

May 24, 2012

Ratings Lowered On Spanish ABS Transactions BBVA Consumo 1 And 2's Class B And C Notes; Class A Ratings Affirmed

Surveillance Credit Analyst:

Marisa Gomez, Madrid (34) 91-788-7208; marisa_gomez@standardandpoors.com

OVERVIEW

- On Feb. 10, 2012, we placed on CreditWatch negative our ratings on the class C notes in BBVA Consumo 1 and 2 for credit reasons.
- On April 30, we took negative rating actions on several Spanish banks following our April 26 downgrade of Spain.
- As a consequence of that rating action on BBVA--acting as supporting counterparty in BBVA Consumo 1 and 2--we have today taken various rating actions in both transactions.
- The portfolios backing these transactions comprise unsecured consumer loans to Spanish residents, originated and serviced by BBVA and BBVA Finanzia.

MADRID (Standard & Poor's) May 24, 2012--Standard & Poor's Ratings Services today took various credit rating actions in BBVA Consumo 1 Fondo de Titulización de Activos and BBVA Consumo 2 Fondo de Titulización de Activos.

Specifically, in both transactions we have:

- Lowered and removed from CreditWatch negative our ratings on the class C notes for credit reasons;
- Lowered our ratings on the class B notes for counterparty reasons; and
- Affirmed our ratings on the class A notes for counterparty and credit reasons (see list below).

Today's downgrades follow our reviews of the transactions' performance and the application of our 2010 counterparty criteria (see "Counterparty and Supporting Obligations Methodology and Assumptions," published on Dec. 6,

2010).

On Feb. 10, 2012, we lowered and removed from CreditWatch negative our ratings on the class A and B notes in both transactions for counterparty reasons. At the same time, we placed on CreditWatch negative our ratings on the class C notes in both transactions for credit reasons (see "Ratings Lowered On Spanish ABS Deals BBVA Consumo 1 And 2's Class A And B Notes; Class C Notes On CreditWatch Negative").

CREDIT AND CASH FLOW ANALYSIS

The transactions are both amortizing and overall credit enhancement levels have increased due to the pools' amortization. The current outstanding pool balance is 14.21% of the original pool balance for BBVA Consumo 1, and 20.27% for BBVA Consumo 2. The transactions' revolving periods terminated in April 2008 and September 2008, and no early termination events have occurred.

Both reserve funds have partially replenished over the past seven and eight interest payment dates, respectively. As of the latest interest payment date (April 2012) the reserve fund for BBVA Consumo 1 has been fully replenished (to 100% of its required level) and the reserve fund for BBVA Consumo 2 is at 97.32% of its required level.

Based on the latest available investor report from the trustee (dated April 2012), the level of delinquent loans (defined in these transactions as loans in arrears of between three and 12 months from the asset payment due date) accounted for 1.40% and 1.86% of the outstanding balance of the loans for BBVA Consumo 1 and 2, respectively.

Although we have continued to observe stabilizing delinquency levels--or even marginally decreasing, in the case of some delinquency buckets-- since our April 2011 review, long-term delinquencies have continued to roll into defaults.

The rate of increase in cumulative default rates appears to be stabilizing in both transactions. However, the levels of recoveries on defaulted assets observed in the transactions' portfolios are lower than our expectations at closing. Reported recovery rates are currently 20.57% of the defaulted portfolio in BBVA Consumo 1, and 16.99% in BBVA Consumo 2.

Based on our review of our credit analysis assumptions in terms of defaults and recoveries, and taking into account the current level of support available to the class C notes in the capital structure, our cash flow analysis indicates that a 'BBB (sf)' rating is commensurate with the credit enhancement available to the class C notes. We have consequently lowered to 'BBB (sf)' from 'A- (sf)' and removed from CreditWatch negative our ratings on the class C notes in BBVA Consumo 1 and 2.

APPLICATION OF COUNTERPARTY CRITERIA

On April 30, 2012, we took negative rating actions on 16 Spanish banks following our April 26 downgrade of the Kingdom of Spain. We lowered our long- and short-term ratings on Banco Vizcaya Argentaria S.A. (BBVA)--the bank account and swap provider for BBVA Consumo 1 and 2--to 'BBB+/Negative/A-2' from 'A/Watch Neg/A-1' (see "Negative Rating Actions On 16 Spanish Banks Following Sovereign Downgrade").

Following our lowering of our short-term rating on BBVA to below 'A-1', BBVA has become an ineligible counterparty under the transaction documents. Under the bank account documents, if BBVA's rating falls below 'A-1', the transaction enters into a 30-day remedy period, in which BBVA should replace itself with an 'A-1' rated entity or find an 'A-1' rated guarantor (see "Counterparty And Supporting Obligations Methodology And Assumptions," published on Dec. 6, 2010). We understand that BBVA has not finalized remedy actions yet. We will complete our assessment of the effect that the bank downgrade may have on these transactions when the remedy period ends.

Under the swap documents, we have received evidence of BBVA executing remedy actions; however, the swap documents in BBVA Consumo 1 and 2 do not reflect our 2010 counterparty criteria. We conducted our cash flow analysis assuming that the transactions do not benefit from any support under the interest rate swap. We concluded that the class B notes cannot maintain their current ratings and, under our 2010 counterparty criteria, cannot achieve a higher rating than our 'BBB+' long-term issuer credit rating (ICR) on BBVA, plus one notch. Therefore, our ratings on the class B notes in both transactions are constrained at 'A- (sf)'. We have lowered our ratings on the class B notes in these transactions to 'A- (sf)' from 'A+ (sf)' accordingly.

We have concluded that the class A notes are not constrained by our long-term ICR on BBVA, plus one notch, as they can maintain their current ratings without the benefit of the interest rate swap. We have therefore affirmed our 'A+ (sf)' ratings on the class A notes in these transactions for counterparty and credit reasons.

BBVA Consumo 1 and 2 are asset-backed securities transactions that closed in May 2006 and January 2007, with a weighted-average seasoning of 21.60 and 12.55 months, respectively. The portfolios backing these transactions comprise unsecured consumer loans to Spanish residents, originated and serviced by BBVA and BBVA Finanzia.

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.

Ratings Lowered On Spanish ABS Transactions BBVA Consumo 1 And 2's Class B And C Notes; Class A Ratings Affirmed

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

RELATED CRITERIA AND RESEARCH

- Negative Rating Actions On 16 Spanish Banks Following Sovereign Downgrade, April 30, 2012
- Ratings On Spain Lowered To 'BBB+/A-2' On Debt Concerns; Outlook Negative, April 26, 2012
- European Auto ABS Index Report Q3/Q4 2011: Overall Performance Is Still Improving Despite The Eurozone Crisis, March 26, 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
- Counterparty And Supporting Obligations Update, Jan. 13, 2011
- Counterparty And Supporting Obligations Methodology And Assumptions, Dec. 6, 2010
- Credit Stability Criteria, May 3, 2010
- European Consumer Finance Criteria, March 10, 2000

RATINGS LIST

Class	To	Rating	From
-------	----	--------	------

RATINGS LOWERED AND REMOVED FROM CREDITWATCH NEGATIVE

BBVA Consumo 1 Fondo de Titulización de Activos
€1.5 Billion Floating-Rate Notes

C	BBB (sf)	A- (sf)/Watch Neg
---	----------	-------------------

BBVA Consumo 2 Fondo de Titulización de Activos
€1.5 Billion Floating-Rate Notes

C	BBB (sf)	A- (sf)/Watch Neg
---	----------	-------------------

RATINGS LOWERED

BBVA Consumo 1 Fondo de Titulización de Activos
€1.5 Billion Floating-Rate Notes

B	A- (sf)	A+ (sf)
---	---------	---------

BBVA Consumo 2 Fondo de Titulización de Activos
€1.5 Billion Floating-Rate Notes

Ratings Lowered On Spanish ABS Transactions BBVA Consumo 1 And 2's Class B And C Notes; Class A Ratings Affirmed

B A- (sf) A+ (sf)

RATINGS AFFIRMED

BBVA Consumo 1 Fondo de Titulización de Activos
€1.5 Billion Floating-Rate Notes

A A+ (sf)

BBVA Consumo 2 Fondo de Titulización de Activos
€1.5 Billion Floating-Rate Notes

A A+ (sf)

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 acknowledgment 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.