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Rating Lowered On Spanish ABS Transaction BBVA Consumo 3's Class A Notes; Class B Rating Affirmed

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OVERVIEW

- We have received amendments to the bank account, paying agency, and swap agreements in BBVA Consumo 3, reflecting our 2012 counterparty criteria and lowering the minimum-rating-required triggers.
- As the amendments have lowered the minimum-rating-required triggers, under our 2012 counterparty criteria, the rating on the class A notes in this transaction is capped at 'A- (sf)'.
- We have thus lowered our rating on BBVA Consumo 3's class A notes to 'A- (sf)'. At the same time, we have affirmed our rating on the class B notes.
- BBVA Consumo 3 is a Spanish ABS transaction that securitizes loans originated and serviced by BBVA and BBVA Finanzia.

MADRID (Standard & Poor's) Aug. 13, 2012--Standard & Poor's Ratings Services today lowered to 'A- (sf)' from 'A (sf)' its credit rating on BBVA Consumo 3, Fondo de Titulización de Activos' class A notes. At the same time, we have affirmed our 'B+ (sf)' rating on the class B notes (see list below).

BBVA Consumo 3 is a Spanish asset-backed securities (ABS) transaction that closed in April 2008. The current outstanding balance is 27.31% of the closing balance. Its revolving period ended one year ahead of the February 2010 scheduled due date, due to a breach of the 90-day delinquency early-amortization trigger of 2.2%.

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On Dec. 21, 2011, we lowered our ratings on BBVA Consumo 3's class A and B notes (see "Ratings Lowered On Class A And B Notes In Spanish ABS Transaction BBVA Consumo 3"). As of July 2012, loans of more than three months in arrears, which have not yet defaulted, have decreased to 2.55% of the outstanding balance (from 2.98% as of November 2011).

Based on the latest available trustee investor report (dated July 2012), the reported ratio of cumulative defaults (defined in these transactions as loans delinquent for more than 12 months) in BBVA Consumo 3 represented 6.28% of the securitized portfolio balance, compared with 5.49% as of July 2011). The level of defaulted assets and recoveries in this transaction is within our expectations.

The transaction's amortization features have increased the available credit enhancement for the class A and B notes. The reserve fund has not been at its target level since August 2009. However, since our last review, the reserve fund has been partially replenished and currently stands at 38.52% of its required level (versus 35.17% in November 2011).

Our cash flow analysis indicates that our ratings on the class A and B notes in this transaction are not constrained by the performance of the transaction's underlying collateral and structural features.

Today's rating actions follow amendments to the treasury account, paying agency, and interest swap agreements in this transaction. BBVA (as arranger) has amended the downgrade language in these agreements, reflecting our 2012 counterparty criteria, and has also lowered the minimum-rating-required triggers (see "Counterparty Risk Framework Methodology And Assumptions," published on May 31, 2012).

As the minimum-rating-required triggers have been lowered, under our criteria the rating on the class A notes in this transaction is capped at 'A- (sf)', which is the current long-term rating on BBVA (acting as treasury account provider, paying agent, and interest swap counterparty) plus one notch. We have therefore lowered our rating on the class A notes to 'A- (sf)' from 'A (sf)'. Our rating on the class B notes is not constrained for counterparty reasons. We have therefore affirmed our 'B+ (sf)' rating on the class B notes.

The securitized portfolio comprises consumer loans made to individuals resident in Spain. BBVA and BBVA Finanzia Banco de Crédito, S.A. (BBVA Finanzia) originated and services the loans.

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

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preliminary ratings) on or after Sept. 26, 2011.

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

- Counterparty Risk Framework Methodology And Assumptions, May 31, 2012
- Negative Rating Actions On 16 Spanish Banks Following Sovereign Downgrade, April 30, 2012
- European Structured Finance Scenario And Sensitivity Analysis: The Effects Of The Top Five Macroeconomic Factors, March 14, 2012
- Ratings Lowered On Class A And B Notes In Spanish ABS Transaction BBVA Consumo 3, Dec. 21, 2011
- 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
- European Consumer Finance Criteria, March 10, 2000

RATINGS LIST

Class	Rating	
	To	From

BBVA Consumo 3, Fondo de Titulización de Activos
€975 Million Asset-Backed Floating-Rate Bonds

Rating Lowered

A	A- (sf)	A (sf)
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Rating Affirmed

B	B+ (sf)	
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