

**Material Event**  
**concerning**

**BBVA CONSUMO 2 Fondo de Titulización de Activos**

Pursuant to section 4.1.4 of the Securities Note Building Block of the Prospectus for **BBVA CONSUMO 2 Fondo de Titulización de Activos** (the “Fund”) notice is given to the COMISIÓN NACIONAL DEL MERCADO DE VALORES of the following material event:

- The Rating Agency **Fitch Ratings** (“Fitch”) advised on February 15, 2010 of a downgrade of the ratings assigned to the Bond Series issued by **BBVA CONSUMO 2 Fondo de Titulización de Activos**:
  - **Series A:** **AA**, outlook negative (previously **AAA**, outlook stable)
  - **Series B:** **BBB**, outlook negative (previously **AA**, outlook negative)
  - **Series C:** **B**, outlook negative (previously **BBB**, outlook negative)

Enclosed herewith is the communication issued by Fitch.

Madrid, February 16, 2010.

Mario Masiá Vicente  
General Manager

## **FITCH DOWNGRADES BBVA CONSUMER ABS TRANSACTIONS**

Fitch Ratings-London/Madrid-15 February 2010: Fitch Ratings has today downgraded three BBVA transactions following completion of the agency's recent performance review amid wider concerns over a general deterioration in Spanish transactions.

The three transactions, BBVA Consumo 1, Fondo de Titulizacion de Activos (BBVA Consumo 1), BBVA Consumo 2, Fondo de Titulizacion de Activos's (BBVA Consumo 2) and BBVA Autos 2, Fondo de Titulizacion de Activos's (BBVA Autos 2) were originated by BBVA ('AA-'/F1+/'Outlook Positive) between late 2005 and 2006, with collateral pools backed by consumer loans or auto loans, or a mix of both assets.

The rating actions are as follows:

### **BBVA Consumo 1**

EUR579.1m class A notes downgraded to 'AA+' from 'AAA'; Outlook Negative; assigned Loss Severity (LS) rating 'LS-1'

EUR28.5m class B notes downgraded to 'BBB' from 'AA'; Outlook Negative; assigned 'LS-3'

EUR24m class C notes downgraded to 'B' from 'BBB'; Outlook Negative; assigned 'LS-3'

### **BBVA Consumo 2**

EUR819.4m class A notes downgraded to 'AA' from 'AAA'; Outlook Negative; assigned 'LS-1'

EUR16.5m class B notes downgraded to 'BBB' from 'AA'; Outlook Negative; assigned 'LS-4'

EUR42.8m class C notes downgraded to 'B' from 'BBB'; Outlook Negative; assigned 'LS-3'

### **BBVA Autos 2**

EUR406.4m class A affirmed at 'AAA'; Outlook Stable; assigned 'LS-1'

EUR20.5m class B downgraded to 'AA-' from 'AA'; Outlook Negative; assigned 'LS-3'

EUR30m class C downgraded to 'BB' from 'BBB+'; Outlook Negative; assigned 'LS-3'

Since Fitch's prior performance review in July 2009, all three transactions have continued to have their reserve funds drawn to provision for potential credit losses, resulting in a continued weakening in the available cushion to the junior and mezzanine tranche. Fitch's cumulative gross default rate increased to 2.4% (base case: 2.07%) for BBVA Consumo 1, 2.6% (1.67%) for BBVA Consumo 2 and 2.6% (1.91%) for BBVA Autos 2 in December 2009. All three transactions have been performing worse than Fitch's initial base case expectations with respect to gross defaults. As recoveries on defaulted receivables have in general fallen significantly below the agency's original expectations, this has led to increased loss severity across all three BBVA transactions.

As a result, Fitch has undertaken to revise its expectations for the default and recovery rate in its forecast model based on the current delinquency trend, particularly for delinquencies of 90+ days and the actual recovery performance to date. Various scenarios have been generated by applying different stress levels for the next 18 months in accordance with the agency's 'EMEA Consumer ABS Rating Criteria'. The implied default rates that have been derived from the delinquency buckets in each transaction range from 3% to 5%, and in each case recoveries of 20% to 40% have been assumed. Although defaults and recoveries remained the principal drivers for the downgrades, other considerations such as pool de-leveraging and seasoning, collateral composition and prepayment have also been incorporated into the analysis.

All three transactions benefit from a guaranteed excess spread of between 300bps to 325bps via the swap and Fitch has given full credit in its ratings analysis to this feature.

As of January 2010, BBVA Consumo 1 had amortised to 42% of its original balance, BBVA Consumo 2 had amortised to 59% and BBVA Autos 2 had amortised to 46%.

Applicable criteria, 'EMEA Consumer ABS Rating Criteria', dated 1 September, 2009, and 'Global Structured Finance Rating Criteria', dated 30 September, 2009, are available on [www.fitchratings.com](http://www.fitchratings.com).

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