

Hecho Relevante de

BBVA RMBS 1 FONDO DE TITULIZACIÓN DE ACTIVOS

En virtud de lo establecido en el apartado 4.1.4 del Módulo Adicional a la Nota de Valores del Folleto Informativo de **BBVA RMBS 1 FONDO DE TITULIZACIÓN DE ACTIVOS** (el “Fondo”) se comunica a la COMISIÓN NACIONAL DEL MERCADO DE VALORES el presente hecho relevante:

- La Agencia de Calificación **Fitch Ratings** (“Fitch”), con fecha 24 de mayo de 2012, comunica que ha rebajado las calificaciones asignadas a las siguientes Series de Bonos emitidos por el Fondo:
 - **Serie A2: Asf**, perspectiva negativa (anterior **AA-sf**, observación negativa)
 - **Serie A3: Asf**, perspectiva negativa (anterior **AA-sf**, observación negativa)
 - **Serie B: BBsf**, perspectiva negativa (anterior **BBBsf**, observación negativa)

Asimismo, Fitch ha confirmado la calificación asignada a la restante Serie de Bonos:

- **Serie C: CCCsf**

Se adjunta la comunicación emitida por Fitch.

Madrid, 25 de mayo de 2012.

Mario Masiá Vicente
Director General

CORRECTION: FITCH DOWNGRADES BBVA RMBS

Fitch Ratings-London/Madrid-24 May 2012: This announcement corrects the version published on 23 May 2012, which incorrectly stated in the last paragraph certain triggers on the amortisation of the class A notes of the three transactions.

Fitch Ratings has downgraded 11 and affirmed two tranches of three BBVA RMBS transactions. The agency has also removed ten tranches from Rating Watch Negative (RWN). A full list of rating actions is at the end of this commentary.

The rating actions follow the further deterioration of the underlying assets in the portfolio, as well as the receipt and analysis of the defaulted loans in the portfolio. The agency believes that the credit support available to the rated notes is no longer sufficient to withstand the higher investment grade stresses, and has therefore downgraded the senior notes of BBVA RMBS 1 and 2 to 'Asf' and 'BBBsf', respectively and of BBVA RMBS 3 to 'BBsf'.

Despite the stabilisation in three-months plus arrears, the level of gross period defaults continues to exceed the gross excess spread generated by the transactions. With all three transactions having reported depleted reserve funds on the most recent payment date, the deals now have technical principal deficiency ledgers (PDL) ranging from 0.03% (BBVA RMBS 1) to 5.96% (BBVA RMBS 3) of the current note balance. For the least seasoned of the three transactions, BBVA RMBS 3, this PDL reaches as far as the class B notes.

The agency has received loan-by-loan level information on current and past defaulted loans, and conducted an analysis that showed that most of them have adverse features in particular broker-originated and high loan-to-value ratios. The agency also identified that the defaulted borrowers were predominantly self-employed or working on temporary basis and a significant portion of them were linked to the IRPH index (between 15% and 30% of the defaulted loans). The latter is a trend seen in other Spanish RMBS transactions with portions of IRPH linked loans in the portfolio. Although 12-month EURIBOR is a base in the calculation of the IRPH index, this reference rate has not necessarily followed the steep declining trend of the EURIBOR. The margin above 12-month EURIBOR currently stands at 330bps, and is assumed to be putting pressure on the borrowers' ability to meet their monthly payments.

In its analysis of Spanish RMBS transactions, Fitch applies additional default probability hits for each of the above features. However, the analysis of the defaulted loans also showed that most of the loans that have defaulted are those originated in or after 2006 (between 36.4% (BBVA RMBS 2) and 76.9% (BBVA RMBS 3) of the defaulted balance). As a result, Fitch has applied additional default probability hits for loans originated in 2006 and 2007.

To date, the gestora has taken an active approach towards the sale of properties on foreclosed loans. The data shows that the loss severities incurred on such loans range from 3.7% to 72.9% across all three transactions. As of December 2011, the outstanding balance of properties in possession of the special purpose vehicle ranged between 1.7% (BBVA RMBS 1) and 6.9% (BBVA RMBS 3) of the current portfolio balances. Based on the updated valuations for the underlying properties received from the gestora, which show an average house price decline of 40.8%, Fitch estimated a loss of EUR10.4m, EUR19.4m and EUR49.3m in BBVA RMBS 1, 2 and 3 respectively.

With the stresses applied to the transactions, the agency found that the credit support available to the rated tranches was no longer sufficient to maintain the ratings, and has therefore downgraded the senior and mezzanine notes of BBVA RMBS 1 and 2, and the full capital structure of BBVA RMBS 3. The Negative Outlooks assigned to the class A and B notes of BBVA RMBS 1 and 2, reflect Fitch's ongoing concerns over the future performance of the underlying assets, particularly in the current economic environment.

Fitch also notes that BBVA RMBS 2 is close to breaching its class A pro-rata amortisation trigger. The ratio of the outstanding balance of non-delinquent loans (defined as loans that are not in arrears by three months or more) to the class A notes in BBVA RMBS 2 currently stands at 1.06, compared to the trigger level of 1.0. As this trigger, set slightly higher at 1.05, has already been breached in BBVA RMBS 3 and the agency believes it will also be breached in BBVA RMBS 2 in the future, the ratings on the senior notes of these two transactions were maintained at the same rating levels.

The rating actions are as follows:

BBVA RMBS 1, FTA:

Class A2 (ISIN ES0314147010): downgraded to 'Asf' from 'AA-sf'; off RWN; Outlook Negative
Class A3 (ISIN ES0314147028): downgraded to 'Asf' from 'AA-sf'; off RWN; Outlook Negative
Class B (ISIN ES0314147036): downgraded to 'BBsf' from 'BBBsf'; off RWN; Outlook Negative
Class C (ISIN ES0314147044): affirmed at 'CCCsf'; Recovery Estimate revised to 0% from 55%

BBVA RMBS 2, FTA:

Class A2 (ISIN ES0314148018): downgraded to 'BBBsf' from 'AAsf'; off RWN; Outlook Negative
Class A3 (ISIN ES0314148026): downgraded to 'BBBsf' from 'AAsf'; off RWN; Outlook Negative
Class A4 (ISIN ES0314148034): downgraded to 'BBBsf' from 'AAsf'; off RWN; Outlook Negative
Class B (ISIN ES0314148042): downgraded to 'BBsf' from 'BBBsf'; off RWN; Outlook Negative
Class C (ISIN ES0314148059): affirmed at 'CCCsf'; Recovery Estimate revised to 5% from 90%

BBVA RMBS 3, FTA:

Class A1 (ISIN ES0314149008): downgraded to 'BBsf' from 'Asf'; off RWN; Outlook Stable
Class A2 (ISIN ES0314149016): downgraded to 'BBsf' from 'Asf'; off RWN; Outlook Stable
Class B (ISIN ES0314149032): downgraded to 'CCCsf' from 'Bsf'; off RWN; Recovery Estimate 0% assigned
Class C (ISIN ES0314149040): downgraded to 'CCsf' from 'CCCsf'; Recovery Estimate 0%

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Additional information is available on www.fitchratings.com. The ratings above were solicited by, or on behalf of, the issuer, and therefore, Fitch has been compensated for the provision of the ratings.

Sources of information - in addition to those mentioned in the applicable criteria, the sources of

information used to assess the ratings were investor reports, loan-by-loan data on the current portfolio, loan-by-loan data on loans with properties in possession and loan-by-loan data on defaulted loans to date.

Applicable criteria, 'Global Structured Finance Criteria' dated 4 August 2011, 'EMEA Residential Mortgage Loss Criteria' dated 16 August 2011, and 'EMEA Criteria Addendum - Spain - Mortgage Loss and Cash Flow Assumptions', dated 11 August 2011 are available at www.fitchratings.com.

Applicable Criteria and Related Research:

Global Structured Finance Rating Criteria

http://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=646569

EMEA Residential Mortgage Loss Criteria

http://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=649450

EMEA Criteria Addendum - Spain - Mortgage Loss and Cash Flow Assumptions

http://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=647295

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