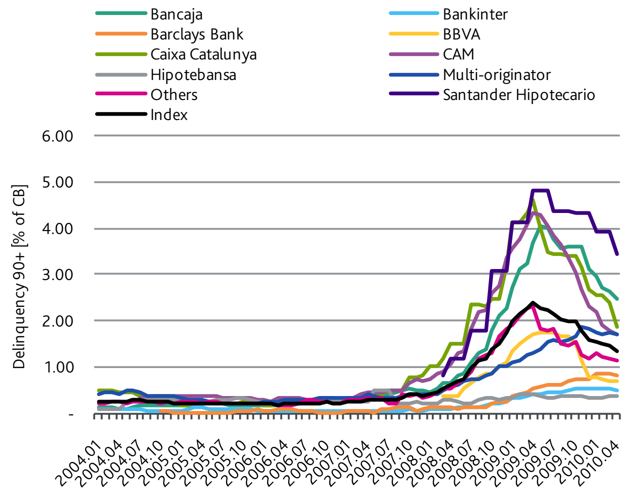
Benchmark Analysis

Performance Relative to Sector: Historically BBVA has performed positively relative to the sector average as shown in Moody's Index.

The data in the charts below is taken from Moody's Spanish Prime RMBS index report last published for February 2010. In the report, the current Moody's 90+ delinquency index stands at 1.34% compared to that for BBVA at 0.69%.

CHART 10

Spanish RMBS 90+ Days Delinquency - trend by originator



Source: Moody's Investors Service, Moody's Performance Data Service, periodic investor/servicer reports

Benchmark Table

DEAL NAME	BBVA 9	SANTANDER HIPOTECARIO 6	POPULAR MBS 2	HIPOCAT 19	BBVA RMBS 3
CLOSING DATE	**APRIL 2010**	**APRIL 2010**	**APRIL 2010**	**OCTOBER 2009**	**JULY 2007**
Information from	Final Pool	Provisional Pool	Provisional Pool	Provisional Pool	Provisional Pool
Originator	BBVA	BANCO SANTANDER	BANCO POPULAR	CAIXA CATALUNYA	BBVA
Servicer	BBVA	BANCO SANTANDER	BANCO POPULAR	CAIXA CATALUNYA	BBVA
MILAN Aaa CE	17.0%	30.0%	22.5%	26.0%	Not Publicly Available
Expected Loss	4.5%	12.0%	6.0%	7.5%	Not Publicly Available
PORTFOLIO STRATIFICATION					
Avg. Current LTV	87.5%	89.1%	89.3%	70.6%	87.7%
% Current LTV > 70%	100%	99.9%	90.3%	58.2%	Not Publicly Available
% Current LTV > 80%	100%	96.8%	83.1%	34.6%	Not Publicly Available
% Current LTV > 90%	33.1%	38.9%	55.0%	20.0%	Not Publicly Available
Avg. Current LTV indexed*	91.3%	90.8%	90.1%	Not Publicly Available	Not Publicly Available
% Self Employed	8.1%	0%	ND	Not Publicly Available	10.0%
% Brokers	6.3%	12.1%	0.0%	ND	Not Publicly Available
% New Residents	2.3%	9.6%	6.1% 9.0% No Data	19.2%	Not Publicly Available
% Temp Workers	12.6%	ND	ND	ND	19.7%
% Non-owner Occupied (Includes: Partial Owner)	3.0%	2.3%	2.3%	0.0%	1.9%
% Fixed interest	0.0%	0.4%	0.1%	0.0%	0.0%
Max regional concentration	Andalusia (23%)	Madrid (21%)	Andalusia (33%)	Catalonia (68%)	Catalonia (24%)
% in arrears at closing	0.0%	6.7%	2.0%	Not Publicly Available	Not Publicly Available
PORTFOLIO DATA					
Current Balance	€1,295.1 million	€1,148 million	€686 million	€897.4 million	€3,671.5 million
Average Loan (Borrower)	€171,600	€183,800	€141,500	€131,300	€178,500
Borrower top 20 (as % of pool bal)	0.9%	2.1%	2.4%	1.7%	0.3%
WA interest rate	3.05%	2.73%	3.31%	4.63%	4.73%
Stabilised margin**	N/A	N/A	N/A	N/A	N/A
Average seasoning in years	1.3	2.3	3.0	3.5	1.0
Average time to maturity in years	34.6	30.2	28.0	26.4	33.0
Maximum maturity date	Jan 2050	Dec 2054	Aug 2049	Mar 2049	Oct 2056
Average House Price stress rate***	44.5%	45.2%	43.8%	45.5%	Not Publicly Available
Average House Price change§	-4.3%	-1.9%	-0.8%	10.0%	Not Publicly Available
STRUCTURAL FEATURES					
Notes Payment Frequency	Quarterly	Quarterly	Quarterly	Quarterly	Quarterly
Replenishment Periods	No	No	No	No	No
Total Aaa size	100%	83.0%	87.0%	70.0%	91.85%
RF at Closing§§	20.5%	20.0%	8.0%	2.8%	1.3%
RF Fully Funded at Closing?§§	20.5%	20.0%	8.0%	2.8%	0.8%
RF Floor§§	10.25%	10.0%	4.0%	Non Amortising RF	0.8%
Hedge in place	Yes	Yes	Yes	No	Yes
Principal to pay interest	Yes	Yes	Yes	Yes	Yes

* As per Moody's calculation.

** Margin after all loans reset.

*** As per Moody's MILAN methodology for Aaa scenario.

§ As per Moody's calculation.

§§ Of original note balance.

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 RMBS, please refer to "V Scores and Parameter Sensitivities in the Major EMEA RMBS Sectors" published in April 2009.

Parameter sensitivities for this transaction were calculated in the following manner: Moody's assumed 16 loss distributions derived from the combinations of MILAN Aaa Credit Enhancement: 17.0% (base case), 20.4% (base x 1.2), 23.8% (base x 1.4) and 27.2% (base x 1.6) and expected loss: 4.5% (base case), 6.75% (base x 1.5), 9.0% (base x 2) and 12.8% (Milan base case x 75%). The 17.0% / 4.5% scenario would represent the base case assumptions used in the initial rating process.

The tables below show the parameter sensitivities for this transaction with respect to the rated notes.

TABLE 2:

		MILAN Aaa CE			
		17.0%	20.4%	23.8%	27.2%
MEDIAN EXPECTED LOSS	4.5%	Aaa*	Aaa (0)	Aa1 (1)	Aa1 (1)
	6.75%	Aaa (0)	Aaa (0)	Aa1 (1)	Aa3 (3)
	9.0%	Aaa (0)	Aaa (0)	Aa2 (2)	A1 (4)
	12.8%	Aaa (0)	Aa1 (1)	A2 (3)	A3 (6)

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

Worse case scenarios: At the time the rating was assigned, the model output indicated that the Aaa rated notes would have achieved the Aaa rating even if expected loss was as high as 9.0% and MILAN Aaa CE 20.4% and all other factors remained the same. The model output further indicated that the Class A would not have been assigned a Aaa rating with Milan Aaa CE of 23.8%, and expected loss of 4.5%.

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: BBVA acts as originator, servicer, cash manager, swap provider, account bank and subordinated loan provider. There is no back-up servicing agreement, but there are triggers in place for both swap counterparty and paying agent functions. Mitigated in part by the rating based triggers summarised in the table below.

Significant Influences: In addition to the counterparty issues noted, the following factors may have a significant impact on the subject transaction's ratings:

Further deterioration in the general economic conditions and specifically the real estate market beyond the current consensus.

COUNTERPARTY RATING TRIGGERS	CONDITION	REMEDIES
Interest Rate Swap Counterparty	In accordance with Moody's swap guidelines*	
Treasury Account Bank	Loss of P-1	Replace or find a P-1 rated guarantor or substitute within 30 days
Principal Account Bank	Loss of P-1	Replace or find a P-1 rated guarantor or substitute within 30 days
Servicer	Loss of Baa3	Appoint back-up
Commingling Reserve	Loss of Baa3 by the servicer	Establish reserve

* See Framework for De-Linking Hedge Counterparty Risks from Global Structured Finance Transactions Moody's Methodology, 15 May 2006.

Monitoring Report:

Data Quality:

» Investor report format finalised and discussed with Moody's analyst.

» The report includes all necessary information for Moody's to monitor the transaction.

» Loan modifications for arrears management: not specifically reported.

Data Availability:

» Report provided by: Europea de Titulización

» The timeline for investor report is provided in the transaction documentation.The priority of payment section is published on the IPD.

» The completed report is published during the first 15 days of each month.

The frequency of the publication of the investor report is monthly and the frequency of the IPD is quarterly. Portfolio information is provided monthly.

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:

» Moody's updated methodology for rating Spanish RMBS, 29 July 2008 (SF133138)

» Cash Flow Analysis in EMEA RMBS: Testing Features with the MARCO Model (Moody's Analyser of Residential Cash Flows), January 2006 (SF58290)

» V Scores and Parameter Sensitivities in the Major EMEA RMBS Subsectors, April 2009 (SF158654)

Credit Opinion

» Banco Bilbao Vizcaya Argentaria, S.A.

Analysis

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

Performance Overview of previous deals from the same originator

» BBVA RMBS 6, FTA, June 2010 (SF206942)

» BBVA RMBS 4, FTA, May 2010 (SF206477)

» BBVA RMBS 2, FTA, May 2010 (SF203807)

Index Report

» Spanish Prime RMBS Indices - March 2010 (SF204492)

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

ORIGINATOR ABILITY	AT CLOSING
Sales and Marketing Practices	See originator profile for part of the information the originator allowed Moody's to disclose
Origination channels:	
Underwriting Procedures	
Underwriting composition	
Ratio of loans underwritten per FTE* per day:	
Average experience in underwriting:	
Criteria for compensation of underwriters	
Approval rate:	
Percentage of exceptions to underwriting policies:	
Underwriting Policies	
Source of credit history checks:	
Methods used to assess borrowers' repayment capabilities:	
Income taken into account in affordability calculations:	
Other borrower's exposures (i.e. other debts) t taken into account in affordability calculations:	
Is interest rate stressed to calculate affordability?	
Affordability for I/O/balloon loans:	
Method used for income verification:	
Criteria for non income verified:	
Max age at maturity:	
Maximum loan size:	
Valuation types used for purchase & LTV limits:	
Valuation types used for remortgage & LTV limits:	
Valuation types used for further advances & LTV limits:	
Valuation types & procedure for construction loans & LTV limits:	
Valuation types & procedure for new built properties & LTV limits:	
LTV limit for first-time-buyers:	
Collateral Valuation Policies and Procedures	
Value in the LTV calculation/ in the IT system:	
Type, qualification and appointment of valuers:	
Closing Policies and Procedures	
Quality check before releasing funds:	
Credit Risk Management	
Reporting line of Chief Risk Officer :	
Track loan performance by loan characteristics?	

* FTE: Full Time Equivalent

ORIGINATOR STABILITY:	AT CLOSING
Quality Controls and Audits	See originator profile for part of the information the originator allowed Moody's to disclose
Responsibility of quality assurance:	
Number of files per underwriter per month being monitored:	
Management Strength and Staff Quality	
Training of new hires and existing staff:	
Technology	
Tools/infrastructure available:	

Appendix 2: Summary of Servicer's Collection Procedures

SERVICER ABILITY	AT CLOSING
Loan Administration	See servicer profile for part of the information the servicer chose to disclose
Entities involved in loan administration:	
Operating hours:	
Early Arrears Management	
Entities involved in early stage arrears:	
Ratio of loans per collector (FTE) in early arrears stage:	
Arrears strategy for 1-29 days delinquent	
Arrears strategy for 30 to 59 days delinquent	
Arrears strategy for 60 to 89 days delinquent	
Arrears strategy for 90 days and more delinquent to late stage	
Prioritisation rules for delinquent accounts:	
Use of updated information in the collection strategy:	
Loss Mitigation and Asset Management Practices:	
Transfer of a loan to the late stage arrears team/stage:	
Entities involved in late stage arrears:	
Ratio of loans per collector (FTE) in late arrears stage:	
Analysis performed to assess/propose loss mitigation solutions:	
Time from first default to litigation and from litigation to sale:	
Average recovery rate (including accrued interest & costs):	

SERVICER STABILITY	
Management and Staff	See servicer profile for part of the information the servicer chose to disclose
Average experience in servicing or tenure with company:	
Training of new hires specific to the servicing function (i.e. excluding the company induction training)	
Quality control and audit	
Responsibility of quality assurance:	
Number of files (and calls) per agent per month being monitored:	
IT and Reporting	
Tools/infrastructure available:	
Automatic tracking and reporting of specific characteristics:	

» contacts continued from page 1

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