

PROSPECTUS

April 24, 2007

BBVA FINANZIA AUTOS 1 FONDO DE TITULIZACIÓN DE ACTIVOS

ISSUE OF ASSET-BACKED BONDS EUR 800,000,000

Series A	EUR 744,000,000	Aaa/AAA
Series B	EUR 26,800,000	A1/A
Series C	EUR 29,200,000	Baa1/BBB

Backed by receivables assigned and serviced by

BBVA Finanzia

BBVA

Lead Managers


The Royal Bank of Scotland Group

Underwriters and Placement Agents

BBVA

RBS

CALYON

HSBC

IXIS CIB

SOCIÉTÉ GÉNÉRALE

Paying Agent

BBVA

Fund established and managed by

 **Europea de
Titulización**
Sociedad Gestora de Fondos de Titulización

Prospectus entered in the Registers of the Comisión Nacional del Mercado de Valores
on April 26, 2007

**Material Event concerning BBVA FINANZIA AUTOS 1 FONDO DE TITULIZACIÓN DE
ACTIVOS**

As provided for in the Prospectus for **BBVA FINANZIA AUTOS 1 FONDO DE TITULIZACIÓN DE ACTIVOS** the “Fund”) notice is given to the COMISIÓN NACIONAL DEL MERCADO DE VALORES of the following material event:

- On June 1, 2016, the Management Company, for and on behalf of the Fund, SOCIÉTÉ GÉNÉRALE, SUCURSAL EN ESPAÑA (“SG”) and BANCO BILBAO VIZCAYA ARGENTARIA, S.A. (“BBVA”) entered into an agreement amending but not terminating the Guaranteed Interest Rate Account (Treasury Account) Agreement.
- As a result of the aforementioned amendment agreement, the second paragraph of section 3.4.4.1 of the Fund Prospectus Securities Note Building Block shall henceforth read as follows:

Section	Description
3.4.4.1 Securities Note Building Block (Treasury Account): 2nd paragraph	Positive balances, if any, on the Treasury Account opened at SG (the “Account Provider”) will accrue daily interest at an annual nominal interest rate to be calculated based on the daily EONIA interest rate published by the Bank of Spain at its official site (the “EONIA”). (i) If the EONIA should be above zero, interest shall be deemed to have accrued for the Fund, and the applicable interest rate shall be EONIA. The resultant nominal interest rate shall be expressed as a percentage rounded to four decimal spaces, rounding up when equidistant. (ii) If the EONIA should be above or equal to -0.06% and below or equal to 0%, no interest shall accrue for either party (the Fund and SG). (iii) If the EONIA should be below -0.06%, interest shall be deemed to have accrued for SG and the applicable interest rate shall be the absolute value resulting from adding a 0.06% (6 basis points) margin per annum (the “Margin”) to the EONIA. The resultant nominal interest rate shall be expressed as a percentage rounded to four decimal spaces, rounding up when equidistant. That annual nominal interest rate shall be determined by SG as provided for in the above paragraphs, and be calculated based on a 365-day calendar year. That yield may be reset following a proposal by the Account Provider on June 1 of each year (the “Reset Date”) starting from June 1, 2017. The reset shall be notified by SG to the Management Company 60 days in advance of each Reset Date. The Management Company may decide to terminate this Agreement if it disagrees with the reset notified, effective as of the Reset Date, and SG shall transfer the amount credited to the Treasury Account (together with interest, if any, accrued until the termination date) to the new treasury account opened in the name of the Fund specified by the Management Company.

Section	Description
	Notwithstanding the above, during the period de time between termination of the Agreement and transfer of the amount credited to the Treasury Account (together with interest, if any, accrued until the termination date) to the new treasury account specified by the Management Company, SG shall hold the amount credited to the Treasury Account, on the understanding that the same shall be applied the new terms as to yield starting from the relevant Reset Date. In the above connection, BBVA agrees to use commercially reasonable efforts in order that the Management Company may transfer the Treasury Account to an entity with sufficient credit ratings in order for the Bond ratings given by the Rating Agencies not to be adversely affected. The Parties unconditionally agree to execute such public or private documents as may be necessary or appropriate in order to transfer the Treasury Account as provided for in the preceding paragraphs. SG shall bear no cost whatsoever resulting from the substitution described in the preceding paragraph. Interest shall be settled and paid monthly on the first business day of each month. The calculation formula for obtaining the daily interest shall be as follows: daily balance on the Treasury Account multiplied by the relevant annual nominal interest rate, divided by 36,500.

Madrid, June 1, 2016

Mario Masiá Vicente
General Manager

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This document is a prospectus (the “**Prospectus**”) registered at the Comisión Nacional del Mercado de Valores (*National Securities Market Commission*), as provided for in Commission Regulation (EC) No. 809/2004 of April 29, 2004, as currently worded (“**Regulation 809/2004**”), and comprises:

1. A description of the major risk factors linked to the issuer, the securities and the assets backing the issue (the “**Risk Factors**”);
2. An asset-backed securities registration document, prepared using the outline provided in Annex VII to Regulation 809/2004 (the “**Registration Document**”);
3. A securities note, prepared using the outline provided in Annex XIII to Regulation 809/2004 (the “**Securities Note**”);
4. A Securities Note building block, prepared using the block provided in Annex VIII to Regulation 809/2004 (the “**Building Block**”); and
5. A glossary of definitions.

RISK FACTORS

1 Risks derived from the issuer's legal nature and operations.

a) Nature of the Fund and obligations of the Management Company.

The Fund is a separate fund devoid of legal personality and is managed by a management company, in accordance with Royal Decree 926/1998. The Fund shall be liable only for its obligations to its creditors with its assets.

The Fund shall have open-end revolving assets and closed-end liabilities. Its assets shall comprise the Initial Receivables to be acquired upon being constituted, and, revolving upon repayment of the Receivables, such Additional Receivables as may be acquired on each Payment Date during the Revolving Period, which shall end on the Payment Date falling on April 26, 2009, inclusive, unless terminated sooner in accordance with the provisions of section 2.2.2.2.1 of the Building Block.

The Management Company shall discharge for the Fund the functions attributed to it in Royal Decree 926/1998, and enforce Bondholders' interests as the manager of third-party portfolios. There shall be no syndicate of bondholders.

b) Forced substitution of the Management Company.

In accordance with article 19 of Royal Decree 926/1998, where the Management Company is adjudged insolvent or has its administrative licence to operate as a Securitisation Fund Management Company revoked, it shall find a substitute management company. In any such event, if four months should have elapsed from the occurrence determining the substitution and no new management company should have been found willing to take over management, there shall be an early liquidation of the Fund and an early amortisation of the Bonds issued by the same.

c) Limitation of actions against the Management Company, the Obligors of the Receivables, the Originator and the Fund.

Bondholders and all other creditors of the Fund shall have no recourse whatsoever against Receivable Obligors who may have defaulted on their payment obligations or against the Originator. Any such rights shall lie with the Management Company, representing the Fund.

Bondholders and all other creditors of the Fund shall have no recourse whatsoever against the Fund or against the Management Company in the event of non-payment of amounts due by the Fund resulting from the existence of default or prepayment of the Receivables, a breach by the Originator of its obligations or by the counterparties to the transactions entered into for and on behalf of the Fund, or shortfall of the financial hedging transactions for servicing the Bonds in each Series.

Bondholders and all other ordinary creditors of the Fund shall have no recourse whatsoever against the Fund Management Company other than as derived from breaches of its duties or inobservance of the provisions of the Deed of Constitution and of this Prospectus.

d) Applicability of the Bankruptcy Act

Both BBVA FINANZIA and the Management Company may be declared insolvent.

In particular, insolvency of BBVA FINANZIA could affect its contractual relationships with the Fund, in accordance with the provisions of Bankruptcy Act 22/2003, July 9 (the "**Bankruptcy Act**").

As for the transaction involving the assignment of the Receivables, the latter cannot be the subject of restitution other than by an action brought by the receivers of BBVA FINANZIA, in accordance with the provisions of the Bankruptcy Act and after proving the existence of fraud in those transactions, all as set down in section 4 of Additional Provision Five of Act 3/1994, April 14.

In the event of BBVA FINANZIA being decreed insolvent, in accordance with the Bankruptcy Act, the Fund, acting through the Management Company, shall have a right of separation with respect to the Receivables, on the terms provided for in articles 80 and 81 of the Bankruptcy Act. In addition, the Fund, acting through its Management Company, shall be entitled to obtain from BBVA FINANZIA the resulting Receivable amounts from the date on which insolvency is decreed, for those amounts will be considered to be the Fund's property, through its Management Company, and must therefore be transferred to the Management Company, representing the Fund. This right of separation would not necessarily extend to the monies received and kept by BBVA FINANZIA on behalf of the Fund before that date, for they might be earmarked as a result of the insolvency, based on the most widespread construction of article 80 of the Bankruptcy Act for the time being in force, given the essential fungible nature of money.

Notwithstanding the above, both the Prospectus and the Deed of Constitution make provision for certain mechanisms in order to mitigate the aforesaid effects in relation to money because it is by nature a fungible asset.

In this sense, in order to mitigate the consequences of the Originator being decreed insolvent on the rights of the Fund, in particular within the meaning of article 1527 of the Civil Code, provision has been made in section 3.3.1.3 of the Building Block that the assignment by BBVA FINANZIA to the Fund of the Receivables shall not be notified to the Obligors. However, in the event of insolvency, or indications thereof, administration by the Bank of Spain, liquidation or substitution of the Servicer, or because the Management Company deems it reasonably justified, the Management Company may demand the Servicer to notify Obligors and guarantors, if any, of the transfer to the Fund of the outstanding Receivables, and that the payments derived therefrom will only be effective as a discharge if made into the Treasury Account opened in the name of the Fund. However, both in the event of the Servicer failing to notify Obligors within five (5) Business Days of receiving the request and in the event of the Servicer becoming insolvent, the Management Company itself shall directly or, as the case may be, through a new Servicer it shall have designated, notify Obligors and guarantors, if any.

Moreover, and for the same purposes of mitigating the aforesaid risk, provision has been made for certain means which are described in sections 3.4.4.1 (Treasury Account), 3.4.4.2 (Principal Account), 3.4.5 (Collection by the Fund of payments in respect of the assets) and 3.7.2.1.2 (Collection management), all of the Building Block.

In the event of insolvency of BBVA, the money received and kept by BBVA on behalf of the Fund as counterparty under the supplementary agreements entered into thereby, described in sections 3.4.2.1 (ii), (iii) and (iv) and 3.4.4.1 (Treasury Account), 3.4.42 (Principal Account) and 3.4.7.1 (Financial Swap) of the Building Block, before the date on which insolvency is decreed, could be earmarked as a result of the insolvency, based on the most widespread construction of article 80 of the Bankruptcy Act for the time being in force, given the essential fungible nature of money. Moreover, and for the same purposes of mitigating the aforesaid risk, provision has been made for certain means which are described in sections 3.4.4.1, 3.4.4.2 and 3.4.7.1 of the Building Block.

In the event of insolvency of the Management Company, it must be replaced by another management company in accordance with the provisions of paragraph 1.b) above and articles 18 and 19 of Royal Decree 926/1998.

The structure of the asset securitisation transaction contemplated does not, failing a breach by the parties, allow for the existence of cash amounts which may be included in the Management Company's estate, because Fund income amounts shall be paid, on the terms provided for in this Prospectus, into the accounts opened in the Fund's name by the Management Company (which is involved in opening those accounts as its authorised representative), and the Fund would therefore have a right of separation in that connection, on the terms provided for in articles 80 and 81 of the Bankruptcy Act.

Notwithstanding the above, insolvency of any of the parties involved (whether BBVA FINANZIA, the Management Company or any other counterparty institution of the Fund) could affect their contractual relationships with the Fund.

e) Information sourced from a third party

The Fund has entered into agreements with third parties for the provision of certain services in relation to the Bonds. These include the Receivables Servicing Agreement, the Start-Up Loan Agreement, the Subordinated Loan Agreement, the Financial Swap Agreement, the Bond Issue Paying Agent Agreement, the Guaranteed Interest Rate Account (Treasury Account) Agreement, the Guaranteed Interest Rate Account (Principal Account) Agreement, the Financial Intermediation Agreement and the Bond Issue Management, Underwriting and Placement Agreement.

Bondholders may be aggrieved in the event of any of those parties being in breach of the obligations accepted under each of the above agreements.

2

Risks derived from the securities.

a) Liquidity

There is no assurance that the Bonds will be traded on the market with a minimum frequency or volume.

There is no undertaking that any institution will be involved in secondary trading, giving the Bonds liquidity by offering consideration.

Moreover, the Fund may in no event repurchase the Bonds from Bondholders. Nevertheless, the Bonds may be fully subject to early amortisation in the event of Early Liquidation of the Fund, on the terms laid down in section 4.4.3 of the Registration Document.

b) Yield.

Calculation of the yield (internal rate of return) of the Bonds in each Series contained in section 4.10 of the Securities Note is subject to future market interest rates, given the floating nature of the Nominal Interest Rate of each Series.

c) Duration.

Calculation of the average life and duration of the Bonds in each Series contained in section 4.10 of the Securities Note is subject to fulfilment of Receivable repayment and to assumed Receivable prepayment rates that may not be fulfilled. Receivable repayment performance is influenced by a number of economic and social factors such as market interest rates, the Obligors' financial circumstances and the general level of economic activity, preventing their predictability.

d) Late-payment interest.

Late interest payment or principal repayment to Bondholders in any Series shall under no circumstances result in additional or late-payment interest accruing to their favour.

e) Subordination of the Bonds.

Series B Bond interest payment and principal repayment is deferred with respect to Series A Bonds, whereas Series C Bond interest payment and principal repayment is deferred with respect to Series A and Series B Bonds. Nevertheless, there is no certainty that these subordination rules shall protect Series A, B and C Bondholders from the risk of loss.

The subordination rules for the various Series are laid down in the Priority of Payments and in the Liquidation Priority of Payments of the Fund, in accordance with section 3.4.6 of the Building Block.

f) Deferment of interest.

This Prospectus and all other supplementary Bond-related documents provide for Series B and C Bond interest payment to be deferred in the event of the occurrence of the circumstances provided for in section 3.4.6.2.1.2 of the Building Block.

Series A Bond interest is not subject to these deferment rules.

g) Rating of the Bonds.

The credit risk of the Bonds issued by the Fund has been rated by the following rating agencies: Moody's Investors Service España S.A. and Standard & Poor's España S.A.

The rating agencies may revise, suspend or withdraw the final ratings assigned at any time, based on any information that may come to their notice.

These ratings are not and cannot therefore be howsoever construed as an invitation, recommendation or encouragement for investors to proceed to carry out any transaction whatsoever on the Bonds and, in particular, acquire, keep, charge or sell those Bonds.

h) Fulfilment of formal obligations by investors.

In accordance with Spanish laws for the time being in force, returns on the Bonds obtained by investors who are Non-Resident Income taxpayers shall be either (i) exempt from a withholding on account of Non-Resident Income Tax, in the case of investors acting in respect of the Bonds through a permanent establishment in Spain because the Bonds are in book-entry form and are traded in a Spanish official secondary securities market, or (ii) exempt from paying Non-Resident Income Tax, pursuant to Act 13/1985, May 25, on financial intermediaries' investment ratios, equity and reporting duties, as amended by Act 19/2003, July 4, on the legal system of capital movements and economic transactions abroad and on certain money laundering measures, and Act 23/2005, November 18, on productivity enhancing tax reforms ("**Act 13/1985**"), in the case of investors not acting, with respect to the Bonds, through a permanent establishment in Spain and provided that those returns are not obtained through countries or territories statutorily considered to be tax havens by Spanish regulations.

Notwithstanding the above, in order for the above withholding exclusion to be effective, it is necessary for those investors to satisfy certain formal obligations, currently laid down (i) in the Order of December 22, 1999, in the case of non-residents acting with respect to the Bonds through a permanent establishment in Spain, and (ii) in Royal Decree 2281/1998, October 23, implementing the provisions applicable to certain duties to supply information to the tax Administration, as amended by Royal Decree 1778/2004, July 30, establishing reporting duties with respect to preferred stock and other debt instruments and certain income obtained by individuals resident in the European Union ("**Royal Decree 2281/1998**"), in the case of non-residents not acting, with respect to the Bonds, through a permanent establishment in Spain and satisfying the terms and requirements referred to above, though specific laws may be passed for securitisation funds in the future.

Where pursuant to the abovementioned laws a non-resident investor fails to properly prove the right to an exemption, returns on the bonds shall be subject to a withholding that is currently set at 18%.

The tax implications described above are based on the laws in force at the time of issue and do not purport to be comprehensive. Consequently, they should not be considered in lieu of the requisite tax advice suited to each investor's particular situation.

3 Risks derived from the assets backing the issue.

a) Risk of default on the Receivables.

Bondholders shall bear the risk of default on the Receivables pooled in the Fund.

BBVA FINANZIA, as Originator, shall have no liability whatsoever for the Obligors' default of principal, interest or any other amount they may owe under the Receivables. Under article 348 of the Commercial Code and 1529 of the Civil Code, BBVA FINANZIA is liable to the Fund exclusively for the existence and lawfulness of the Loans, and for the personality with which the assignment is made. BBVA FINANZIA will have no liability whatsoever to directly or indirectly guarantee that the transaction will be properly performed nor give any guarantees or security, nor indeed agree to repurchase the Receivables, other than the undertakings contained in section 2.2.9 of the Building Block regarding substitution of Receivables failing to conform, on the date of assignment to the Fund, to the representations contained in section 2.2.8 of the Building Block.

The Bonds issued by the Fund neither represent nor constitute an obligation of BBVA FINANZIA or the Management Company. No other guarantees have been granted by any public or private organisation whatsoever, including BBVA FINANZIA, the Management Company and any of their affiliated or associated companies.

b) Limited Hedging.

A high level of delinquency of the Receivables might reduce or indeed exhaust the limited hedging against Receivable losses that the Bonds in each Series distinctly have as a result of the existence of the credit enhancement transactions described in section 3.4.2 of the Building Block.

The degree of subordination in interest payment and principal repayment between the Bonds in the different Series derived from the Priority of Payments and the Liquidation Priority of Payments of the Fund is a mechanism for distinctly hedging the different Series.

c) Receivable prepayment risk.

There will be a prepayment of the Receivables pooled in the Fund when Obligor prepay the portion of principal pending repayment on the Receivables.

Upon the Receivables Revolving Period ending, that prepayment risk shall pass quarterly on each Payment Date to Bondholders by the partial amortisation of the Bonds, in accordance with the provisions of the rules for Distribution of Principal Available Funds contained in section 4.9.3.1.5 of the Securities Note.

d) Geographical concentration risk.

As detailed in section 2.2.2.1 g) of the Building Block, the Autonomous Communities having the largest concentration of the address of obligors of the loans selected to be assigned to the Fund upon being established are, as a percentage with respect to the outstanding principal, as follows: Catalonia (27.63%), Andalusia (21.24%) and Valencian Community (13.28%), altogether representing 62.15%.

Moreover, paragraph 2 of section 2.2.2.2.3 of the Building Block sets the following Global Requirements in relation to geographical concentration by Autonomous Communities to be satisfied by the Receivables, including the Additional Receivables, in order to be assigned to the Fund:

- That on the date of assignment, the Outstanding Balance of the Receivables for Obligor from a same Autonomous Community is not in excess of thirty percent (30.00%) of the total Outstanding Balance of the Receivables.
- That on the date of assignment, the Outstanding Balance of the Receivables for Obligor from the three (3) Autonomous Communities with the highest representation (Outstanding Balance) is not in excess of seventy percent (70.00%) of the total Outstanding Balance of the Receivables.

This is a Certified Translation into English of the Spanish Prospectus. No document other than the Spanish Prospectus registered by the Comisión Nacional del Mercado de Valores may have any legal effect whatsoever or be taken into account with respect to the Bond Issue.

ASSET-BACKED SECURITIES REGISTRATION DOCUMENT

(Annex VII to Commission Regulation (EC) No. 809/2004 of April 29, 2004)

1. PERSONS RESPONSIBLE

1.1 Persons responsible for the information given in the Registration Document.

Mr Mario Masiá Vicente, acting for and on behalf of EUROPEA DE TITULIZACIÓN S.A. SOCIEDAD GESTORA DE FONDOS DE TITULIZACIÓN (the “**Management Company**”), the company sponsoring BBVA FINANZIA AUTOS 1 FONDO DE TITULIZACIÓN DE ACTIVOS (the “**Fund**” and/or the “**Issuer**”), takes responsibility for the contents of this Registration Document.

Mr Mario Masiá Vicente is acting as General Manager of the Management Company using the authorities conferred by the Board of Directors at its meetings held on January 19, 1993 and January 28, 2000, and expressly for establishing the Fund pursuant to authorities conferred by the Board of Directors’ Executive Committee on March 14, 2007.

1.2 Declaration by those responsible for the contents of the Registration Document.

Mr Mario Masiá Vicente declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Registration Document is, to the best of his knowledge, in accordance with the facts and contains no omission likely to affect its import.

2. STATUTORY AUDITORS

2.1 Fund’s Auditors.

In accordance with the provisions of section 4.4.2 of this Registration Document, the Fund has no historical financial information.

The Fund’s annual accounts shall be audited and reviewed every year by statutory auditors. The Fund’s annual accounts and their audit report shall be filed with the Companies Register, in accordance with the statutory provisions in force on the subject.

The Management Company shall proceed to designate, for periods of not more than three (3) years, the statutory auditor who is for that period of time to audit the Fund’s annual accounts, reporting that appointment to the Comisión Nacional del Mercado de Valores (*National Securities Market Commission*) (the “**CNMV**”). The designation of an auditor for a given period shall not preclude the designation of that auditor for subsequent periods, observing in any event the laws in force on the subject.

2.2 Accounting policies used by the Fund.

Income and expenditure will be accounted for by the Fund in accordance with the accruals principle, i.e. in accordance with the actual flow represented by such income and expenditure, irrespective of when they are collected and paid.

The expenses of setting up the Fund and issuing the Bonds will be subject to a straight-line depreciation during the months elapsing between the establishment of the Fund and March 31, 2010, inclusive.

The Fund’s fiscal year shall match a calendar year. However, the first fiscal year will exceptionally begin on the date of establishment of the Fund and the last fiscal year will end on the date on which the Fund terminates.

3. RISK FACTORS

The risk factors linked to the issuer are described in section 1 of Risk Factors of this Prospectus.

4. INFORMATION ABOUT THE ISSUER

4.1 Statement that the issuer will be established as a securitisation fund.

The Issuer is an asset securitisation fund to be established in accordance with Spanish laws.

The Fund shall have open-end revolving assets and closed-end liabilities. Its assets shall comprise the Initial Receivables to be acquired upon being constituted, and, revolving upon repayment of the Receivables, such Additional Receivables as may be acquired on each Payment Date during the Revolving Period, which shall end on the Payment Date falling on April 26, 2009, inclusive, unless terminated sooner in accordance with the provisions of section 2.2.2.2.1 of the Building Block.

4.2 Legal and commercial name of the issuer.

The issuer's name is "BBVA FINANZIA AUTOS 1 FONDO DE TITULIZACIÓN DE ACTIVOS" and the following short names may also be used without distinction to identify the Fund:

- BBVA FINANZIA AUTOS 1 FTA
- BBVA FINANZIA AUTOS 1 F.T.A.

4.3 Place of registration of the issuer and registration number.

The place of registration of the Fund is in Spain at the CNMV. The Fund was entered in the Official Registers of the CNMV on April 26, 2007.

Companies Register

For the record, neither the establishment of the Fund nor the Bonds issued backed by its assets shall be entered in the Companies Register, in pursuance of the facultative authority for which provision is made in article 5.4 of Royal Decree 926/1998.

4.4 Date of establishment and existence of the issuer.

4.4.1 Date of establishment of the Fund.

The Management Company shall with FINANZIA BANCO DE CRÉDITO, S.A. ("**BBVA FINANZIA**"), originator of the Receivables (the "**Originator**"), proceed to execute on April 30, 2007 a public deed whereby BBVA FINANZIA AUTOS 1 FONDO DE TITULIZACIÓN DE ACTIVOS will be established and the Fund will issue the Asset-Backed Bonds (the "**Deed of Constitution**"), on the terms provided in article 6 of Royal Decree 926/1998.

The Management Company represents that the contents of the Deed of Constitution and the notarised certificate assigning receivables shall match the drafts of two documents it has submitted to the CNMV and the terms of the Deed of Constitution or the notarised certificate assigning receivables shall at no event contradict, change, alter or invalidate the contents of this Prospectus.

Neither the Deed of Constitution nor the notarised certificate assigning receivables may be changed other than in exceptional events, provided that is permitted under the laws in force and subject to such statutory requirements as may be established. In any event, those changes shall require that the Management Company first notify and secure the prior authorisation, if necessary, of the CNMV or competent administrative body and the Rating Agencies, and provided that such changes are not detrimental to the rating assigned to the Bonds by the Rating Agencies or to Bondholders. Amendment of the Deed of Constitution and/or the notarised certificate assigning receivables shall be notified by the Management Company to the CNMV and the Rating Agencies. The Deed of Constitution can also be corrected as requested by the CNMV.

4.4.2 Existence of the Fund.

The Fund shall commence its operations on the date of execution of the Deed of Constitution.

The Fund shall be in existence until April 26, 2021 or the following Business Day if that is not a Business Day, the Final Maturity Date of the Bond Issue, unless there should previously have been an Early Liquidation as set forth in section 4.4.3 of this Registration Document or any of the events laid down in section 4.4.4 hereof should occur.

4.4.3 Early Liquidation of the Fund.

4.4.3.1 Following notice served on the CNMV, the Management Company shall be entitled to proceed to an early liquidation ("**Early Liquidation**") of the Fund and thereby an early amortisation ("**Early Amortisation**") of the entire Bond Issue, in any of the following events ("**Early Liquidation Events**"):

- (i) When the amount of the Outstanding Balance of the Receivables yet to be repaid is less than ten (10) percent of the Outstanding Balance of the Initial Receivables upon the Fund being established, and provided that the payment obligations derived from the Bonds in each Series then outstanding may be honoured and settled in full in the Liquidation Priority of Payments.

Payment obligations derived from the Bonds in each Series on the date of Early Liquidation of the Fund shall at all events be deemed to be the Outstanding Principal Balance of the Series on that date plus interest accrued and not paid until that date, which amounts shall be deemed to be due and payable on that date to all statutory intents and purposes.

- (ii) Where, in any event or circumstance whatsoever unrelated to the Fund's operations, a substantial alteration occurs or the financial balance of the Fund required by article 11.b) of Royal Decree 926/1998 is permanently damaged. This event includes such circumstances as the existence of any change in the law or supplementary implementing regulations, the establishment of withholding obligations or other situations which might permanently affect the financial balance of the Fund.
- (iii) In the event that the Management Company should be adjudged insolvent or has its administrative licence to operate as a Securitisation Fund Management Company revoked, or the statutory term to do so or otherwise four months should elapse without a new management company being designated in accordance with the provisions of section 3.7.1.3 of the Building Block.
- (iv) When a default occurs indicating a major permanent imbalance in relation to any of the Bonds issued or that it is about to occur.
- (v) Upon the lapse of eighteen (18) months from the date of the last maturity of the Receivables, even if amounts are still due and payable.

4.4.3.2 The following requirements shall have to be satisfied to proceed to that Early Liquidation of the Fund:

- (i) That Bondholders be given not less than fifteen (15) Business Days' notice, as prescribed in section 4.1.3.2 of the Building Block, of the Management Company's resolution to proceed to an early liquidation of the Fund.
- (ii) That the Management Company first notify or secure the prior authorisation, if necessary, of the CNMV or competent administrative body and the Rating Agencies.
- (iii) The notice of the Management Company's resolution to proceed to an Early Liquidation of the Fund shall contain a description (i) of the event or events for which an Early Liquidation of the Fund is effected, (ii) of the liquidation procedure, and (iii) of the manner in which Bond payment obligations are to be honoured and settled in the Liquidation Priority of Payments.

4.4.3.3 In order for the Fund, through its Management Company, to proceed to an Early Liquidation of the Fund and an Early Amortisation of the Bond Issue, the Management Company shall, for and on behalf of the Fund:

- (i) Proceed to sell the Receivables remaining in the Fund at a reasonable market price, initially not less than the sum of the principal still outstanding plus interest accrued and not paid on the remaining Receivables, subject to the provisions of paragraph (iv) below if that price cannot be achieved.
- (ii) Proceed to terminate such agreements as are not necessary for the Fund liquidation procedure.
- (iii) Be entitled to arrange for a credit facility which shall be fully allocated to early amortisation of the Bonds then outstanding. Payment of financial expenses accrued and principal repayment on that credit facility shall be made in accordance with the Liquidation Priority of Payments.
- (iv) Finally, both due to the preceding actions falling short and the existence of Receivables or other remaining assets of the Fund, upon the provisions of paragraph (i) above not being fulfilled, the Management Company shall proceed to sell them and shall therefore invite a bid from at least five (5) entities who may, in its view, give a reasonable market value. The Management Company shall be bound to accept the best bid received for the Receivables and assets on offer. In order to set the market value, the Management Company may secure such valuation reports as it shall deem necessary.

In events (i), (iii) and (iv) above, the Originator shall have a pre-emptive right and will therefore have priority over third parties to acquire the Receivables or other remaining assets still on the assets of the Fund, and/or to grant to the Fund the credit facility designed for early amortisation of the Bonds then outstanding. The Management Company shall therefore send the Originator a list of the assets and of third-party bids received, and the latter may use that right for all of the Receivables or other remaining assets offered by the Management Company or the credit facility within five (5) Business Days of receiving said notice, and provided that its bid is at least equal to the best of the third-party bids.

4.4.3.4 The Management Company shall forthwith apply all the proceeds from the sale of the Fund's assets to paying the various items, in such manner, amount and order as shall be requisite in the Liquidation Priority of Payments, other than the amounts, if any, drawn under the credit facility arranged, which shall be fully allocated to early amortisation of the Bonds then outstanding.

4.4.4 Termination of the Fund.

The Fund shall terminate in any of the following events, and after the relevant legal procedure:

- (i) Upon the Receivables pooled therein being fully repaid.
- (ii) Upon the Bonds issued being fully amortised.
- (iii) When the Early Liquidation procedure established in section 4.4.3 above is over.
- (iv) Upon the final liquidation of the Fund on the Final Maturity Date on April 26, 2021 or the following Business Day if that is not a Business Day.
- (v) Upon the establishment of the Fund terminating in the event that the Rating Agencies should not confirm any of the assigned provisional ratings as final ratings by the start of the Subscription Period. In this event, the Management Company shall terminate the establishment of the Fund, the assignment to the Fund of the Initial Receivables and the Bond issue.

Termination of the establishment of the Fund shall be notified to the CNMV as soon as such is confirmed, and shall be publicised by means of the procedure specified in section 4.1.3.2 of the Building Block. Within not more than one month after the occurrence of the event of termination, the Management Company shall execute a statutory declaration before a notary public declaring that the Fund's obligations have been settled and terminated and that the Fund has terminated. Notwithstanding the above, the Fund Management Company shall defray the expenses of setting up the Fund payable with the Start-Up Loan, the agreement for which shall not be terminated but shall rather be cancelled after those amounts are settled, the repayment of principal being subordinated to

fulfilment of all other obligations undertaken by the Management Company, acting for and on the Fund's behalf.

In the event that there should be any remainder upon the Fund being liquidated and after making all payments to the various creditors by distributing the Liquidation Available Funds in the set Liquidation Priority of Payments, that remainder shall be for the Originator on the liquidation terms established by the Management Company. If that remainder is not a liquid amount, since relating to Receivables that are pending the outcome of legal or notarial proceedings as a result of default by the Receivable Obligor, both continuation thereof and the proceeds of their resolution shall be for the Originator.

In any event, the Management Company, acting for and on behalf of the Fund, shall not proceed to terminate the Fund and strike it off the relevant administrative registers until the Receivables and the Fund's remaining assets have been liquidated and the Fund's Liquidation Available Funds have been distributed, in the Fund Liquidation Priority of Payments.

Upon a period of six (6) months elapsing from liquidation of the Fund's remaining assets and distribution of the Liquidation Available Funds, the Management Company shall execute a statutory declaration before a notary public declaring (i) that the Fund has terminated, and the events prompting its termination, (ii) how Bondholders and the CNMV were notified, and (iii) how the Fund's Liquidation Available Funds were distributed in the Liquidation Priority of Payments; notice of this shall be given in a nation-wide newspaper and all other appropriate administrative procedures will be observed. The Management Company will submit that statutory declaration to the CNMV.

4.5 Domicile, legal form and legislation applicable to the issuer.

In accordance with the provisions of article 1.1 of Royal Decree 926/1998, the Fund has no own legal personality, and Securitisation Fund Management Companies are entrusted with establishing, managing and being the authorised representative of those funds, and, as managers of third-party portfolios, with representing and enforcing the interests of the holders of the securities issued by the Funds they manage and of all their other ordinary creditors.

The Fund shall have the same domicile as the Management Company:

- Street: Lagasca number 120
- Town: Madrid
- Post Code: 28006
- Country: Spain
- Telephone: (34) 91 411 84 67

The establishment of the Fund is subject to Spanish Law and in particular is carried out pursuant to the legal system provided for by (i) Royal Decree 926/1998, May 14, regulating asset securitisation funds and securitisation fund management companies ("**Royal Decree 926/1998**") and implementing regulations, (ii) Investment Trusts and Companies System and Mortgage Securitisation Funds Act 19/1992, July 7 ("**Act 19/1992**"), failing a provision in Royal Decree 926/1998 and to the extent applicable, (iii) Act 3/1994, April 14, adapting Spanish law in regard to credit institutions to the Second Banking Co-ordination Directive and introducing other financial system changes ("**Act 3/1994**"), (iv) Securities Market Act 24/1988, July 28, as currently worded, in regard to supervision, inspection and sanctions thereof, (v) Commission Regulation (EC) no. 809/2004, April 29, 2004, (vi) Royal Decree 1310/2005, November 4, partly implementing the Securities Market Act in regard to admission to trading of securities in official secondary markets, public offerings for sale or subscription and the prospectus required for that purpose, and (vii) all other legal and statutory provisions in force and applicable from time to time.

4.5.1 Tax system of the Fund.

In accordance with the provisions of article 1.2 of Royal Decree 926/1998; of article 5.10 of Act 19/1992; of article 7.1.h) of the Consolidation of the Corporation Tax Act approved by Legislative Royal Decree 4/2004, March 5; of article 20.One.18 of Value Added Tax Act 37/1992, December 28; of article 59.k of the Corporation Tax Regulations approved by Royal Decree 1777/2004, July 30; of article 45.I.B).15 of the

Consolidation of the Capital Transfer and Documents Under Seal Tax Act approved by Legislative Royal Decree 1/1993, September 24; and of additional provision five of Act 3/1994, April 14, the following are the characteristics of the current tax system of the Fund:

- (i) The establishment of the Fund is exempt from the “corporate transactions” item of Capital Transfer and Documents Under Seal Tax.
- (ii) Bond issue, subscription, transfer and amortisation is exempt from payment of Value Added Tax and Capital Transfer and Documents Under Seal Tax.
- (iii) The Fund is subject to the general Corporation Tax system, the taxable income being determined in accordance with the provisions of Title IV of the Corporation Tax Act, applying the general rate in force from time to time, which currently stands at 32.5%, effective from 1st January 2007, and will be reduced to 30% for tax periods starting on 1st January 2008, and subject to common rules regarding tax credit, set-off of losses and other substantial constituent elements of the tax.
- (iv) The Fund management and custody services shall be exempt from Value Added Tax.
- (v) Transfer of the Receivables to the Fund is a transaction exempt from and subject to Value Added Tax.
- (vi) The reporting duties established by Additional Provision Two of Financial Intermediary Investment Ratios, Equity and Reporting Duties Act 13/1985 shall apply to the Fund.

The procedure to satisfy those reporting duties was implemented by Royal Decree 2281/1998.

4.6 Issuer’s authorised and issued capital.

Not applicable.

5. BUSINESS OVERVIEW

5.1 Brief description of the issuer’s principal activities.

The Fund’s activity is (i) to acquire a set of receivables owned by BBVA FINANZIA derived from loans granted to Spanish individuals or individuals resident in Spain (the “**Obligors**”) to finance new and used motor car purchase transactions (the “**Loans**”), assigned by BBVA FINANZIA to the Fund (the “**Receivables**”), comprising the Receivables acquired by the Fund upon being established (the “**Initial Receivables**”) and the Receivables later acquired during the Revolving Period (the “**Additional Receivables**”), and (ii) to issue asset-backed bonds (either the “**Asset-Backed Bonds**” or the “**Bonds**”) designed to finance the acquisition of the Initial Receivables, the placement of which is targeted at qualified investors.

Receivable interest and repayment income collected by the Fund shall be allocated quarterly on each Payment Date to payment of Bond interest and other expenses and acquisition of Additional Receivables during the Revolving Period and, upon the same ending, to principal repayment on the Asset-Backed Bonds issued on the specific terms of each of the Series making up the issue of Asset-Backed Bonds and in the order of priority established for Fund payments.

Moreover, the Fund, represented by the Management Company, arranges a number of financial and service transactions in order to consolidate the financial structure of the Fund, enhance the safety or regularity in payment of the Bonds, cover timing differences between the scheduled principal and interest flows on the Loans and the Bonds, and, generally, enable the financial transformation carried out in respect of the Fund’s assets between the financial characteristics of the Loans and the financial characteristics of each of the Bond Series.

5.2

Global overview of the parties to the securitisation program.

- EUROPEA DE TITULIZACIÓN, S.A., SOCIEDAD GESTORA DE FONDOS DE TITULIZACIÓN (“**EUROPEA DE TITULIZACIÓN**”) is the Management Company that will establish, manage and be the authorised representative of the Fund, was involved in structuring the financial terms of the Fund and the Bond Issue, and takes responsibility for the contents of this Prospectus.

EUROPEA DE TITULIZACIÓN is a securitisation fund management company incorporated in Spain and entered in the CNMV's special register under number 2.

VAT REG. No.: A-805144 66 Business Activity Code No.: 6713
Registered office: Calle Lagasca number 120, 28006 Madrid (Spain)

- FINANZIA BANCO DE CRÉDITO S.A. (“**BBVA FINANZIA**”) is the originator of the Receivables to be acquired by the Fund and shall be the Fund's counterparty in the Subordinated Loan, Start-Up Loan, Receivables Servicing and Financial Intermediation Agreements.

BBVA FINANZIA is a bank incorporated in Spain and entered in the Bank of Spain's Special Register of Banks and Bankers, its bank number being 0009.

VAT REG. No.: A37001815 Business Activity Code No.: 65121
Registered office: Calle Julián Camarillo number 4, 28036 Madrid (Spain)

BBVA FINANZIA is not rated by the rating agencies.

- BANCO BILBAO VIZCAYA ARGENTARIA S.A. (“**BBVA**”) shall be a Lead Manager and an Underwriter and Placement Agent of the Bond Issue and also takes responsibility for the contents of the Securities Note.

Out of the functions and activities that Lead Managers may discharge in accordance with article 35.1 of Royal Decree 1310/2005, BBVA was involved in structuring the financial terms of the Fund and the Bond Issue and will, together with the other Lead Managers, do the following: (i) temporary and marketing actions and activities in connection with the offering for Bond Issue subscription, (ii) liaising with potential investors and being one of the Bond subscription book runners, (iii) coordinating all other Underwriters and Placement Agents, and (iv) all other actions and activities provided for in respect of the Lead Managers in the Securities Note.

Moreover, BBVA shall be the Fund's counterparty in the Guaranteed Interest Rate Account (Treasury Account), Guaranteed Interest Rate Account (Principal Account), Financial Swap and Bond Paying Agent Agreements.

BBVA is a bank incorporated in Spain and entered in the Bank of Spain's Special Register of Banks and Bankers under number 3, its bank number being 0182.

VAT REG. No.: A-48265169 Business Activity Code No.: 65121
Registered office: Plaza de San Nicolás number 4, 48005 Bilbao (Spain)

Principal places of business: Paseo de la Castellana number 81, 28046 Madrid
Gran Vía number 1, 48001 Bilbao
Paseo de Recoletos number 10, 28001 Madrid

Ratings for the short- and long-term unsecured and unsubordinated debt obligations of BBVA assigned by the rating agencies:

	Fitch Ratings	Moody's Ratings	S&P Ratings
Short-term	F1+ (November 2006)	P-1 (April 2007)	A-1+ (March 2007)
Long-term	AA- (November 2006)	Aa1 (April 2007)	AA- (March 2007)

- THE ROYAL BANK OF SCOTLAND PLC (“**RBS**”) shall be a Bond Issue Lead Manager and Underwriter and Placement Agent.

Out of the functions and activities that Lead Managers may discharge in accordance with article 35.1 of Royal Decree 1310/2005, RBS will, together with the other Lead Managers, do the following: (i) temporary and marketing actions and activities in connection with the offering for Bond Issue subscription, (ii) liaising with potential investors and being one of the Bond subscription book runners, (iii) coordinating all other Underwriters and Placement Agents, and (iv) all other actions and activities provided for in respect of the Lead Managers in the Securities Note.

RBS is a bank with registered office at Edinburgh (United Kingdom), registered under number SC090312 and operating from its establishment in the United Kingdom at 135 Bishopsgate, London EC2M 3UR. In addition, RBS is registered with the Bank of Spain as a Community credit institution under code number 1477, operating in Spain with an establishment, and is also registered with the CNMV.

- CALYON SUCURSAL EN ESPAÑA (“**CALYON**”) shall be one of the Bond Issue Underwriters and Placement Agents.

CALYON is a bank incorporated and registered in France operating through its Spanish Branch, which is registered with the Bank of Spain as a branch of a foreign Community credit institution under code number 0154.

VAT REG. No.: A-0011043-G

Registered Office: Paseo de la Castellana number 1, 28046 Madrid (Spain).

- HSBC BANK PLC (“**HSBC**”) shall be one of the Bond Issue Underwriters and Placement Agents.

HSBC is a bank registered in the United Kingdom under number 14259, regulated and supervised by the Financial Services Authority (FSA), of 8 Canada Square, Canary Wharf, London E14 5HG (United Kingdom), which is also registered with the Bank of Spain as a Community credit institution, operating in Spain without an establishment.

- IXIS CORPORATE & INVESTMENT BANK (“**IXIS CIB**”) shall be one of the Bond Issue Underwriters and Placement Agents.

IXIS CIB is a bank incorporated and registered in France which is also registered with the Bank of Spain as a Community credit institution operating in Spain without an establishment.

IXIS CIB, as a Community credit institution, is operating in Spain under the rules governing the freedom to provide services.

VAT REG. No.: FR66340 706 4007

Registered Office: 47 quai d’Austerlitz, 75658 Paris cedex 13 (France).

- SOCIÉTÉ GÉNÉRALE, SUCURSAL EN ESPAÑA (“**SOCIÉTÉ GÉNÉRALE**”) shall be one of the Bond Issue Underwriters and Placement Agents.

SOCIÉTÉ GÉNÉRALE is a bank incorporated in France acting through its Spanish Branch, which is registered with the Bank of Spain as a branch of a foreign Community credit institution under code number 0108 and is entered in the Companies Register of Madrid, at Volume 10,205, Folio 35, Sheet 18,909, Entry 480.

VAT REG. No.: A0011682B

Registered office: Torre Picasso, Plaza Pablo Ruiz Picasso number 1, 28020 Madrid (Spain).

- Moody's Investors Service España, S.A. is one of the two Rating Agencies of each Series in the Bond Issue.

Moody's Investors Service España, S.A. is a Spanish company licensed as a rating agency by the CNMV, which is affiliated to and operates in accordance with the methodology, standards and quality control of Moody's Investors Service Limited (each of them "**Moody's**" without distinction).

VAT REG. No.: A-80448475

Registered Office: Bárbara de Braganza number 2, 28004 Madrid (Spain)

- Standard & Poor's España, S.A. is one of the two Rating Agencies of each Series in the Bond Issue.

Standard & Poor's España, S.A. is a Spanish company licensed as a rating agency by the CNMV, which is affiliated to and operates in accordance with the methodology, standards and quality control of Standard & Poor's Rating Services (each of them "**S&P**" without distinction).

VAT REG. No.: A-80310824

Registered Office: Marqués de Villamejor number 5, 28006 Madrid (Spain)

- The law firm Uría, Menéndez y Cia., Abogados, S.C. ("**URÍA MENÉNDEZ**"), as independent advisers, have provided legal advice for establishing the Fund and issuing the Bonds and reviewed their tax aspects.

VAT REG. No.: C-28563963

Registered Office: Príncipe de Vergara number 187, 28002 Madrid (Spain)

- Deloitte S.L. ("**Deloitte**") has issued the audit report on certain characteristics and attributes of a sample of all the selected loans of BBVA FINANZIA from which the Initial Receivables will be taken to be assigned to the Fund upon being established.

Deloitte is entered in the Official Register of Auditors (ROAC) of Spain under number S0692.

VAT REG. No.: B-79104469

Registered Office: Plaza Pablo Ruiz Picasso s/n (Torre Picasso) 28020 Madrid (Spain)

BBVA Group, to which BANCO BILBAO VIZCAYA ARGENTARIA S.A. is affiliated has a 100.00 percent interest in the share capital of FINANZIA BANCO DE CRÉDITO S.A. and BANCO BILBAO VIZCAYA ARGENTARIA S.A. has an 82.97 percent interest in the share capital of EUROPEA DE TITULIZACIÓN.

No other direct or indirect ownership or controlling interest whatsoever is known to exist between the above-mentioned legal persons involved in the securitisation transactions.

6. ADMINISTRATION, MANAGEMENT AND SUPERVISORY BODIES

The Management Company, EUROPEA DE TITULIZACIÓN, shall be responsible for managing and being the authorised representative of the Fund on the terms set in Royal Decree 926/1998, Act 19/1992, failing a provision in Royal Decree 926/1998 and to the extent applicable, and other applicable laws, and on the terms of the Deed of Constitution and this Prospectus.

6.1 Incorporation and registration at the Companies Register.

EUROPEA DE TITULIZACIÓN was incorporated in a public deed executed on January 19, 1993 before Madrid Notary Public Mr Roberto Blanquer Uberos, his document number 117, with the prior authorisation of the Economy and Finance Ministry, given on December 17, 1992, and entered in the Companies Register of Madrid at volume 5,461, book 0, folio 49, section 8, sheet M-89355, entry 1, on March 11, 1993; the company was re-registered as a Securitisation Fund Management Company in accordance with the provisions of chapter II and of the single transitional provision of Royal Decree 926/1998, May 14,

regulating asset securitisation funds and securitisation fund management companies, pursuant to an authorisation granted by a Ministerial Order dated October 4, 1999 and a deed executed on October 25, 1999 before Madrid Notary Public Mr Luis Felipe Rivas Recio, his document number 3,289, which was entered under number 33 of the sheet opened for the Company in said Companies Register.

EUROPEA DE TITULIZACIÓN has perpetual existence, other than upon the occurrence of any of the events of dissolution provided by the laws and the articles of association.

6.2 Audit.

The annual accounts of EUROPEA DE TITULIZACIÓN for the years ended on December 31, 2005, 2004 and 2003 have been audited by the firm Deloitte.

The audit reports on the annual accounts for the years 2005, 2004 and 2003 have no provisos.

6.3 Principal activities.

The exclusive objects of EUROPEA DE TITULIZACIÓN are to establish, manage and be the authorised representative of both asset securitisation funds and mortgage securitisation funds.

EUROPEA DE TITULIZACIÓN manages 67 securitisation funds as at the registration date of this Registration Document, 21 being mortgage securitisation funds and 46 being asset securitisation funds.

The following table itemises the 67 securitisation funds managed, giving their date of establishment and the face amount of the bonds issued by those funds and their outstanding principal balances.

Securitisation Fund	Establishment	Initial Bond Issue	Issue Balance 31.03.2007	Bonds	Issue Balance 31.12.2006	Bonds	Bond Issue Balance 31.12.2005
		EUR	EUR	Δ%	EUR	Δ%	EUR
TOTAL		71,317,596,652.96	52,482,491,903.80	26.1%	41,622,450,971.95	28.11%	32,490,363,122.22
Mortgage (FTH)		13,591,546,652.96	7,511,410,348.12	11.5%	6,739,243,850.52	4.08%	6,475,261,178.18
Bankinter 14 FTH	19.03.2007	964,000,000.00	964,000,000.00				
Bankinter 12 FTH	06.03.2006	1,200,000,000.00	1,200,000,000.00	0.0%	1,200,000,000.00		
Valencia Hipotecario 2 FTH	07.12.2005	950,000,000.00	830,584,559.95	0.0%	830,584,559.95	-12.6%	950,000,000.00
Bankinter 11 FTH	28.11.2005	900,000,000.00	900,000,000.00	0.0%	900,000,000.00	0.0%	900,000,000.00
Bankinter 7 FTH	18.02.2004	490,000,000.00	298,588,050.74	-3.9%	310,601,446.96	-12.9%	356,717,443.60
Bankinter 5 FTH	16.12.2002	710,000,000.00	375,483,993.30	-4.8%	394,326,433.24	-15.3%	465,770,758.79
BZ Hipotecario 4 FTH	27.11.2002	313,400,000.00	126,725,959.34	-5.1%	133,590,667.48	-21.8%	170,910,609.60
Rural Hipotecario IV FTH	14.11.2002	520,000,000.00	240,657,882.78	-4.9%	253,138,797.81	-18.7%	311,312,202.68
Bancaja 4 FTH	05.11.2002	1,000,000,000.00	402,900,451.25	-5.5%	426,542,491.90	-19.6%	530,288,384.35
Bankinter 4 FTH	24.09.2002	1,025,000,000.00	564,049,921.06	-5.2%	594,725,493.56	-14.5%	695,988,565.76
Rural Hipotecario III FTH	14.05.2002	325,000,000.00	143,169,633.46	-5.3%	151,223,912.92	-17.3%	182,884,293.55
Bankinter 3 FTH	22.10.2001	1,322,500,000.00	602,491,710.31	-5.3%	636,195,596.86	-15.4%	752,104,867.20
BZ Hipotecario 3 FTH	23.07.2001	310,000,000.00	98,813,287.57	-5.7%	104,762,637.42	-20.2%	131,343,594.55
Rural Hipotecario II FTH	29.05.2001	235,000,000.00	82,167,430.00	-5.8%	87,231,827.20	-19.8%	108,722,959.00
BZ Hipotecario 2 FTH	28.04.2000	285,000,000.00	56,964,129.34	-6.6%	61,003,530.94	-23.1%	79,335,648.86
Rural Hipotecario I FTH	22.02.2000	200,000,000.00	49,393,819.88	-6.6%	52,894,964.42	-23.0%	68,686,186.28
Bankinter 2 FTH	25.10.1999	320,000,000.00	102,571,767.76	-9.6%	113,458,270.94	-17.1%	136,877,163.99
Bankinter 1 FTH	12.05.1999	600,000,000.00	149,656,739.58	0.0%	149,656,739.58	-20.6%	188,428,409.46
BZ Hipotecario 1 FTH	16.04.1999	350,000,000.00	59,695,973.98	-6.8%	64,073,530.22	-24.7%	85,068,186.20
Hipotecario 2 FTH	04.12.1998	1,051,771,182.67	218,421,786.82	0.0%	218,421,786.82	-23.4%	285,097,903.72
Bancaja 2 FTH	23.10.1998	240,404,841.75	45,073,251.00	0.0%	45,073,251.00	-24.8%	59,937,667.99
Bancaja 1 FTH (*)	18.07.1997	120,202,420.88	liquidated	-100.0%	11,737,911.30	-25.6%	15,786,332.60
BBV-MBS I FTH	30.11.1995	90,151,815.66	liquidated				
Hipotecario 1 FTH	20.09.1993	69,116,392.00	liquidated				
(*) Liquidated early on 15.03.2007							
Asset (FTA)		57,726,050,000.00	44,971,081,555.68	28.9%	34,883,207,121.43	34.1%	26,015,101,944.04
Rural Hipotecario IX FTA	28.03.2007	1,515,000,000.00	1,515,000,000.00				
BBVA RMBS 2 FTA	26.03.2007	5,000,000,000.00	5,000,000,000.00				
BBVA RMBS 1 FTA	19.02.2007	2,500,000,000.00	2,500,000,000.00				
Bancaja 10 FTA	26.01.2007	2,631,000,000.00	2,631,000,000.00				
BBVA Consumo 2 FTA	27.11.2006	1,500,000,000.00	1,500,000,000.00	0.0%	1,500,000,000.00		
Ruralpyme 2 FTPYME FTA	24.11.2006	617,050,000.00	617,050,000.00	0.0%	617,050,000.00		

Securitisation Fund	Establishment	Initial	Issue	Bonds	Issue	Bonds	Bond Issue
		Bond Issue	Balance 31.03.2007		Balance 31.12.2006		Balance 31.12.2005
		EUR	EUR	Δ%	EUR	Δ%	EUR
Bankinter 13 FTA	20.11.2006	1,570,000,000.00	1,570,000,000.00	0.0%	1,570,000,000.00		
Valencia Hipotecario 3 FTA	15.11.2006	911,000,000.00	860,253,428.00	-5.6%	911,000,000.00		
BBVA-5 FTPYME FTA	23.10.2006	1,900,000,000.00	1,701,666,124.40	-10.4%	1,900,000,000.00		
PYME Bancaja 5 FTA	02.10.2006	1,178,800,000.00	1,041,565,058.00	-11.6%	1,178,800,000.00		
Bankinter 2 PYME FTA	26.06.2006	800,000,000.00	800,000,000.00	0.0%	800,000,000.00		
Consumo Bancaja 1 FTA	26.06.2006	612,900,000.00	612,900,000.00	0.0%	612,900,000.00		
Rural Hipotecario VIII FTA	26.05.2006	1,311,700,000.00	1,311,700,000.00	0.0%	1,311,700,000.00		
BBVA Consumo 1 FTA	08.05.2006	1,500,000,000.00	1,500,000,000.00	0.0%	1,500,000,000.00		
MBS BANCAJA 3 FTA	03.04.2006	810,000,000.00	667,556,682.80	-5.0%	703,043,514.80		
Bancaja 9 FTA	02.02.2006	2,022,600,000.00	1,665,334,530.00	-4.6%	1,744,997,380.00		
BBVA Autos 2 FTA	12.12.2005	1,000,000,000.00	1,000,000,000.00	0.0%	1,000,000,000.00	0.0%	1,000,000,000.00
Edt FTPYME Pastor 3 FTA	05.12.2005	520,000,000.00	329,511,325.71	-13.5%	380,805,675.83	-26.8%	520,000,000.00
Rural Hipotecario Global I FTA	18.11.2005	1,078,000,000.00	893,229,685.83	-4.2%	932,164,120.79	-13.5%	1,078,000,000.00
FTPYME Bancaja 4 FTA	07.11.2005	1,524,000,000.00	886,807,378.01	-10.1%	986,887,779.41	-35.2%	1,524,000,000.00
BBVA 4 PYME FTA	26.09.2005	1,250,000,000.00	1,250,000,000.00	0.0%	1,250,000,000.00	0.0%	1,250,000,000.00
Bankinter 10 FTA	27.06.2005	1,740,000,000.00	1,414,038,626.98	-3.6%	1,466,558,997.10	-15.7%	1,740,000,000.00
MBS Bancaja 2 FTA	27.06.2005	809,200,000.00	557,419,980.72	-4.7%	585,069,193.36	-21.5%	745,472,663.52
BBVA Hipotecario 3 FTA	13.06.2005	1,450,000,000.00	981,438,911.30	-5.9%	1,042,844,698.00	-21.1%	1,321,621,631.30
Rural Hipotecario VII FTA	29.04.2005	1,100,000,000.00	817,260,600.54	-4.3%	853,742,668.37	-14.8%	1,002,428,919.05
Bancaja 8 FTA	22.04.2005	1,680,100,000.00	1,185,537,636.11	-5.4%	1,253,797,200.56	-18.6%	1,539,361,229.38
Bankinter 9 FTA	14.02.2005	1,035,000,000.00	828,178,757.16	-3.8%	860,813,028.16	-16.8%	1,035,000,000.00
BBVA-3 FTPYME FTA	29.11.2004	1,000,000,000.00	538,273,729.88	-8.7%	589,349,210.82	-41.1%	1,000,000,000.00
Ruralpyme 1 FTPYME FTA	23.11.2004	214,000,000.00	121,164,152.38	-8.8%	132,892,833.40	-23.2%	173,024,296.72
BBVA Autos 1 FTA	25.10.2004	1,000,000,000.00	799,269,275.00	-10.9%	897,434,960.00	-10.3%	1,000,000,000.00
FTPYME Bancaja 3 FTA	11.10.2004	900,000,000.00	317,198,945.81	-15.4%	375,133,008.09	-58.3%	900,000,000.00
Bancaja 7 FTA	12.07.2004	1,900,000,000.00	1,129,528,716.96	-5.1%	1,190,508,554.06	-32.0%	1,750,000,000.00
Rural Hipotecario VI FTA	07.07.2004	950,000,000.00	622,468,906.54	-4.4%	651,118,829.40	-16.7%	781,477,860.25
MBS Bancaja 1 FTA	17.05.2004	690,000,000.00	346,127,703.18	-6.2%	369,020,564.16	-46.5%	690,000,000.00
Valencia H 1 FTA	23.04.2004	472,000,000.00	301,824,989.61	-4.8%	316,993,112.58	-14.6%	371,107,375.09
Bankinter 8 FTA	03.03.2004	1,070,000,000.00	687,547,733.78	-4.2%	718,061,846.93	-14.3%	837,970,768.01
Bancaja 6 FTA	03.12.2003	2,080,000,000.00	1,016,147,527.72	-5.7%	1,077,852,239.88	-21.3%	1,369,610,139.04
Rural Hipotecario V FTA	28.10.2003	695,000,000.00	398,244,346.96	-4.2%	415,711,778.28	-16.8%	499,528,194.12
Bankinter 6 FTA	25.09.2003	1,350,000,000.00	866,756,211.56	-4.2%	904,534,542.77	-13.3%	1,043,250,162.72
FTPYME Bancaja 2 FTA	19.09.2003	500,000,000.00	171,560,959.48	-9.8%	190,138,306.78	-29.7%	270,480,639.80
Bancaja 5 FTA	14.04.2003	1,000,000,000.00	452,175,034.75	-5.6%	478,827,993.55	-20.7%	604,031,954.00
Bancaja 3 FTA	29.07.2002	520,900,000.00	520,900,000.00	0.0%	520,900,000.00	0.0%	520,900,000.00
FTPYME Bancaja 1 FTA	04.03.2002	600,000,000.00	254,278,888.20	-0.5%	255,514,370.40	-2.1%	260,899,034.40
BBVA-2 FTPYME ICO	01.12.2000	900,000,000.00	150,529,745.61	-14.0%	175,048,960.77	-42.9%	306,595,443.42
BCL Municipios I FTA	21.06.2000	1,205,000,000.00	437,367,280.00	-4.8%	459,377,520.00	-22.9%	595,672,530.00
BBVA-1 FTA	24.02.2000	1,112,800,000.00	202,268,682.70	-0.2%	202,614,233.18	-28.8%	284,669,103.22

6.4 Share capital and equity.

The wholly subscribed for, paid-up share capital amounts to one million eight hundred and three thousand and thirty-seven euros and fifty eurocents (EUR 1,803,037.50) represented by 2,500 registered shares, all in the same class, correlatively numbered from 1 to 2,500, both inclusive, wholly subscribed for and paid up, and divided into two series:

- Series A comprising 1,250 shares, numbers 1 to 1,250, both inclusive, having a unit face value of EUR 276.17.
- Series B comprising 1,250 shares, numbers 1,251 to 2,500, both inclusive, having a unit face value of EUR 1,166.26.

The shares are all in the same class and confer identical political and economic rights.

(EUR)	31.12.2006**	Δ%	31.12.2005	Δ%	31.12.2004
Equity *	3,095,298.97	0.00%	3,095,298.97	0.00%	3,095,298.97
Capital	1,803,037.50	0.00%	1,803,037.50	0.00%	1,803,037.50
Reserves	1,292,261.47	0.00%	1,292,261.47	0.00%	1,292,261.47
Legal	360,607.50	0.00%	360,607.50	0.00%	360,607.50
Voluntary	931,653.97	0.00%	931,653.97	0.00%	931,653.97
Year's profit	2,004,500.15	12.02%	1,789,429.69	0.14%	1,786,915.94

* Does not include year's profit

** Yet to be audited

6.5 Existence or not of shareholdings in other companies.

There are no shareholdings in any other company.

6.6 Administrative, management and supervisory bodies.

The government and management of the Management Company are entrusted under the Articles of Association to the General Shareholders' Meeting and the Board of Directors. Their duties and authorities are as prescribed for those bodies in the Public Limited Companies Act and in Royal Decree 926/1998, in relation to the objects.

As provided for in the Articles of Association, the Board of Directors has delegated to an Executive Committee all its authorities that may be delegated by law and in accordance with the articles, including resolving to set up Asset Securitisation Funds. There is also a General Manager vested with extensive authorities within the organisation and vis-à-vis third parties.

Board of Directors

The Board of Directors has the following membership:

Chairman:	Mr Roberto Vicario Montoya (*) (**)
Directors:	Mr Ignacio Aldonza Goicoechea (**)
	Mr Luis Bach Gómez (*) (**)
	Mr José M ^a . Castellón Leal on behalf of Barclays Bank, S.A.
	Mr Ignacio Echevarría Soriano (**)
	Ms Ana Fernández Manrique (*) (**)
	Mr Juan Gortázar Sánchez-Torres (**)
	Mr Mario Masiá Vicente (*)
	Mr Arturo Miranda Martín on behalf of J.P. Morgan España, S.A. (*)
	Ms Carmen Pérez de Muniaín Marzana (*) (**)
	Mr Jesús del Pino Durán (**)
	Mr José Miguel Raboso Díaz on behalf of Citibank España, S.A. (*)
	Mr Jorge Sáenz de Miera on behalf of Deutsche Bank Credit, S.A.
	Mr José Manuel Tamayo Pérez (**)
	Mr Borja Uriarte Villalonga on behalf of Bankinter, S.A.
	Mr Thierry Loiseau on behalf of BNP Paribas España, S.A.

Non-Director Secretary: Ms Belén Rico Arévalo

(*) Member of the Board of Directors' Executive Committee.

(**) Proprietary Directors for BBVA

The business address of the directors of EUROPEA DE TITULIZACIÓN is for these purposes at Madrid, calle Lagasca number 120.

General Manager.

The General Manager of the Management Company is Mr Mario Masiá Vicente.

6.7 Principal activities of the persons referred to in section 6.6 above, performed outside the Management Company where these are significant with respect to the Fund.

Mr Roberto Vicario Montoya, Mr Ignacio Aldonza Goicoechea, Mr Luis Bach Gómez, Ms Ana Fernández Manrique, Mr Juan Gortázar Sánchez-Torres, Ms Carmen Pérez de Muniaín Marzana, Mr Jesús del Pino Durán, Mr José Manuel Tamayo Pérez and Mr Ignacio Echevarría Soriano are currently members of staff of BBVA, in turn Lead Manager, Underwriter and Placement Agent and Paying Agent of the Bond Issue and counterparty in the Guaranteed Interest Rate Account (Treasury Account), Guaranteed Interest Rate Account (Principal Account), Financial Swap and Bond Paying Agent Agreements. The following are details of the offices held at BBVA by the persons responsible for or directly involved in selecting the assets to be pooled in or in designing the financial structure of the Fund:

- Ms Ana Fernández Manrique is currently Director, Capital and Securitisations Base Management.
- Mr Ignacio Echevarría Soriano is currently Securitisations Manager.
- Mr José Manuel Tamayo Pérez is a Director of BBVA FINANZIA.

6.8 Lenders of the Management Company in excess of 10 percent.

The Management Company has received no loan or credit from any person or institution whatsoever.

6.9 Litigation in the Management Company.

The Management Company is not involved in any event in the nature of insolvency or in any litigation or actions which might affect its economic and financial position or, in the future, its capacity to discharge its Fund management and administration duties as of the registration date of this Registration Document.

7. MAJOR SHAREHOLDERS

7.1 Statement as to whether the Management Company is directly or indirectly owned or controlled.

The ownership of shares in the Management Company is distributed among the companies listed below, specifying the percentage holding of each one:

Name of shareholder company	Holding * (%)
Banco Bilbao Vizcaya Argentaria, S.A.	82.9703
J.P. Morgan España, S.A.	4.0000
Caja de Ahorros del Mediterráneo	1.5420
Bankinter, S.A.	1.5317
Barclays Bank, S.A.	1.5317
Citibank España, S.A.	1.5317
Deutsche Bank Credit, S.A.	0.7658
Deutsche Bank, S.A.E.	0.7658
Banco Cooperativo Español, S.A.	0.7658
Banco Pastor, S.A.	0.7658
Banco de la Pequeña y Mediana Empresa, S.A.	0.7658
Banco Sabadell, S.A.	0.7658
Banco Urquijo Sabadell Banca Privada, S.A.	0.7658
BNP Paribas España, S.A.	0.7658
Caja de Ahorros y Monte de Piedad de Madrid	0.3829
Caja de Ahorros de Salamanca y Soria - Caja Duero	0.3829
	100.0000

For the purposes of Commercial Code article 42, EUROPEA DE TITULIZACIÓN is a member of Banco Bilbao Vizcaya Argentaria Group.

EUROPEA DE TITULIZACIÓN has established an Internal Code of Conduct in fulfilment of the provisions of Chapter II of Royal Decree 629/1993, May 3, on operating standards in securities markets and mandatory registrations, which has been notified to the CNMV.

8. FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION, AND PROFITS AND LOSSES

8.1 Statement as to commencement of operations and financial statements as at the date of the Registration Document.

In accordance with the provisions of section 4.4.2 of this Registration Document, the Fund's operations shall commence on the date of execution of the Deed of Constitution and therefore no financial statement has been prepared as of the date of this Registration Document.

8.2 Historical financial information where an issuer has commenced operations and financial statements have been prepared.

Not applicable.

8.2 bis Historical financial information for issues of securities having a denomination per unit of at least EUR 50,000.

Not applicable.

8.3 Legal and arbitration proceedings.

Not applicable.

8.4 Material adverse change in the issuer's financial position.

Not applicable.

9. THIRD PARTY INFORMATION, STATEMENT BY EXPERTS AND DECLARATIONS OF ANY INTEREST

9.1 Statement or report attributed to a person as an expert.

No statement or report is included.

9.2 Information sourced from a third party.

No information is included.

10. DOCUMENTS ON DISPLAY

10.1 Documents on display.

If necessary, the following documents or copies thereof may be inspected during the period of validity of this Registration Document:

- a) the Deed of Constitution of the Fund and the notarised certificate assigning receivables;

- b) the transcripts of the Management Company's and the Originator's corporate resolutions;
- c) this Prospectus;
- d) the agreements to be entered into by the Management Company for and on behalf of the Fund;
- e) the audit report on certain characteristics and attributes of a sample of all the loans selected of BBVA FINANZIA from which the Initial Receivables will be taken to be assigned to the Fund upon being established;
- f) the letters from the Rating Agencies notifying the ratings assigned to each Series in the Bond Issue;
- g) the letter from BBVA taking responsibility, with the Management Company, for the Securities Note;
- h) the notarial certificate of payment of the Bond Issue, once the Bond Issue is paid up;
- i) the Management Company's annual accounts and the relevant audit reports; and
- j) the Management Company's articles of association and memorandum of association.

Those documents may be physically obtained at the registered office of EUROPEA DE TITULIZACIÓN at Madrid, calle Lagasca number 120.

Moreover, the Prospectus can also be accessed at the website of EUROPEA DE TITULIZACIÓN, at www.edt-sg.com, and of AIAF, at www.aiaf.es, and is available to investors interested in the offer at the Underwriters' and Placement Agents' registered offices.

The Deed of Constitution of the Fund may be physically accessed at the place of business of Iberclear in Madrid, Plaza de la Lealtad number 1.

In addition, the documents listed in a) to h), excepting d), may be obtained at the CNMV.

This is a Certified Translation into English of the Spanish Prospectus. No document other than the Spanish Prospectus registered by the Comisión Nacional del Mercado de Valores may have any legal effect whatsoever or be taken into account with respect to the Bond Issue.

SECURITIES NOTE

(Annex XIII to Commission Regulation (EC) No. 809/2004 of April 29, 2004)

1 PERSONS RESPONSIBLE

1.1 Persons responsible for the information given in the Securities Note.

- 1.1.1 Mr Mario Masiá Vicente, acting for and on behalf of EUROPEA DE TITULIZACIÓN S.A. SOCIEDAD GESTORA DE FONDOS DE TITULIZACIÓN, the company sponsoring BBVA FINANZIA AUTOS 1 FONDO DE TITULIZACIÓN DE ACTIVOS, takes responsibility for the contents of this Securities Note.

Mr Mario Masiá Vicente is acting as General Manager of the Management Company using the authorities conferred by the Board of Directors at its meetings held on January 19, 1993 and January 28, 2000, and expressly for establishing the Fund pursuant to authorities conferred by the Board of Directors' Executive Committee on March 14, 2007.

- 1.1.2 Ms Silvia Bosch Díaz and Mr Fernando Delgado Parra, duly authorised for these presents, acting for and on behalf of BANCO BILBAO VIZCAYA ARGENTARIA S.A., Lead Manager of the Bond Issue by BBVA FINANZIA AUTOS 1 FONDO DE TITULIZACIÓN DE ACTIVOS, take responsibility for the contents of this Securities Note.

Ms Silvia Bosch Díaz is acting as attorney for the Lead Manager BBVA using the powers conferred on her before Bilbao Notary Public Mr José Ignacio Uranga Otaegui on March 24, 2006, his document number 1197.

Mr Fernando Delgado Parra is acting as attorney for the Lead Manager BBVA using the powers conferred on him before Madrid Notary Public Mr Ramón Corral Beneyto on February 20, 2007, his document number 745.

1.2 Declaration by those responsible for the Securities Note.

- 1.2.1 Mr Mario Masiá Vicente declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Securities Note is, to the best of his knowledge, in accordance with the facts and contains no omission likely to affect its import.
- 1.2.2 Ms Silvia Bosch Díaz and Mr Fernando Delgado Parra declare that, having taken all reasonable care to ensure that such is the case, the information contained in this Securities Note is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import.

2 RISK FACTORS

The risk factors linked to the securities are described in section 2 of Risk Factors of this Prospectus.

The risk factors linked to the assets backing the issue are described in section 3 of Risk Factors of this Prospectus.

3 KEY INFORMATION

3.1 Interest of natural and legal persons involved in the offer.

The identity of the legal persons involved in the offer and direct or indirect shareholdings or control between them are detailed in section 5.2 of the Registration Document. Their interest as persons involved in the offer of the Bond Issue are as follows:

- a) EUROPEA DE TITULIZACIÓN is the Fund Management Company.

- b) BBVA and EUROPEA DE TITULIZACIÓN have structured the financial terms of the Fund and the Bond Issue.
- c) BBVA FINANZIA is the Originator of the Receivables to be pooled in the Fund and shall be the Fund's counterparty in the Subordinated Loan, Start-Up Loan, Receivables Servicing and Financial Intermediation Agreements.
- d) BBVA and RBS are involved as Lead Managers and Underwriters and Placement Agents of the Bond Issue and shall be the placement agents in charge of keeping the Bond subscription orders book (*joint book runners*).
- e) CALYON, HSBC, IXIS CIB and SOCIÉTÉ GÉNÉRALE are involved as Underwriters and Placement Agents of the Bond Issue.
- f) BBVA is involved as Paying Agent of the Bond Issue and shall be the Fund's counterparty in the Guaranteed Interest Rate Account (Treasury Account), Guaranteed Interest Rate Account (Principal Account) and Financial Swap Agreements.

The Management Company is not aware of the existence of another significant link or economic interest between the aforesaid institutions involved in the Bond Issue, other than as detailed in section 3.2 of the Building Block.

4 INFORMATION CONCERNING THE SECURITIES TO BE OFFERED AND ADMITTED TO TRADING.

4.1 Total amount of the securities and underwriting.

4.1.1 Total amount of the securities.

The total face value amount of the issue of Asset-Backed Bonds (the "**Bond Issue**") is EUR eight hundred million (800,000,000.00), consisting of eight thousand (8,000) Bonds denominated in euros and comprised of three Series distributed as follows:

- i) Series A having a total face amount of EUR seven hundred and forty-four million (744,000,000.00) comprising seven thousand four hundred and forty (7,440) Bonds having a unit face value of EUR one hundred thousand (100,000), represented by means of book entries (either "**Series A**" or the "**Series A Bonds**").
- ii) Series B having a total face amount of EUR twenty-six million eight hundred thousand (26,800,000.00) comprising two hundred and sixty-eight (268) Bonds having a unit face value of EUR one hundred thousand (100,000), represented by means of book entries (either "**Series B**" or the "**Series B Bonds**").
- iii) Series C having a total face amount of EUR twenty-nine million two hundred thousand (29,200,000.00) comprising two hundred and ninety-two (292) Bonds having a unit face value of EUR one hundred thousand (100,000), represented by means of book entries (either "**Series C**" or the "**Series C Bonds**").

Subscribing for or holding Bonds in one Series does not imply subscribing for or holding Bonds in the other Series.

4.1.2 Bond issue price.

The Bonds are issued at 100 percent of their face value. The issue price of the Bonds in each of Series A, B and C shall be EUR one hundred thousand (100,000) per Bond, clear of taxes and subscription costs for the subscriber through the Fund.

The expenses and taxes attaching to the Bond issue shall be borne by the Fund.

4.1.3 Underwriting placement of the Bond Issue.

The Bond Issue shall be underwritten and placed by BANCO BILBAO VIZCAYA ARGENTARIA S.A. (“**BBVA**”) and THE ROYAL BANK OF SCOTLAND PLC (“**RBS**”) as Lead Managers and Underwriters and Placement Agents and by CALYON SUCURSAL EN ESPAÑA (“**CALYON**”), HSBC BANK PLC (“**HSBC**”), IXIS CORPORATE & INVESTMENT BANK (“**IXIS CIB**”) and SOCIÉTÉ GÉNÉRALE, SUCURSAL EN ESPAÑA (“**SOCIÉTÉ GÉNÉRALE**”) as Underwriters and Placement Agents under the Bond Issue Management, Underwriting and Placement Agreement to be entered into by the Management Company for and on behalf of the Fund.

The commitment by each Underwriter and Placement Agent in regard to their several involvement in underwriting placement of the Bonds in each Series shall be set out in the Bond Issue Management, Underwriting and Placement Agreement.

The Underwriters and Placement Agents of each Series shall altogether receive from the Fund an underwriting and placement fee on the face amount of the Bonds in the relevant Series.

BBVA and RBS shall be involved as Lead Managers in the Bond Issue. They shall not be howsoever remunerated for managing the Bond Issue.

The Management, Underwriting and Placement Agreement shall be fully terminated in the event that the Rating Agencies should not confirm the provisional ratings assigned to each Series as final ratings by the start of the Subscription Period.

4.2 Description of the type and class of the securities.

The Bonds legally qualify as marketable fixed-income securities with an explicit yield and are subject to the system prescribed in the Securities Market Act 24/1988, July 28 (the “**Securities Market Act**”) and implementing regulations.

4.3 Legislation under which the securities have been created.

The establishment of the Fund and the Bond Issue are subject to Spanish Law and in particular are carried out in accordance with the legal system provided for by (i) Royal Decree 926/1998 and implementing regulations, (ii) Act 19/1992 failing a provision in Royal Decree 926/1998 and to the extent applicable, (iii) the Securities Market Act and applicable implementing regulations, (iv) Commission Regulation (EC) No. 809/2004 of April 29, 2004, (v) Royal Decree 1310/2005, November 4, partly implementing the Securities Market Act in regard to admission to trading of securities in official secondary markets, public offerings for sale or subscription and the prospectus required for that purpose, and (vi) all other legal and statutory provisions in force and applicable from time to time.

4.4 Indication as to whether the securities are in registered or bearer form and whether the securities are in certificated or book-entry form.

The Bonds issued by the Fund will be exclusively represented by means of book entries, and will become such Bonds when entered at Iberclear, the institution in charge of the accounting record, in accordance with article 11 of Royal Decree 116/1992. In this connection, and for the record, the Deed of Constitution shall have the effects prescribed by article 6 of the Securities Market Act.

Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores S.A. (“**Iberclear**”), with place of business at Plaza de la Lealtad, no. 1, Madrid, shall be the institution designated in the Deed of Constitution to account for the Bonds in order for the Bonds to be cleared and settled in accordance with the operating rules regarding securities listed on the AIAF, and represented by book entries, established now or henceforth by Iberclear or AIAF.

Bondholders shall be identified as such when entered in the accounting record kept by the members of Iberclear.

4.5 Currency of the issue.

The Bonds shall be denominated in Euros.

4.6 Ranking of the securities.

Series B Bond interest payment and principal repayment is deferred with respect to Series A Bonds, as provided in the Priority of Payments and in the Liquidation Priority of Payments.

Series C Bond interest payment and principal repayment is deferred with respect to Series A and B Bonds, as provided in the Priority of Payments and in the Liquidation Priority of Payments.

4.6.1 Simple reference to the order number of Bond interest payment in each Series in the Fund priority of payments.

Payment of interest accrued by Series A Bonds is (i) third (3rd) in the application of Available Funds in the Priority of Payments established in section 3.4.6.2.1.2 of the Building Block, and (ii) fourth (4th) in the application of Liquidation Available Funds in the Liquidation Priority of Payments established in section 3.4.6.3 of the Building Block.

Payment of interest accrued by Series B Bonds is (i) fourth (4th) in the application of Available Funds in the Priority of Payments established in said section 3.4.6.2.1.2 of the Building Block, other than in the event provided for in that same section for the same to be deferred, in which case it shall be seventh (7th), and (ii) sixth (6th) in the application of Liquidation Available Funds in the Liquidation Priority of Payments established in section 3.4.6.3 of the Building Block.

Payment of interest accrued by Series C Bonds is (i) fifth (5th) in the application of Available Funds in the Priority of Payments established in said section 3.4.6.2.1.2 of the Building Block, other than in the event provided for in that same section for the same to be deferred, in which case it shall be eighth (8th), and (ii) eighth (8th) in the application of Liquidation Available Funds in the Liquidation Priority of Payments established in section 3.4.6.3 of the Building Block.

4.6.2 Simple reference to the order number of Bond principal repayment in each Series in the Fund priority of payments.

The Principal Withholding amount designed for acquiring Additional Receivables and, after the Revolving Period ends, for amortising the Bonds as a whole without distinction between Series is sixth (6th) in the application of Available Funds in the Priority of Payments established in section 3.4.6.2.1.2 of the Building Block.

Bond principal shall be repaid in accordance with the rules for Distribution of Principal Available Funds contained in section 4.9.3.1.5 of this Securities Note and in section 3.4.6.2.2.2 of the Building Block.

Repayment of Series A Bond principal is fifth (5th) in the application of Liquidation Available Funds in the Liquidation Priority of Payments established in section 3.4.6.3 of the Building Block.

Repayment of Series B Bond principal is seventh (7th) in the application of Liquidation Available Funds in the Liquidation Priority of Payments established in section 3.4.6.3 of the Building Block.

Repayment of Series C Bond principal is ninth (9th) in the application of Liquidation Available Funds in the Liquidation Priority of Payments established in section 3.4.6.3 of the Building Block.

4.7 Description of the rights attached to the securities.

The economic rights for Bondholders associated with acquiring and holding the Bonds shall be as derived from the terms as to interest rate, yields and redemption terms on which they are to be issued and given in sections 4.8 and 4.9 of this Securities Note. In accordance with the laws in force for the time being, the Bonds subject of this Securities Note shall vest the investor acquiring the same in no present and/or future political rights in and to the Fund.

Bondholders and all other creditors of the Fund shall have no recourse whatsoever against Receivable Obligors who may have defaulted on their payment obligations or against the Originator. Any such rights shall lie with the Management Company, representing the Fund.

Bondholders and all other creditors of the Fund shall have no recourse whatsoever against the Fund or against the Management Company in the event of non-payment of amounts due by the Fund resulting from the existence of default or prepayment of the Receivables, a breach by the Originator of its obligations or by the counterparties to the transactions entered into for and on behalf of the Fund, or shortfall of the financial hedging transactions for servicing the Bonds in each Series.

Bondholders and all other creditors of the Fund shall have no recourse against the Management Company other than as derived from a breach of its duties or a failure to observe the provisions of the Deed of Constitution and of this Prospectus. Those actions shall be resolved in the relevant ordinary declaratory proceedings depending on the amount claimed.

All matters, disagreements, actions and claims deriving from the Management Company's establishment, administration and authorised representation of BBVA FINANZIA AUTOS 1 FONDO DE TITULIZACIÓN DE ACTIVOS and the Bond Issue by the same shall be heard and ruled upon by the competent Spanish Courts and Tribunals.

4.8 Nominal interest rate and provisions relating to interest payable.

4.8.1 Bond nominal interest rate.

The Bonds in each Series shall, from the Closing Date until they mature fully, accrue a yearly nominal interest, variable and payable quarterly, which shall be the result of applying the policies established hereinafter for each Series.

The resultant yearly nominal interest rate (hereinafter the “**Nominal Interest Rate**”) for each Series shall be payable quarterly in arrears on each Payment Date on the Outstanding Principal Balance of the Bonds in each Series on the preceding Payment Date, provided that the Fund has sufficient liquidity in the Priority of Payments or in the Liquidation Priority of Payments, as the case may be.

Withholdings, interim payments, contributions and taxes established or to be established in the future on Bond principal, interest or returns shall be borne exclusively by Bondholders, and their amount, if any, shall be deducted by the Management Company, for and on behalf of the Fund, or through the Paying Agent, as provided by law.

4.8.1.1 Interest accrual.

For interest accrual purposes, the duration of each Bond Series shall be divided into successive interest accrual periods (“**Interest Accrual Periods**”) comprising the exact number of days elapsed between every two consecutive Payment Dates, each Interest Accrual Period including the beginning Payment Date but not including the ending Payment Date. Exceptionally, the duration of the first Interest Accrual Period shall be equivalent to the exact number of days elapsed between the Closing Date, May 4, 2007, inclusive, and the first Payment Date, July 26, 2007, exclusive.

The Nominal Interest Rate shall accrue on the exact number of days in each Interest Accrual Period for which it was determined, calculated based upon a 360-day year.

4.8.1.2 Nominal Interest Rate.

The Nominal Interest Rate applicable to the Bonds in each Series and determined for each Interest Accrual Period shall be the result of adding:

- (i) the Reference Rate, as established in the following section, and

(ii) a margin for each Series as follows:

- **Series A:** margin not more than 0.18%, inclusive.
- **Series B:** margin not more than 0.35%, inclusive.
- **Series C:** margin not more than 0.70%, inclusive.

The margin applicable to each Series, expressed as a percentage, shall be determined with one accord among the Lead Managers, and may not exceed the maximum margins established in the preceding paragraph for each Series and notified in writing to the Management Company, by 10am (CET time) on the day of the Subscription Period (May 3, 2007).

Failing an agreement among the Lead Managers, the Management Company shall set the specific margin for the Series in respect of which no margin was agreed, as follows:

- **Series A:** 0.13% margin.
- **Series B:** 0.26% margin.
- **Series C:** 0.60% margin.

The final margins applicable to each Series set shall be notified by the Management Company by the start of the Subscription Period to the Underwriters and Placement Agents to be reported to investors interested in subscribing for the Bonds. The Management Company will also notify this to the CNMV as information in addition to this Prospectus. The final margin applicable to each Series shall be set down on the notarial certificate recording subscription for and payment of the Bond Issue.

The resultant Nominal Interest Rate shall be expressed as a percentage rounded to the nearest thousandth of a whole number or rounded up to the nearest one where the differences of rounding up or down to the nearest thousandths are identical.

4.8.1.3 **Reference Rate and determining the same.**

The reference rate ("**Reference Rate**") for determining the Nominal Interest Rate applicable to each Bond Series is as follows:

- i) Other than for the first Interest Accrual Period, three- (3-) month Euribor, "Euro Interbank Offered Rate", calculated and distributed by the BRIDGE financial information system under an FBE ("Federation Bancaire de l'Union Europeene") mandate, fixed at 11am (CET or "Central European Time") on the Interest Rate Fixing Date described below, which is currently published on electronic pages EURIBOR01 supplied by Reuters, and 248 supplied by Dow Jones Markets (Bridge Telerate), or any other page taking their stead in providing these services.

Exceptionally, the Reference Rate for the first Interest Accrual Period shall be the result of a straight-line interpolation between two- (2-) month Euribor and three- (3-) month Euribor, fixed at 11am (CET time) on the first Business Day preceding the Closing Date, falling on the day of the Subscription Period, bearing in mind the number of days in the first Interest Accrual Period. The Reference Rate for the first Interest Accrual Period shall be calculated in accordance with the following formula:

$$IR = [(D-60)/30] \times E3 + [1-((D-60)/30)] \times E2$$

Where:

- IR = Reference Rate for the first Interest Accrual Period.
- D = Number of days in the first Interest Accrual Period.
- E2 = Two- (2-) month Euribor.
- E3 = Three- (3-) month Euribor.

Euribor definitions approved by the FBE and the Financial Markets Association (ACI) supplementing the current definition of Euribor shall be considered included for the purpose of the Euribor Reference Rate without having to amend these Reference Rate terms or have the Management Company notify Bondholders.

- ii) In the event that the Euribor rate established in paragraph (i) above should not be available or be impossible to obtain, the substitute Reference Rate shall be the interest rate resulting from finding the simple arithmetic mean of the interbank offered interest rates for non-transferable three- (3-) month deposit transactions in euros in an amount equivalent to the Outstanding Principal Balance of the Bond Issue, declared by four (4) prime banks in the Euro zone, following a simultaneous request to each of their headquarters by the Paying Agent after and around 11am (CET time) on the Interest Rate Fixing Date.

Exceptionally, the substitute Reference Rate for the first Interest Accrual Period shall be the rate resulting from the straight-line interpolation between the interest rate resulting from finding the simple arithmetic mean of the interbank offered interest rates for non-transferable two- (2-) month deposit transactions in euros and the interest rate resulting from finding the simple arithmetic mean of the interbank offered interest rates for non-transferable three- (3-) month deposit transactions in euros, both in an amount equivalent to the face amount of the Bond Issue, declared by the banks as provided for in paragraph one above, following a simultaneous request to each of their headquarters by the Paying Agent after and around 11am (CET time) on the first Business Day preceding the Closing Date.

The substitute Reference Rate shall be expressed as a percentage rounded to the nearest thousandth of a percentage point or rounded up to the nearest point where the differences of rounding up or down to the nearest thousandths are identical.

Should it be impossible to apply the above substitute Reference Rate, upon the failure by any or several of the banks to provide written quotations as provided for in paragraphs one and two of this section, the interest rate resulting from applying the simple arithmetic mean of the interest rates declared by at least two of the other banks shall be applicable.

- iii) If the rates established in paragraphs i) and ii) above should not be available or be impossible to obtain, the last Reference Rate or substitute Reference Rate applied to the next preceding Interest Accrual Period shall apply, and so on for successive Interest Accrual Periods whilst matters remain the same.

On each Interest Rate Fixing Date, the Paying Agent shall notify the Management Company of the Reference Rate determined in accordance with paragraphs i) and ii) above. The Management Company shall keep the listings and supporting documents on which the Paying Agent shall notify it the Reference Rate determined.

4.8.1.4 **Interest Rate Fixing Date.**

The Management Company shall, for and on behalf of the Fund, determine the Nominal Interest Rate applicable to each Bond Series for every Interest Accrual Period as provided for in sections 4.8.1.2 and 4.8.1.3 above, on the second Business Day preceding each Payment Date (the **"Interest Rate Fixing Date"**), and it will apply for the following Interest Accrual Period.

Exceptionally, the Management Company shall determine the Nominal Interest Rate of the Bonds in each Series for the first Interest Accrual Period as provided for in sections 4.8.1.2 and 4.8.1.3 above, on the first Business Day preceding the Closing Date, falling on the day of the Subscription Period, and shall notify the same in writing on the same day to the Underwriters and Placement Agents in order for them to report this to investors interested in subscribing for the Bonds. The Management Company will also notify this to the CNMV, the Paying Agent, AIAF and Iberclear.

The nominal interest rates determined for each Bond Series for successive Interest Accrual Periods shall be communicated to Bondholders within the deadline and in the manner for which provision is made in section 4.1.1.a) of the Building Block.

4.8.1.5 **Formula for calculating interest.**

Interest settlement for the Bonds in each Series, payable on each Payment Date for each Interest Accrual Period, shall be calculated for each Series in accordance with the following formula:

$$I = P \times \frac{R}{100} \times \frac{d}{360}$$

Where:

I = Interest payable on a given Payment Date, rounded up to the nearest eurocent.

P = Outstanding Principal Balance of the Bonds in the Series on the Determination Date preceding that Payment Date.

R = Nominal Interest Rate of the Series expressed as a yearly percentage.

d = Exact number of days in each Interest Accrual Period.

4.8.2 Dates, place, institutions and procedure for paying interest.

Interest on the Bonds in all Series will be paid until they are finally amortised by Interest Accrual Periods in arrears on January 26, April 26, July 26 and October 26 in each year, or the following Business Day if any of those is not a Business Day (each of those dates, a “**Payment Date**”), and interest for the then-current Interest Accrual Period will accrue until said first Business Day, not inclusive, on the terms established in section 4.8.1.2 of this Securities Note.

The first interest Payment Date for the Bonds in each Series shall be July 26, 2007, and interest will accrue at the applicable Nominal Interest Rate between the Closing Date, May 4, 2007, inclusive, and July 26, 2007, exclusive.

In this Bond Issue, business days (“**Business Days**”) shall be deemed to be all days other than a:

- public holiday in the city of Madrid, or
- non-business day in the TARGET calendar (Trans European Automated Real-Time Gross Settlement Express Transfer System).

Both interest resulting for Bondholders in each Series and the amount, if any, of interest accrued and not paid, shall be notified to Bondholders as described in section 4.1.1.a) of the Building Block, at least one (1) calendar day in advance of each Payment Date.

Bond interest accrued shall be paid on each Payment Date provided that the Fund has sufficient liquidity to do so in the Priority of Payments or Liquidation Priority of Payments, as the case may be.

In the event that on a Payment Date the Fund should be unable to make full or partial payment of interest accrued on the Bonds in any Series, in the Priority of Payments, interest amounts not paid shall be accumulated on the following Payment Date to interest on the Series proper that, as the case may be, should be paid on that same Payment Date, and will be paid in the Priority of Payments and applied by order of maturity if it should be impossible once again not to pay the same fully due to a shortfall of Available Funds.

Unpaid interest amounts due shall not earn additional or late-payment interest and shall not be accumulated to the Outstanding Principal Balance of the Bonds.

The Fund, through its Management Company, may not defer Bond interest payment beyond April 26, 2021, the Final Maturity Date, or the following Business Day if that is not a Business Day.

The Bond issue shall be serviced through the Paying Agent, to which end the Management Company shall, for and on behalf of the Fund, enter into a Paying Agent Agreement with BBVA, as established in section 5.2.1 of this Securities Note.

4.9 Maturity date and amortisation of the securities.

4.9.1 Bond redemption price.

The redemption price of the Bonds in each Series shall be EUR one hundred thousand (100,000) per Bond, equivalent to 100 percent of their face value, payable as established in section 4.9.2 below.

Each and every one of the Bonds in a same Series shall be amortised in an equal amount by reducing the face amount of each of the Bonds.

4.9.2 Characteristics specific to the amortisation of each Bond Series.

4.9.2.1 Amortisation of Series A Bonds.

Series A Bond principal shall be amortised by partial amortisation on each Payment Date after Bond amortisation begins, in an amount equal to the Principal Available Funds applied on each Payment Date to amortising Series A, in accordance with the rules for Distribution of Principal Available Funds given in sections 4.9.3.1.4 and 4.9.3.1.5 below, prorated between the Bonds in Series A proper by reducing the face amount of each Series A Bond. The first partial amortisation of the Series A Bonds shall occur on the Payment Date falling on July 26, 2009 or on a previous Payment Date in the event of early termination of the Receivables Revolving Period.

Notwithstanding partial or total amortisation resulting from partial amortisation as provided for in the preceding paragraph, final amortisation of Series A Bonds shall occur on the Final Maturity Date (April 26, 2021 or the following Business Day if that is not a Business Day), or before the Final Maturity Date, in accordance with the provisions of section 4.9.3.2 of this Securities Note, upon Early Liquidation and Early Amortisation of the Bond Issue, in both cases in the Liquidation Priority of Payments.

4.9.2.2 Amortisation of Series B Bonds.

Series B Bond principal shall be amortised by partial amortisation on each Payment Date after Bond amortisation begins, in an amount equal to the Principal Available Funds applied on each Payment Date to amortising Series B in accordance with the rules for Distribution of Principal Available Funds given in sections 4.9.3.1.4 and 4.9.3.1.5 below, prorated between the Bonds in Series B proper by reducing the face amount of each Series B Bond. The first partial amortisation of the Series B Bonds shall occur once the Series A Bonds have been fully amortised.

Notwithstanding partial or total amortisation resulting from partial amortisation as provided for in the preceding paragraph, final amortisation of Series B Bonds shall occur on the Final Maturity Date (April 26, 2021 or the following Business Day if that is not a Business Day), or before the Final Maturity Date, in accordance with the provisions of section 4.9.3.2 of this Securities Note, upon Early Liquidation and Early Amortisation of the Bond Issue, in both cases in the Liquidation Priority of Payments.

4.9.2.3 Amortisation of Series C Bonds.

Series C Bond principal shall be amortised by partial amortisation on each Payment Date after Bond amortisation begins, in an amount equal to the Principal Available Funds applied on each Payment Date to amortising Series C in accordance with the rules for Distribution of Principal Available Funds given in sections 4.9.3.1.4 and 4.9.3.1.5 below, prorated between the Bonds in Series C proper by reducing the face amount of each Series C Bond. The first partial amortisation of the Series C Bonds shall occur once the Series A and the Series B Bonds have been fully amortised.

Notwithstanding partial or total amortisation resulting from partial amortisation as provided for in the preceding paragraph, final amortisation of Series C Bonds shall occur on the Final Maturity Date (April 26, 2021 or the following Business Day if that is not a Business Day), or before the Final Maturity Date, in accordance with the provisions of section 4.9.3.2 of this Securities Note, upon Early Liquidation and Early Amortisation of the Bond Issue, in both cases in the Liquidation Priority of Payments.

4.9.3 Common characteristics applicable to amortisation of Bonds in each Bond Series.

4.9.3.1 Partial amortisation.

Irrespective of the Final Maturity Date and subject to the Early Amortisation of the Bond Issue in the event of Early Liquidation of the Fund, the Fund shall, through its Management Company, proceed to a partial amortisation of the Bonds, after the Revolving Period ends, on each Payment Date in accordance with the specific amortisation terms for each Series established in section 4.9.2 of this Securities Note and on the terms described hereinafter in this section common to all three Series.

4.9.3.1.1 Determination Dates and Determination Periods.

The Determination Dates will be the dates falling on the seventh (7th) Business Day preceding each Payment Date on which the Management Company on behalf of the Fund will make all necessary calculations to distribute or withhold the Available Funds and the Principal Available Funds which the Fund shall dispose of on the relevant Payment Date, in the Priority of Payments. The first Determination Date shall be July 17, 2007.

Determination Periods shall be periods comprising the exact number of days elapsed between every two consecutive Determination Dates, each Determination Period excluding the beginning Determination Date and including the ending Determination Date. Exceptionally,

- (i) the duration of the first Determination Period shall be equal to the days elapsed between the date of establishment of the Fund, inclusive, and the first Determination Date, July 17, 2007, inclusive, and
- (ii) the duration of the last Determination Period shall be equal to the days elapsed a) until the Final Maturity Date or the date on which the Early Liquidation of the Fund concludes, as provided for in section 4.4.3 of the Registration Document, on which the Receivables and the assets remaining in the Fund have been liquidated and all the Liquidation Available Funds have been distributed in the Liquidation Priority of Payments of the Fund, b) from the Determination Date preceding the Payment Date preceding the date referred to in a), including the first date a) but not including the last date b).

4.9.3.1.2 Outstanding Principal Balance of the Bonds.

The Outstanding Principal Balance of a Series shall be the sum of the principal pending repayment (outstanding balance) on a given date of all the Bonds in that Series.

By addition, the Outstanding Principal Balance of the Bond Issue shall be the sum of the Outstanding Principal Balance of all three Series A, B and C making up the Bond Issue.

4.9.3.1.3 Principal Withholding on each Payment Date.

On each Payment Date, the Available Funds shall be used in sixth (6th) place in the priority of payments for withholding the amount designed for acquiring Additional Receivables and, after the Revolving Period ends, for amortising the Bonds as a whole, without distinguishing between the different Series (“**Principal Withholding**”), in an amount equal to the positive difference, if any, on the Determination Date preceding the relevant Payment Date, between (i) the Outstanding Principal Balance of the Bond Issue, and (ii) the sum of a) the Outstanding Balance of Non-Doubtful Receivables and b) the Principal Account balance and, as the case may be, the Surplus Account balance transferred from the Principal Account.

Depending on the liquidity existing on each Payment Date, the amount actually applied of the Available Funds to Principal Withholding shall be included among the Principal Available Funds and be applied in accordance with the rules for Distribution of Principal Available Funds established hereinafter in section 4.9.3.1.5 below.

4.9.3.1.4 **Principal Available Funds on each Payment Date.**

The Principal available funds on each Payment Date (the “**Principal Available Funds**”) shall be the following:

- a) the Principal Withholding amount actually applied in sixth (6th) place of the Available Funds on the relevant Payment Date, and
- b) until the Payment Date next succeeding the end of the Revolving Period, inclusive, the Principal Account balance and, as the case may be, the Surplus Account balance transferred from the Principal Account on the Determination Date preceding the relevant Payment Date.

4.9.3.1.5 **Distribution of Principal Available Funds.**

The Principal Available Funds shall be applied on each Payment Date in accordance with the following rules (“**Distribution of Principal Available Funds**”):

1. During the Receivables Revolving Period, payment of the assignment price comprising the face value of the outstanding capital or principal of the Additional Receivables acquired by the Fund on the relevant Payment Date.

The remaining Principal Available Funds not used for acquiring Additional Receivables shall remain credited to the Principal Account.

2. After the Revolving Period ends, the Principal Available Funds shall be sequentially applied firstly to amortising Series A until fully amortised, secondly to amortising Series B until fully amortised, and thirdly to amortising Series C until fully amortised.

4.9.3.2 **Early Amortisation of the Bond Issue.**

Subject to the Fund's obligation, through its Management Company, to proceed to final amortisation of the Bonds on the Final Maturity Date or amortisation of each Series before the Final Maturity Date, the Management Company shall, after first notifying the CNMV, be authorised to proceed, as the case may be, to an Early Liquidation of the Fund and hence an Early Amortisation, of the entire Bond Issue in the Early Liquidation Events and subject to the requirements established in section 4.4.3 of the Registration Document and subject to the Liquidation Priority of Payments.

4.9.3.3 **Final Maturity Date.**

The Final Maturity Date and consequently the final amortisation of the Bonds is April 26, 2021 or the following Business Day if that is not a Business Day, without prejudice to the Management Company, for and on behalf of the Fund, and in accordance with the provisions of sections 4.9.3.1 and 4.9.3.2 of this Securities Note, proceeding to amortise all or any Series of the Bond Issue before the Final Maturity Date. Final amortisation of the Bonds on the Final Maturity Date shall be made subject to the Liquidation Priority of Payments.

4.10 **Indication of yield.**

The average life, yield, term and final maturity of the Bonds in each Series depend on several factors, most significant among which are the following:

- i) Acquisition by the Fund of Additional Receivables during the Revolving Period in order to replace the decrease in the amounts of the Receivables.
- ii) The repayment schedule and system of each Receivable established in the relevant document.
- iii) The Obligors' capacity to prepay the Receivables in whole or in part and the aggregate prepayment pace throughout the life of the Fund. In this sense, Receivable prepayments by Obligors, subject to continual changes, and estimated in this Prospectus using several performance assumptions of the future effective constant annual early amortisation or prepayment rate (hereinafter also “**CPR**”), are very significant and shall directly affect the pace at which the Bonds are amortised, and therefore their average life and duration.

- iv) Changes in Receivable interest rates resulting in every instalment repayment amount differing.
- v) Obligors' delinquency in payment of Receivable instalments.

The following assumed values have been used for the above-mentioned factors in calculating the tables contained in this section:

- Loan interest rate: 6.53% weighted average interest rate as of April 2, 2007 of the portfolio of selected loans which has been used for calculating the repayment instalments and interest of each of the selected loans;
- Receivable portfolio delinquency: 0.82% of the Outstanding Balance of the Receivables, with 100% recoveries within 15 months of becoming delinquent;
- Receivable doubtfuls rated as bad debts: 0%;
- that the Receivable prepayment rate remains constant throughout the life of the Bonds;
- that the Bond Closing Date is May 4, 2007;
- that the Receivables Revolving Period shall end on April 26, 2009, and during the same Additional Receivables shall be acquired on each Payment Date and in the aggregate Principal Available Funds on each such dates; and
- that the weighted average final maturity of the additional Receivables acquired during the Revolving Period is 5 years.

The actual adjusted life and the yield or return on the Bonds will also depend on their floating interest rate. The following nominal interest rates are assumed for each Series for the first Interest Accrual Period, resulting from the straight-line interpolation bearing in mind the number of days in the First Interest Accrual Period between two- (2-) month Euribor (3.888%) and three- (3-) month Euribor (3.979%) on April 18, 2007 and in the event that the applicable margins should be the maximum margins set for each Series in accordance with section 4.8.1.2 of this Securities Note:

	Series A Bonds	Series B Bonds	Series C Bonds
Nominal interest rate	4.138%	4.308%	4.658%

For successive Interest Accrual Periods, the floating interest rate of the Bonds in each Series is assumed to be constant as follows, resulting from 3-month Euribor (3.979%) on April 18, 2007 and in the event that the applicable margins should be the same maximum margins as in the preceding paragraph:

	Series A Bonds	Series B Bonds	Series C Bonds
Nominal interest rate	4.159%	4.329%	4.679%

4.10.1 Estimated average life, yield or return, duration and final maturity of the Bonds.

Assuming that the Management Company shall exercise the Early Liquidation of the Fund and Early Amortisation of the Bond Issue option provided in section 4.4.3.1(i) of the Registration Document when the Outstanding Balance of the Receivables is less than 10% of their initial Outstanding Balance upon the Fund being established, the average life, return (Internal Rate of Return IRR) for the Bond subscriber, duration and final maturity of the Bonds for different CPRs, would be as follows:

% CPR:	10.00%	12.00%	14.00%	16.00%	18.00%
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Series A Bonds					
Average life (years)	3.76	3.71	3.65	3.60	3.55
IRR	4.283%	4.283%	4.283%	4.283%	4.282%
Duration (years)	3.33	3.29	3.24	3.20	3.16
Final maturity	26 04 2013	26 04 2013	28 01 2013	28 01 2013	28 01 2013
(in years)	5.98	5.98	5.74	5.74	5.74

Series B Bonds					
Average life (years)	5.98	5.98	5.74	5.74	5.74
IRR	4.461%	4.461%	4.461%	4.461%	4.461%
Duration (years)	5.07	5.07	4.89	4.89	4.89
Final maturity	26 04 2013	26 04 2013	28 01 2013	28 01 2013	28 01 2013
(in years)	5.98	5.98	5.74	5.74	5.74

Series C Bonds					
Average life (years)	5.98	5.98	5.74	5.74	5.74
IRR	4.828%	4.828%	4.828%	4.828%	4.828%
Duration (years)	5.00	5.00	4.83	4.83	4.83
Final maturity	26 04 2013	26 04 2013	28 01 2013	28 01 2013	28 01 2013
(in years)	5.98	5.98	5.74	5.74	5.74

The Management Company expressly states that the servicing tables described hereinafter for each Series are merely theoretical and given for illustrative purposes, and represent no payment obligation whatsoever, on the basis that:

- Whereas CPRs are assumed to be constant respectively at 12%, 14% and 16% throughout the life of the Bond Issue, as explained above actual prepayment changes continually.
- The Outstanding Principal Balance of the Bonds on each Payment Date and hence interest payable on each such dates shall depend on the actual Receivable prepayment, delinquency and default rates.
- Whereas Bond nominal interest rates are assumed to be constant for each Series from the second Interest Accrual Period, the interest rate in all the Series is known to be variable.
- Receivable portfolio delinquency: 0.82% of the Outstanding Balance of Receivables with 100% recoveries within 15 months of becoming delinquent.
- Receivable doubtfuls rated bad debts: 0%
- The assumed values referred to at the beginning of this section are at all events taken for granted.
- It is assumed that the Management Company will exercise the Early Liquidation of the Fund and thereby the Early Amortisation of the Bond Issue option when the Outstanding Balance of the Receivables is less than 10% of their initial amount upon the Fund being set up, as provided in section 4.4.3.1(i) of the Registration Document.

FLows FOR EVERY BOND WITHOUT WITHHOLDING FOR THE HOLDER
(AMOUNTS IN EUR)
CPR = 12.00%

Payment Date	Series A Bonds			Series B Bonds			Series C Bonds		
	Principal Repayment	Gross Interest	Total Flow	Principal Repayment	Gross Interest	Total Flow	Principal Repayment	Gross Interest	Total Flow
TOTALS:	100,000.00	15,627.30	115,627.30	100,000.00	26,257.76	126,257.76	100,000.00	28,381.09	128,381.09
04/05/2007									
26/07/2007	0.00	954.04	954.04	0.00	993.23	993.23	0.00	1,073.93	1,073.93
26/10/2007	0.00	1,062.86	1,062.86	0.00	1,106.30	1,106.30	0.00	1,195.74	1,195.74
28/01/2008	0.00	1,085.96	1,085.96	0.00	1,130.35	1,130.35	0.00	1,221.74	1,221.74
28/04/2008	0.00	1,051.30	1,051.30	0.00	1,094.28	1,094.28	0.00	1,182.75	1,182.75
28/07/2008	0.00	1,051.30	1,051.30	0.00	1,094.28	1,094.28	0.00	1,182.75	1,182.75
27/10/2008	0.00	1,051.30	1,051.30	0.00	1,094.28	1,094.28	0.00	1,182.75	1,182.75
26/01/2009	0.00	1,051.30	1,051.30	0.00	1,094.28	1,094.28	0.00	1,182.75	1,182.75
27/04/2009	0.00	1,051.30	1,051.30	0.00	1,094.28	1,094.28	0.00	1,182.75	1,182.75
27/07/2009	10,006.44	1,051.30	11,057.74	0.00	1,094.28	1,094.28	0.00	1,182.75	1,182.75
26/10/2009	9,481.57	946.10	10,427.68	0.00	1,094.28	1,094.28	0.00	1,182.75	1,182.75
26/01/2010	8,976.83	855.73	9,832.55	0.00	1,106.30	1,106.30	0.00	1,195.74	1,195.74
26/04/2010	8,428.83	743.79	9,172.62	0.00	1,082.25	1,082.25	0.00	1,169.75	1,169.75
26/07/2010	7,886.50	663.44	8,549.94	0.00	1,094.28	1,094.28	0.00	1,182.75	1,182.75
26/10/2010	7,350.93	586.91	7,937.84	0.00	1,106.30	1,106.30	0.00	1,195.74	1,195.74
26/01/2011	6,849.05	508.78	7,357.82	0.00	1,106.30	1,106.30	0.00	1,195.74	1,195.74
26/04/2011	6,324.50	426.50	6,751.00	0.00	1,082.25	1,082.25	0.00	1,169.75	1,169.75
26/07/2011	5,818.34	364.75	6,183.10	0.00	1,094.28	1,094.28	0.00	1,182.75	1,182.75
26/10/2011	5,320.18	306.92	5,627.10	0.00	1,106.30	1,106.30	0.00	1,195.74	1,195.74
26/01/2012	4,869.99	250.38	5,120.37	0.00	1,106.30	1,106.30	0.00	1,195.74	1,195.74
26/04/2012	4,424.80	196.46	4,621.25	0.00	1,094.28	1,094.28	0.00	1,182.75	1,182.75
26/07/2012	4,063.74	149.94	4,213.68	0.00	1,094.28	1,094.28	0.00	1,182.75	1,182.75
26/10/2012	3,570.41	108.39	3,678.80	0.00	1,106.30	1,106.30	0.00	1,195.74	1,195.74
28/01/2013	3,030.31	71.98	3,102.29	0.00	1,130.35	1,130.35	0.00	1,221.74	1,221.74
26/04/2013	3,597.57	36.57	3,634.15	100,000.00	1,058.20	101,058.20	100,000.00	1,143.76	101,143.76

FLows FOR EVERY BOND WITHOUT WITHHOLDING FOR THE HOLDER
(AMOUNTS IN EUR)
CPR = 14.00%

Date	Series A Bonds			Series B Bonds			Series C Bonds		
	Principal Repayment	Gross Interest	Total Flow	Principal Repayment	Gross Interest	Total Flow	Principal Repayment	Gross Interest	Total Flow
TOTALS:	100,000.00	15,374.96	115,374.96	100,000.00	25,199.56	125,199.56	100,000.00	27,237.34	127,237.34
04/05/2007									
26/07/2007	0.00	954.04	954.04	0.00	993.23	993.23	0.00	1,073.93	1,073.93
26/10/2007	0.00	1,062.86	1,062.86	0.00	1,106.30	1,106.30	0.00	1,195.74	1,195.74
28/01/2008	0.00	1,085.96	1,085.96	0.00	1,130.35	1,130.35	0.00	1,221.74	1,221.74
28/04/2008	0.00	1,051.30	1,051.30	0.00	1,094.28	1,094.28	0.00	1,182.75	1,182.75
28/07/2008	0.00	1,051.30	1,051.30	0.00	1,094.28	1,094.28	0.00	1,182.75	1,182.75
27/10/2008	0.00	1,051.30	1,051.30	0.00	1,094.28	1,094.28	0.00	1,182.75	1,182.75
26/01/2009	0.00	1,051.30	1,051.30	0.00	1,094.28	1,094.28	0.00	1,182.75	1,182.75
27/04/2009	0.00	1,051.30	1,051.30	0.00	1,094.28	1,094.28	0.00	1,182.75	1,182.75
27/07/2009	10,532.87	1,051.30	11,584.17	0.00	1,094.28	1,094.28	0.00	1,182.75	1,182.75
26/10/2009	9,904.41	940.57	10,844.98	0.00	1,094.28	1,094.28	0.00	1,182.75	1,182.75
26/01/2010	9,302.21	845.64	10,147.85	0.00	1,106.30	1,106.30	0.00	1,195.74	1,195.74
26/04/2010	8,665.61	730.53	9,396.14	0.00	1,082.25	1,082.25	0.00	1,169.75	1,169.75
26/07/2010	8,051.46	647.55	8,699.01	0.00	1,094.28	1,094.28	0.00	1,182.75	1,182.75
26/10/2010	7,453.20	569.09	8,022.29	0.00	1,106.30	1,106.30	0.00	1,195.74	1,195.74
26/01/2011	6,892.73	489.87	7,382.61	0.00	1,106.30	1,106.30	0.00	1,195.74	1,195.74
26/04/2011	6,318.73	407.56	6,726.29	0.00	1,082.25	1,082.25	0.00	1,169.75	1,169.75
26/07/2011	5,774.81	345.66	6,120.47	0.00	1,094.28	1,094.28	0.00	1,182.75	1,182.75
26/10/2011	5,246.75	288.08	5,534.83	0.00	1,106.30	1,106.30	0.00	1,195.74	1,195.74
26/01/2012	4,769.43	232.31	5,001.74	0.00	1,106.30	1,106.30	0.00	1,195.74	1,195.74
26/04/2012	4,303.66	179.64	4,483.30	0.00	1,094.28	1,094.28	0.00	1,182.75	1,182.75
26/07/2012	3,918.99	134.40	4,053.39	0.00	1,094.28	1,094.28	0.00	1,182.75	1,182.75
26/10/2012	3,416.83	94.22	3,511.06	0.00	1,106.30	1,106.30	0.00	1,195.74	1,195.74
28/01/2013	5,448.30	59.17	5,507.47	100,000.00	1,130.35	101,130.35	100,000.00	1,221.74	101,221.74

FLows for Every Bond without Withholding for the Holder
(Amounts in EUR)
CPR = 16.00%

Payment Date	Series A Bonds			Series B Bonds			Series C Bonds		
	Principal Repayment	Gross Interest	Total Flow	Principal Repayment	Gross Interest	Total Flow	Principal Repayment	Gross Interest	Total Flow
TOTALS:	100,000.00	15,163.28	115,163.28	100,000.00	25,199.56	125,199.56	100,000.00	27,237.34	127,237.34
04/05/2007									
26/07/2007	0.00	954.04	954.04	0.00	993.23	993.23	0.00	1,073.93	1,073.93
26/10/2007	0.00	1,062.86	1,062.86	0.00	1,106.30	1,106.30	0.00	1,195.74	1,195.74
28/01/2008	0.00	1,085.96	1,085.96	0.00	1,130.35	1,130.35	0.00	1,221.74	1,221.74
28/04/2008	0.00	1,051.30	1,051.30	0.00	1,094.28	1,094.28	0.00	1,182.75	1,182.75
28/07/2008	0.00	1,051.30	1,051.30	0.00	1,094.28	1,094.28	0.00	1,182.75	1,182.75
27/10/2008	0.00	1,051.30	1,051.30	0.00	1,094.28	1,094.28	0.00	1,182.75	1,182.75
26/01/2009	0.00	1,051.30	1,051.30	0.00	1,094.28	1,094.28	0.00	1,182.75	1,182.75
27/04/2009	0.00	1,051.30	1,051.30	0.00	1,094.28	1,094.28	0.00	1,182.75	1,182.75
27/07/2009	11,070.93	1,051.30	12,122.23	0.00	1,094.28	1,094.28	0.00	1,182.75	1,182.75
26/10/2009	10,331.15	934.91	11,266.06	0.00	1,094.28	1,094.28	0.00	1,182.75	1,182.75
26/01/2010	9,625.92	835.38	10,461.30	0.00	1,106.30	1,106.30	0.00	1,195.74	1,195.74
26/04/2010	8,897.11	717.14	9,614.25	0.00	1,082.25	1,082.25	0.00	1,169.75	1,169.75
26/07/2010	8,208.20	631.57	8,839.76	0.00	1,094.28	1,094.28	0.00	1,182.75	1,182.75
26/10/2010	7,545.37	551.27	8,096.63	0.00	1,106.30	1,106.30	0.00	1,195.74	1,195.74
26/01/2011	6,925.61	471.07	7,396.68	0.00	1,106.30	1,106.30	0.00	1,195.74	1,195.74
26/04/2011	6,302.35	388.82	6,691.17	0.00	1,082.25	1,082.25	0.00	1,169.75	1,169.75
26/07/2011	5,720.78	326.89	6,047.67	0.00	1,094.28	1,094.28	0.00	1,182.75	1,182.75
26/10/2011	5,163.27	269.67	5,432.95	0.00	1,106.30	1,106.30	0.00	1,195.74	1,195.74
26/01/2012	4,659.87	214.80	4,874.67	0.00	1,106.30	1,106.30	0.00	1,195.74	1,195.74
26/04/2012	4,174.78	163.47	4,338.25	0.00	1,094.28	1,094.28	0.00	1,182.75	1,182.75
26/07/2012	3,768.62	119.58	3,888.20	0.00	1,094.28	1,094.28	0.00	1,182.75	1,182.75
26/10/2012	3,260.04	80.84	3,340.88	0.00	1,106.30	1,106.30	0.00	1,195.74	1,195.74
28/01/2013	4,346.01	47.20	4,393.21	100,000.00	1,130.35	101,130.35	100,000.00	1,221.74	101,221.74

4.11 Representation of security holders.

No syndicate of bondholders will be set up for the securities included in this Bond Issue.

On the terms provided for in article 12.1 of Royal Decree 926/1998, it is the Management Company's duty, as the manager of third-party portfolios, to represent and enforce the interests of the holders of the Bonds issued by the Fund and of all its other ordinary creditors. Consequently, the Management Company shall make its actions conditional on their protection and observe the provisions established for that purpose from time to time.

4.12 Resolutions, authorisations and approvals for issuing the securities.

a) Corporate resolutions.

Resolution to set up the Fund and issue the Bonds:

The Executive Committee of the Board of Directors of EUROPEA DE TITULIZACIÓN resolved on March 14, 2007 that:

- i) BBVA FINANZIA AUTOS 1 FONDO DE TITULIZACIÓN DE ACTIVOS be set up in accordance with the legal system for which provision is made in Royal Decree 926/1998 and Act 19/1992, failing a provision in Royal Decree 926/1998 and to the extent applicable, and all other legal and statutory provisions in force and applicable from time to time.
- ii) Receivables assigned by BBVA FINANZIA derived from loans granted by BBVA FINANZIA to Spanish individuals or individuals resident in Spain to finance new or used motor car purchase transactions be pooled in the Fund.
- iii) The Bonds be issued by the Fund.

Resolution to assign the Receivables:

The Board of Directors of BBVA FINANZIA resolved, at a meeting held on March 26, 2007, that the assignment of loans and credits without mortgage security granted by BBVA FINANZIA to finance the purchase by individuals of motor cars to an open-end Asset Securitisation Fund set up ad hoc for a total maximum amount of EUR one billion (1,000,000,000.00) and with maturity not in excess of 20 years be authorised. Moreover, and in order for the outstanding balance of the securitised loans and credits to remain at not more than EUR one billion for the first twenty-four months of existence of the Fund, that the assignment of additional loans or credits be authorised.

b) Registration by the CNMV.

The establishment of the Fund and issue of the Bonds are subject to the condition precedent of the entry in the Official Registers of the CNMV of this Prospectus and all other supporting documents, in accordance with the provisions of article 5.1.e) of Royal Decree 926/1998.

This Prospectus regarding the establishment of the Fund and issue of the Bonds has been entered in the CNMV's Official Registers.

c) Execution of the Fund public deed of constitution.

Upon the CNMV registering this Prospectus, the Management Company shall with BBVA FINANZIA, Originator of the Receivables, proceed to execute on April 30, 2007 a public deed whereby BBVA FINANZIA AUTOS 1 FONDO DE TITULIZACIÓN DE ACTIVOS will be established and the Fund will issue the Asset-Backed Bonds, on the terms provided in article 6 of Royal Decree 926/1998. and the notarised certificate whereby BBVA FINANZIA will assign the Initial Receivables to the Fund.

The Management Company represents that the contents of the Deed of Constitution shall match the draft Deed of Constitution it has submitted to the CNMV and the terms of the Deed of Constitution shall at no event contradict, change, alter or invalidate the contents of this Prospectus.

The Management Company shall submit a copy of the Deed of Constitution to the CNMV to be entered in the Official Registers before the Bond Subscription Period begins.

4.13 Issue date of the securities.

The Bonds shall be issued by means of the Deed of Constitution on April 30, 2007.

4.13.1 Potential investors to whom the Bonds are offered.

Placement of the Bonds in each of Series A, B and C of the Bond Issue is targeted exclusively at qualified investors, and therefore, in accordance with the Securities Market Act and applicable implementing regulations, the Bond offering shall not be considered a public offering.

Tranches.

Each of the Series consists of one tranche only.

4.13.2 Subscription or acquisition date or period.

The subscription period (the "**Subscription Period**") shall begin at 12 o'clock midday (CET time) on May 3, 2007 and end at 1pm (CET time) on the same day.

4.13.3 Payment method and dates.

The investors to whom the Bonds are allocated shall pay the relevant Underwriter and Placement Agent by 1pm (CET time) on May 4, 2007 (the "**Closing Date**"), for same day value, the relevant issue price for each Bond allocated for subscription.

4.14 Restrictions on the free transferability of the securities.

There are no restrictions on the free transferability of the Bonds. They may be freely transferred by any means admissible at Law and in accordance with the rules of the AIAF market where their admission to trading shall be applied for. A transfer in the accounts (book entry) will convey the ownership of each Bond. The effects of entering the conveyance to the transferee in the accounting record shall be the same as handing over the certificates and the transfer shall thereupon be enforceable on third parties.

5 ADMISSION TO TRADING AND DEALING ARRANGEMENTS.

5.1 Market where the securities will be traded.

In fulfilment of the provisions of article 2.3 of Royal Decree 926/1998, the Management Company shall, upon the Bonds having been paid up, apply for this Bond Issue to be listed on AIAF Mercado de Renta Fija ("**AIAF**"), which is a qualified official secondary securities market pursuant to transitional provision six of Act 37/1998, November 16, amending the Securities Market Act, and a regulated market, as set down in the Annotated List of Regulated Markets and Additional Provisions under Investment Services Directive 93/22, published in the Official Journal of the European Communities on May 12, 2005. The Management Company undertakes that definitive admission to trading will be achieved not later than one month after the Closing Date.

The Management Company expressly represents that it is aware of the requirements and terms that must be observed for the securities to be eligible to be listed, remain listed and be excluded from listing on the AIAF, in accordance with the laws in force and the requirements of its governing bodies, and the Fund agrees through its Management Company to observe the same.

In the event that, by the end of the one-month period referred to in the first paragraph of this section, the Bonds should not be admitted to trading on the AIAF, the Management Company shall forthwith proceed to notify Bondholders thereof, moreover advising of the reasons resulting in such breach, using the extraordinary notice procedure provided for in section 4.1.2 of the Building Block. This shall be without prejudice to the Management Company being held to be contractually liable, as the case may be.

5.2 Paying agents and depository agents.

5.2.1 Paying Agent of the Bond Issue.

The Bond Issue will be serviced through BBVA as Paying Agent. Payment of interest and repayments shall be notified to Bondholders in the events and in such advance as may be provided for each case in section 4.1.1 of the Building Block. Interest and amortisation shall be paid to Bondholders by the relevant members and to the latter in turn by Iberclear, the institution responsible for the accounting record.

The Management Company shall, for and on behalf of the Fund, enter with BBVA into a paying agent agreement to service the Bonds issued by the Fund (the "**Paying Agent Agreement**").

The obligations to be taken on by BBVA (the "**Paying Agent**") under this Paying Agent Agreement are summarily as follows:

- (i) Paying the Fund by 3pm (CET time) on the Closing Date, by crediting the Treasury Account, for same day value, the aggregate amount of the subscription for the Bond Issue received from the other Underwriters and Placement Agents as provided for in the Bond Issue Management, Underwriting and Placement Agreement plus the face amount of the Bonds placed and, as the case may be, subscribed for on its own account, as Underwriter and Placement Agent.
- (ii) Paying each Underwriter and Placement Agent on the Closing Date, as directed by the Management Company, the underwriting and placement fee amount they shall each have earned, after they have in turn paid it the face amount of the Bonds they shall each have placed and, as the case may be, subscribed for on their own account up to their respective underwriting commitment.

- (iii) Handing to the Management Company Bond Issue placement dissemination control information based on the information provided in that connection by the Underwriters and Placement Agents, using for that purpose the form duly established by the CNMV.
- (iv) On each Bond Payment Date, paying interest and, as the case may be, repaying Bond principal through Iberclear, after deducting the total amount of the interim tax withholding for return on investments to be made by the Management Company, on behalf of the Fund, in accordance with applicable tax laws.
- (v) On each Interest Rate Fixing Date, notifying the Management Company of the Reference Rate determined to be used as the basis for the Management Company to calculate the Nominal Interest Rate applicable to each Bond Series.

In the event that the rating of BBVA's short-term, unsecured and unsubordinated debt obligations should, at any time during the life of the Bond Issue, be downgraded below P-1 or A-1 respectively by Moody's and S&P, the Management Company shall within not more than thirty (30) Business Days from the time of the occurrence of any such circumstances revoke the appointment of BBVA as Paying Agent, and thereupon designate another institution with short-term, unsecured and unsubordinated debt obligations rated at least as high as P-1 and A-1 respectively by Moody's and S&P, to take its place before terminating the Paying Agent Agreement or, as the case may be, under a new paying agent agreement, and subject to prior notice being given to the Rating Agencies. Should BBVA be replaced as Paying Agent, the Management Company shall be entitled to change the fee payable to the substitute institution, which may be higher than that established with BBVA under the Paying Agent Agreement. All costs, expenses and taxes incurred in connection with putting in place and arranging the above shall be borne by BBVA.

In consideration of the services provided by the Paying Agent, the Fund shall pay it on each Payment Date during the term of the agreement, a fee of EUR twelve thousand (12,000.00), inclusive of taxes as the case may be. This fee shall be paid provided that the Fund has sufficient liquidity and in the Priority of Payments or, as the case may be, the Liquidation Priority of Payments.

In the event that the Fund should not have sufficient liquidity to pay said full fee, then the amounts accrued and not paid shall be accumulated without any penalty whatsoever to the fee falling due on the following Payment Date, unless that absence of liquidity should continue, in which case the amounts due shall build up until fully paid on the Payment Date on which they are settled.

The Paying Agent Agreement shall be fully terminated in the event that the Rating Agencies should not confirm the provisional ratings assigned to each Series as final ratings by the start of the Subscription Period.

6 EXPENSE OF THE OFFERING AND OF ADMISSION TO TRADING.

The expected expenses deriving from setting up the Fund and issue and admission to trading of the Bond Issue are one million thirty-eight thousand four hundred and eighty-five euros and two eurocents (EUR 1,038,485.02). These expenses include, inter alia, the initial Management Company fee, notary's, rating and legal advice fees, CNMV fees, AIAF and Iberclear fees for including the Bonds in the register of book entries, underwriting and placement fees, Prospectus translation and printing expenses.

7 ADDITIONAL INFORMATION.

7.1 Statement of the capacity in which the advisors connected with the issue mentioned in the Securities Note have acted.

URÍA MENÉNDEZ, as independent advisers, have provided legal advice for establishing the Fund and issuing the Bonds and reviewed their tax aspects.

BBVA and EUROPEA DE TITULIZACIÓN have structured the financial terms of the Fund and the Bond Issue.

7.2 Other information in the Securities Note which has been audited or reviewed by auditors.

Not applicable.

7.3 Statement or report attributed to a person as an expert.

Deloitte has audited the selected loans on the terms set forth in section 2.2 of the Building Block and has audited the Management Company's and BBVA FINANZIA's annual accounts for the year ended December 31, 2005.

7.4 Information sourced from a third party.

Within its duties to verify the information contained in this Prospectus, the Management Company has received confirmation from BBVA FINANZIA, as Originator, as to the truthfulness of the characteristics of BBVA FINANZIA as Originator, of the Loans and of the Receivables given in section 2.2.8 of the Building Block, and of the remaining information on BBVA FINANZIA, the Loans and Receivables given in this Prospectus.

In the Deed of Constitution of the Fund and in each notarised certificate assigning Initial and Additional Receivables to the Fund, BBVA FINANZIA shall reaffirm to the Management Company the fulfilment of those characteristics on the date on which the Fund is established in relation to the Initial Receivables and on each assignment date in relation to the Additional Receivables assigned on that date.

The Management Company confirms that the information received from BBVA FINANZIA on the Loans and on the Originator proper has been accurately reproduced and, to the extent of its knowledge and ability to determine based on that information provided by BBVA FINANZIA, no fact has been omitted which might result in the information reproduced being inaccurate or deceptive.

7.5 Credit ratings assigned to the securities by rating agencies.

Moody's and S&P have, on April 25, 2007, assigned the following provisional ratings to each Bond Series, and expect to assign the same final ratings by the start of the Bond Subscription Period.

Bond Series	Moody's Ratings	S&P Ratings
Series A	Aaa	AAA
Series B	A1	A
Series C	Baa1	BBB

If the Rating Agencies should not confirm any of the assigned provisional ratings as final by the start of the Subscription Period, this circumstance would forthwith be notified to the CNMV and be publicised in the manner for which provision is made in section 4.1.2.2 of the Building Block. Furthermore, this circumstance would result in the establishment of the Fund, the Bond Issue and the assignment of the Initial Receivables terminating, as provided for in section 4.4.4.(v) of the Registration Document.

Rating considerations.

The ratings assigned to each Bond Series by Moody's measure the expected loss before the Final Maturity Date. In Moody's opinion, the structure allows prompt payment of interest and payment of principal during the life of the transaction and, in any event, before the Final Maturity Date.

The ratings assigned to each Bond Series by S&P are an opinion as to the Fund's ability to pay interest on a timely basis and pay principal throughout the life of the transaction and, in any event, before the Final Maturity Date.

The Rating Agencies' ratings are not an assessment of the likelihood of obligors prepaying principal, nor indeed of the extent to which such prepayments differ from what was originally forecast. The ratings are not by any means a rating of the level of actuarial performance.

The Rating Agencies may revise, suspend or withdraw the final ratings assigned at any time, based on any information that may come to their notice. Those events, which shall not constitute early liquidation events of the Fund, shall forthwith be notified to both the CNMV and the Bondholders, in accordance with the provisions of section 4.1 of the Building Block.

ASSET-BACKED SECURITIES NOTE BUILDING BLOCK

(Annex VIII to Commission Regulation (EC) No. 809/2004 of April 29, 2004)

1. SECURITIES

1.1 Minimum denomination of the issue.

The Fund shall be set up with the Initial Receivables which BBVA FINANZIA shall assign to the Fund upon being established and their total principal or capital shall be equal to or slightly under EUR eight hundred million (800,000,000.00), the face value amount of the Bond Issue.

1.2 Confirmation that the information relating to an undertaking or obligor not involved in the issue has been reproduced.

Not applicable.

2. UNDERLYING ASSETS

2.1 Confirmation that the securitised assets have capacity to produce funds to service any payments due and payable on the securities.

Based on the information supplied by the Originator, the Management Company confirms that, based on their contractual characteristics, the flows of principal, interest and any other amounts generated by the securitised Receivables allow the payments due and payable on the Bonds issued to be satisfied.

Nevertheless, in order to cover for potential defaults on payment by the Obligors of the securitised Receivables, a number of credit enhancement transactions have been arranged allowing the amounts payable on the Bonds in each Series to be covered to a different extent and mitigating interest risk due to the different terms of the interest clauses of the Receivables and of the Bonds in each Series. In exceptional circumstances, the enhancement transactions could actually fall short. The credit enhancement transactions are described in section 3.4.2 of this Building Block.

Not all the Bonds issued have the same risk of default. Hence the different credit ratings assigned by the Rating Agencies to the Bonds in each Series, detailed in section 7.5 of the Securities Note.

Upon the occurrence of a (i) substantial alteration or permanent imbalance of the Fund due to any event or circumstance whatsoever unrelated to the Fund's operations or (ii) default indicating a serious permanent imbalance in relation to any of the Bonds issued or suggesting that it will occur, the Management Company may proceed with an Early Liquidation of the Fund and thereby an Early Amortisation of the Bond Issue on the terms laid down in section 4.4.3 of the Registration Document.

2.2 Assets backing the issue.

The Receivables to be pooled in the Fund, represented by the Management Company, shall exclusively consist of Receivables owned by and shown on the assets of BBVA FINANZIA derived from Loans granted to Spanish individuals or individuals resident in Spain to finance the purchase of new or used motor cars, comprising the Initial Receivables assigned by BBVA to the Fund upon being established and the Additional Receivables later assigned during the Revolving Period.

10.85% of the selected portfolio loans from which the Initial Receivables shall be taken to be assigned to the Fund include a reservation of title clause for BBVA FINANZIA. The reservations of title referred to are all entered in the Chattels Register.

A reservation of title is a clause included in some of the selected portfolio loans from which the Initial Receivables shall be taken to be assigned to the Fund and therefore legal and beneficial title to the vehicles is not transferred to the Obligor until the relevant loan agreement has not been settled in full.

Once the Obligor has fulfilled all the obligations under the loan agreement, the Obligor shall forthwith acquire legal and beneficial title to the relevant vehicle, and the Obligor may not in the meantime (until and unless legal and beneficial title to the vehicle is acquired) dispose of the vehicle, other than with the consent of the beneficiary of the reservation of title.

If the reservation of title clause is entered in the Chattels Register, it shall be enforceable on bona fide third parties from the date of entry, or from the date of establishment on third parties knowing of the existence of such clause before being entered in the Chattels Register.

Once it is entered in the Chattels Register, the reservation of title clause vests the holder, or an assignee to whom the holder may have assigned the rights under the reservation of title, namely the Fund once the assignment of the Receivables is perfected and entered, as the case may be, in the Chattels Register, with a number of benefits over other creditors of the Obligor, as provided for in article 16.5 of Chattels Hire Purchase Act 28/1998, July 13, consisting, inter alia, of a preference in the payment order laid down in articles 1922.2 and 1926.1 of the Civil Code. In addition, once reservation of title clauses are entered in the Chattels Register, the holder, or the beneficiary of the rights thereunder, may avail of the specific actions and proceedings provided for in Act 28/1998 and Civil Procedure Act 1/2000, January 7.

In addition, the Order of July 19, 1999, approving the Regulation for the Chattels Hire Purchase Register, provides for entry of assignments made by the lender to a third party of the right with respect to the buyer. In particular, article 21 expressly provides for the assignment of the rights entered in favour of the Fund in the event of securitisation.

The requirements to be met by the Receivables to be assigned to the Fund, the characteristics of the Initial Receivables and the system for subsequent assignments of Additional Receivables during the Revolving Period, are described hereinafter in this section in accordance with the provisions of the Deed of Constitution.

Maximum Receivable Amount.

The maximum amount of the Outstanding Balance of the Receivables pooled in the Fund shall be EUR eight hundred million (800,000,000.00) (the “**Maximum Receivable Amount**”), equivalent to the face value of the Bond Issue.

2.2.1 Legal jurisdiction by which the pool of assets is governed.

The securitised assets are governed by Spanish Law and Consumer Credit Act 7/1995, March 23, and Chattels Hire Purchase Act 28/1998, July 23, shall apply in certain cases.

Pursuant to article 11 of the aforesaid Consumer Credit Act, in the event of assignment, the Obligor may use against the assignee such objections as may be used against the assignor herein.

As BBVA FINANZIA has represented, part of the Loans are originated in a loan agreement certified by a commissioner for oaths whereas others, those not exceeding a certain amount and term, are originated in a private agreement.

2.2.2 Description of the general characteristics of the obligors, as well as global statistical data referred to the securitised assets.

2.2.2.1 Initial Receivables.

Upon executing the Deed of Constitution and by executing the notarised assignment certificate, the Management Company, for and on behalf of the Fund, and BBVA FINANZIA shall perfect the agreement to assign to the Fund an as yet indeterminate number of Initial Receivables whose total principal or capital shall be equal to the Maximum Receivable Amount (EUR 800,000,000.00) or a slightly lower amount closest thereto. The amount of the Initial Receivables assigned upon the Fund being constituted may be slightly less than the Maximum Receivable Amount given how difficult it is to exactly adjust to that amount because each of the Loans will be assigned at each of their total outstanding capital or principal upon being assigned. The difference between the Maximum Receivable Amount and the amount of the Initial Receivables shall be credited to the Principal Account.

The Deed of Constitution and the notarised assignment certificate shall itemise each of the Initial Receivables assigned to the Fund, providing the main features allowing them to be identified.

The selected loan portfolio from which the Initial Receivables shall be taken comprises 82,352 loans, their outstanding principal as at April 2, 2007 being EUR 981,158,692.42 and their overdue principal being EUR 672,167.40.

Audit of the selected assets securitised through the Fund upon being established.

The 82,352 selected loans from which the Initial Receivables shall be taken have been audited by Deloitte.

That audit was made using sampling techniques consisting of analysing a number of transactions fewer (sample) than the full selection of loans (population), allowing a conclusion to be arrived at regarding that population. The verification deals with a number of both quantitative and qualitative attributes regarding the sample transactions and specifically regarding: loan origination, nature of the loan and obligor, lending policy, nature and identification of the obligor, loan origination date, loan maturity date, initial loan amount, current loan balance, interest rate, bond, arrears in payment and transfer of the loans. Selected loans in respect of which incidents are detected in verifying the sample shall not be assigned to the Fund by BBVA FINANZIA.

The audit results shall be set out in a report prepared by Deloitte, which is one of the available documents established in section 10 of the Registration Document.

General characteristics of the obligors and the economic environment, as well as global statistical data referred to the securitised assets.

a) Information as to number and distribution of the obligors of the selected loans.

The obligors of the selected loans are individuals. The following table gives the concentration of the ten obligors weighing most in the portfolio of selected loans as of April 2, 2007.

Selected loan portfolio as of 02.04.2007				
Classification by Obligor				
	Loans		Outstanding principal	
		%	(EUR)	%
Obligor 1	1	0.0012	67,172.74	0.0068
Obligor 2	1	0.0012	64,483.87	0.0066
Obligor 3	1	0.0012	64,299.89	0.0066
Obligor 4	2	0.0024	63,523.34	0.0065
Obligor 5	1	0.0012	62,788.38	0.0064
Obligor 6	1	0.0012	61,788.22	0.0063
Obligor 7	1	0.0012	60,226.52	0.0061
Obligor 8	1	0.0012	60,109.38	0.0061
Obligor 9	1	0.0012	60,095.86	0.0061
Obligor 10	1	0.0012	59,904.02	0.0061
Rest: 81,896 obligors	82,341	99.9866	980,534,300.20	99.9364
Total 81,906 obligors	82,352	100.00	981,158,692.42	100.00

The outstanding principal of each obligor is the result of the sum of the outstanding principal of each selected loan granted to a same obligor.

b) Information regarding selected loan purpose.

The following table gives the distribution of the purpose of the selected loan portfolio as of April 2, 2007.

Selected loan portfolio as of 02.04.2007 Classification by purpose				
	Loans		Outstanding principal	
		%	(EUR)	%
Purchase of new motor car	75,698	91.92	920,766,143.10	93.84
Purchase of used motor car	6,654	8.08	60,392,549.32	6.16
Total	82,352	100.00	981,158,692.42	100.00

c) Information regarding selected loan origination date.

The following table gives selected loan distribution based on origination date by six-monthly intervals, and the average, minimum and maximum age.

Selected loan portfolio as of 02.04.2007 Classification by loan origination date				
Date interval	Loans		Outstanding principal	
		%	(EUR)	%
01/01/2005 to 30/06/2005	18,686	22.69	177,667,471.19	18.11
01/07/2005 to 31/12/2005	20,882	25.36	229,098,253.74	23.35
01/01/2006 to 30/06/2006	19,563	23.76	242,289,254.39	24.69
01/07/2006 to 31/12/2006	20,120	24.43	287,775,430.83	29.33
01/01/2007 to 28/01/2007	3,101	3.77	44,328,282.27	4.52
Total	82,352	100.00	981,158,692.42	100.00
	13.26	Months	Weighted average age	
	26.96	Months	Maximum age	
	2.10	Months	Minimum age	

c) Information regarding selected loan principal.

The following table gives the outstanding loan principal distribution as at April 2, 2007 by EUR 5,000 intervals, and the average, minimum and maximum amount.

Selected loan portfolio as of 02.04.2007 Classification by outstanding principal				
Principal interval (EUR)	Loans		Outstanding principal	
	No.	%	(EUR)	%
0.00 - 4,999.99	8,044	9.77	28,463,781.52	2.90
5,000.00 - 9,999.99	26,653	32.36	207,556,917.48	21.15
10,000.00 - 14,999.99	26,287	31.92	324,488,010.67	33.07
15,000.00 - 19,999.99	13,688	16.62	234,466,632.17	23.90
20,000.00 - 24,999.99	5,451	6.62	120,414,520.59	12.27
25,000.00 - 29,999.99	1,636	1.99	44,320,328.18	4.52
30,000.00 - 34,999.99	334	0.41	10,696,723.77	1.09
35,000.00 - 39,999.99	150	0.18	5,592,568.76	0.57
40,000.00 - 44,999.99	58	0.07	2,448,430.98	0.25
45,000.00 - 49,999.99	20	0.02	949,650.33	0.10
50,000.00 - 54,999.99	11	0.01	572,232.68	0.06
55,000.00 - 59,999.99	12	0.01	687,930.43	0.07

Selected loan portfolio as of 02.04.2007 Classification by outstanding principal				
Principal interval (EUR)	Loans		Outstanding principal	
	No.	%	(EUR)	%
60,000.00 - 64,999.99	7	0.01	433,792.12	0.04
65,000.00 - 69,999.99	1	0.00	67,172.74	0.01
Total	82,352	100.00	981,158,692.42	100.00
Average principal:			11,914.21	
Minimum principal:			598.88	
Maximum principal:			67,172.74	

e) Information regarding applicable nominal interest rates: selected loan maximum, minimum and average rates.

The selected loans are fixed-rate loans. The following table gives selected loan distribution by 0.50% nominal interest rate intervals applicable as at April 2, 2007 and their average, minimum and maximum values.

Selected loan portfolio as of 02.04.2007 Classification by applicable nominal interest rate					
Interest Rate % Interval	Loans		Outstanding principal		% Interest Rate*
		%	(EUR)	%	
3.50 - 3.99	120	0.15	1,259,450.54	0.13	3.97
4.00 - 4.49	14	0.02	168,742.72	0.02	4.27
4.50 - 4.99	1,730	2.10	19,179,460.47	1.95	4.86
5.00 - 5.49	3,016	3.66	35,107,142.26	3.58	5.26
5.50 - 5.99	22,517	27.34	255,809,314.74	26.07	5.76
6.00 - 6.49	13,974	16.97	174,047,970.49	17.74	6.20
6.50 - 6.99	18,293	22.21	220,787,458.96	22.50	6.71
7.00 - 7.49	10,154	12.33	129,756,385.90	13.22	7.14
7.50 - 7.99	6,282	7.63	75,824,724.68	7.73	7.62
8.00 - 8.49	3,275	3.98	37,754,230.30	3.85	8.10
8.50 - 8.99	2,030	2.47	22,110,221.32	2.25	8.64
9.00 - 9.49	691	0.84	7,333,127.94	0.75	9.11
9.50 - 9.99	186	0.23	1,714,576.47	0.17	9.69
10.00 - 10.49	23	0.03	154,024.43	0.02	10.09
10.50 - 10.99	40	0.05	108,038.99	0.01	10.70
11.00 - 11.49	4	0.00	18,386.59	0.00	11.20
11.50 - 11.99	1	0.00	10,456.14	0.00	11.50
12.50 - 12.99	1	0.00	894.10	0.00	12.50
14.00 - 14.49	1	0.00	14,085.38	0.00	14.24
Total	82,352	100.00	981,158,692.42	100.00	
Weighted average:					6.53
Simple average:					6.52
Minimum:					3.58
Maximum:					14.24

*Average nominal interest rate of the interval weighted by the outstanding principal.

f) Information regarding selected loan final maturity date.

The following table gives the selected loan distribution based on final maturity date by annual intervals, and the weighted average residual life and the first and last final maturity dates.

Selected loan portfolio as of 02.04.2007						
Classification by final repayment date						
Final Repayment Year	Loans		Outstanding principal		Residual Life wa*	
		%	(EUR)	%	Months	Date
2008	4,504	5.47	18,474,444.20	1.88	15.72	23/07/2008
2009	7,020	8.52	46,944,525.10	4.78	27.36	13/07/2009
2010	13,903	16.88	125,875,371.54	12.83	39.28	11/07/2010
2011	18,619	22.61	213,591,693.96	21.77	51.20	8/07/2011
2012	13,185	16.01	178,242,254.50	18.17	63.09	4/07/2012
2013	7,381	8.96	109,674,997.83	11.18	74.91	29/06/2013
2014	3,807	4.62	62,321,640.56	6.35	87.04	3/07/2014
2015	6,467	7.85	94,528,878.00	9.63	99.30	11/07/2015
2016	6,947	8.44	122,088,038.63	12.44	111.45	15/07/2016
2017	519	0.63	9,416,848.10	0.96	117.54	17/01/2017
Total	82,352	100.00	981,158,692.42	100.00		
Weighted average:					67.72	22/11/2012
Simple average:					59.91	30/03/2012
Minimum:					9.00	1/01/2008
Maximum:					118.77	23/02/2017

* Residual life on the final maturity date (months and date) stands for averages weighted by the outstanding principal of loans with final maturity in the relevant year.

g) Information regarding geographical distribution by Autonomous Communities.

The following table gives loan distribution by Autonomous Communities according to the location of the obligors' address.

Selected loan portfolio as of 02.04.2007				
Classification by Autonomous Communities				
	Loans		Outstanding principal	
		%	(EUR)	%
Andalusia	17,130	20.80	208,413,256.07	21.24
Aragón	1,529	1.86	19,034,483.07	1.94
Asturies	947	1.15	11,222,192.06	1.14
Balearic Isles	1,954	2.37	21,964,421.54	2.24
Canary Islands	4,604	5.59	56,772,678.74	5.79
Cantabria	313	0.38	3,443,184.79	0.35
Castile La Mancha	3,643	4.42	40,739,746.48	4.15
Castile-León	1,694	2.06	18,653,099.16	1.90
Catalonia	21,923	26.62	271,142,767.50	27.63
Ceuta	5	0.01	42,754.12	0.00
Valencian Community	11,169	13.56	130,322,583.78	13.28
Extremadura	1,454	1.77	16,905,946.34	1.72
Galicia	1,816	2.21	18,780,573.83	1.91
La Rioja	159	0.19	1,558,754.17	0.16
Madrid	7,719	9.37	85,779,795.96	8.74
Melilla	7	0.01	80,738.37	0.01
Murcia	2,642	3.21	34,410,753.61	3.51
Navarre	1,176	1.43	12,256,856.19	1.25
Basque Country	2,468	3.00	29,634,106.64	3.02
Total	82,352	100.00	981,158,692.42	100.00

h) Information regarding delays, if any, in collecting selected loan interest or principal instalments and amount, if any, of the current principal of loans delayed in excess of 30, 60 and 90 days.

The following table gives the number of loans, the outstanding principal and the overdue principal on selected loans in regard to which there was any delay in payment of amounts due as at April 2, 2007.

Arrears in payment of instalments due as of 02.04.2007				
Day Interval	Loans	Outstanding principal	Overdue principal	% o/ Total outstanding principal
1 to 15 days	357	4,949,982.96	63,153.04	0.0064
16 to 30 days	288	3,765,104.84	50,801.47	0.0052
31 to 60 days	1,094	14,947,751.69	318,392.65	0.0325
61 to 90 days	571	7,760,600.76	239,820.24	0.0244
Total loans in arrears	2,310	31,423,440.25	672,167.40	0.0685

As declared by BBVA FINANZIA in section 2.2.8.2.(14) of the Building Block, none of the Loans that will finally be assigned to the Fund upon being established shall have any payments that are more than thirty (30) days overdue on their assignment date.

2.2.2.2 Additional Receivables.

After being constituted, the Fund, represented by the Management Company, shall on each Payment Date during the Revolving Period make successive acquisitions of Additional Receivables to replace the decrease in the Outstanding Balance of the Receivables in the amount of the Principal Available Funds.

2.2.2.2.1 Revolving Period.

The Management Company shall, for and on behalf of the Fund, make quarterly acquisitions of Additional Receivables, designed for replacing the decrease in the Outstanding Balance of the Receivables in the amount of the Available Principal Funds, no later than on each Payment Date within the time-period comprised between the first Payment Date, July 26, 2007, and the Payment Date falling on April 26, 2009, both inclusive (the "**Revolving Period**").

There will be an early, definitive termination of the Revolving Period after the Payment Date in the Revolving Period, inclusive, on which any of the following circumstances shall have occurred, as the case may be:

- That, on the preceding Determination Date, the cumulative Outstanding Balance of Doubtful Receivables since the date on which the Fund was established is in excess of the reference value (the "**Reference Value**") applied on the Outstanding Balance of the Receivables upon the Fund being established. The Reference Value, determined on the Determination Date preceding the relevant Payment Date, shall be the result of multiplying 0.375% by the number of Determination Dates elapsed since the date on which the Fund was established, including the Determination Date preceding the relevant Payment Date.
- That, on the preceding Determination Date, the Outstanding Balance of Delinquent Receivables is in excess of 2.20% the Outstanding Balance of Receivables.
- That for two (2) consecutive and preceding Payment Dates the Outstanding Balance of the Non-Doubtful Receivables is less than 90.00% of the Outstanding Principal Balance of the Bond Issue.
- If interest accrued on the Series A, B or C Bonds should not be paid due to a shortfall of Available Funds on the relevant Payment Date.
- That, on the preceding Payment Date, the Cash Reserve shall not have been provisioned up to the Required Cash Reserve amount, or if it cannot be provisioned on the relevant Payment Date.

- f) That the Financial Swap Agreement shall have been terminated and a new replacement financial swap agreement shall not have been put in place within fifteen (15) days.
- g) That BBVA FINANZIA should have been declared insolvent, in liquidation or in a position which might result in its credit institution authorisation being revoked.
- h) That BBVA FINANZIA shall have been replaced as Servicer under the Receivables Servicing Agreement.
- i) That the Spanish tax laws shall have been modified to such an extent that the assignment of Additional Receivables is exceedingly burdensome for BBVA FINANZIA.
- j) That, on the preceding Payment Date, the Outstanding Balance of Non-Doubtful Receivables is less than eighty percent (80.00%) of the Outstanding Principal Balance of the Bond Issue.
- k) That the annual accounts of BBVA FINANZIA closed as of December 31 of the preceding year shall contain any proviso relating to the credit rating of the Originator or to the securitised Loans.

2.2.2.2.2 Acquisition Amount.

The maximum amount the Management Company, for and on behalf of the Fund, may allocate on each Payment Date to the acquisition of Additional Receivables (the “**Acquisition Amount**”) shall be the amount of the Principal Available Funds on the relevant Payment Date.

During the Revolving Period, the remaining Principal Available Funds not used for acquiring Additional Receivables shall remain credited to the Principal Account.

2.2.2.2.3 Election Requirements.

In order to be assigned to and included in the Fund, the Additional Receivables shall on the respective assignment date satisfy all the election requirements laid down in this section (the “**Election Requirements**”).

1. Individual Requirements

The following are the Election Requirements each Additional Receivable shall individually satisfy to be assigned to the Fund (the “**Individual Requirements**”):

1. That the Obligor is a Spanish individual or an individual resident in Spain and is not an employee, officer or director of BBVA FINANZIA.
2. That the Loan is denominated in euros.
3. That the Loan has not matured before, and does not mature on, the date of assignment to the Fund and that at least twelve (12) months elapse between the date of assignment to the Fund and the date of final maturity of the Loan.
4. That the Loan principal has already been fully drawn down.
5. That the outstanding principal balance of the Loan is between EUR five hundred (500) and EUR seventy thousand (70,000), both inclusive.
6. That the Loan is established at a fixed interest rate.
7. That at least one (1) instalment has fallen due on the Loan and is not overdue.
8. That the Loan has no payments more than thirty (30) days overdue.
9. That the final maturity date of the Loan is not after February 28, 2019.
10. That Loan interest and repayment instalments are monthly.
11. That the Loan principal repayment system is a repayment system with periodic instalments such as the French method, a variable geometric or arithmetic progression repayment instalments method or an equal, constant repayment instalments method.

12. That the Loan is not in an interest or repayment exclusion period.
13. That the Loan does not contemplate clauses whereby regular interest payment and principal repayment may be deferred

2. Global Requirements.

In addition to satisfying the Individual Requirements, the following are the Election Requirements the Receivables, including the Additional Receivables to be acquired by the Fund on the assignment date, must satisfy as a whole for the latter to be assigned to the Fund (the “**Global Requirements**”):

1. That the average interest rate of the Receivables weighted by the Outstanding Balance of each Receivable on the assignment date is not less than 5.00%.
2. That the average time elapsed since the origination date of the Additional Receivables until the assignment date and exclusively in relation to the Additional Receivables assigned as of that date, weighted by the Outstanding Balance of each Additional Receivable on the assignment date, is not less than three (3) months.
3. That the average life of the Additional Receivables from the assignment date weighted by the Outstanding Balance of each Additional Receivable on the assignment date and exclusively in relation to Additional Receivables assigned on that date, is not in excess of 3.85 years, assuming a CPR of 0%.
4. That on the assignment date the average term remaining until the final maturity date of the Receivables weighted by the Outstanding Balance of each Receivable is not in excess of seven (7) years.
5. That the Outstanding Balance of Receivables for Obligors from a same Autonomous Community on the assignment date is not in excess of thirty percent (30.00%) of the total Outstanding Balance of the Receivables.
6. That on the assignment date, the average time elapsed from the origination date of the Receivables until the assignment date weighted by the Outstanding Balance of each Receivable is not less than six (6) months.
7. That on the assignment date, the Outstanding Balance of the Receivables for Obligors from the three (3) Autonomous Communities with the highest representation (Outstanding Balance) is not in excess of seventy percent (70.00%) of the total Outstanding Balance of the Receivables.
8. That on the assignment date, the Outstanding Balance of the Receivables for the acquisition of used vehicles is not in excess of ten percent (10.00%) of the total Outstanding Balance of the Receivables.

2.2.2.2.4 Offer Dates.

The “**Offer Request Dates**” shall be the dates falling on the sixth (6th) Business Day preceding each Payment Date in the Revolving Period on which Additional Receivables should be acquired.

“**Offer Dates**” shall be the dates falling on the fourth (4th) Business Day preceding each Payment Date in the Revolving Period on which Additional Receivables should be acquired.

2.2.2.2.5 Procedure for acquiring Additional Receivables.

1. On each Offer Request Date, the Management Company shall send the Originator a written notice demanding the assignment of Additional Receivables for the Fund, specifying the estimated Acquisition Amount and the Payment Date on which the assignment to the Fund and payment for the assignment shall be made.
2. By 9am (CET time) on the Offer Date, the Originator shall send the Management Company a written notice offering to assign Additional Receivables, along with a data file detailing the selected loans and

their characteristics included in the assignment offer and which shall satisfy the Individual Requirements and the other characteristics given in section 2.2.8.2 of this Building Block.

3. By the second (2nd) Business Day preceding the Payment Date, the Management Company shall send the Originator a written notice accepting the assignment of Additional Receivables, along with a data file with the details of the Additional Receivables accepted and their characteristics notified by the Originator.

In determining which Additional Receivables to include on the assignment acceptance, the Management Company shall:

- (i) Check that the Loans listed on the assignment offer satisfy the Individual Requirements numbered from 2 to 12 and the Global Requirements in conformity with the characteristics notified by the Originator, without this entailing checking compliance with the other characteristics of the Loans given in section 2.2.8.2 of this Building Block, which shall be reaffirmed by the Originator upon the purchase of Additional Receivables.
- (ii) Determine the Additional Receivables that are acceptable and eligible for assignment to the Fund for a total amount equal or as near as possible to the Acquisition Amount.

2.2.2.2.6 Annual audit of the Additional Receivables.

The Management Company shall on the Fund's behalf annually commission an audit, using sampling techniques, of Additional Receivables acquired during the years 2007, 2008 and 2009, this being the Revolving Period, which shall remain outstanding as of December 31 in each of those years.

The audit of the Additional Receivables in the sample shall refer to the same attributes as the audit made of the loans selected for assignment to the Fund upon being established.

That audit shall be undertaken by an audit firm registered in the Official Register of Auditors (ROAC) and sent to the CNMV along with the audit report on the annual accounts of the Fund for the years ended on December 31, 2007, 2008 and 2009.

2.2.2.3 Outstanding Balance of the Receivables.

The outstanding balance of a Receivable shall be the sum of the capital or principal not yet due and the capital or principal due and not paid to the Fund on the specific Loan on a given date.

The Outstanding Balance of the Receivables on a date shall be the sum of the outstanding balance of each and every one of the Receivables on that date.

Delinquent Receivables shall be deemed to be Receivables that are delinquent on a given date with an arrears in excess of three (3) months in payment of overdue amounts, excluding Doubtful Receivables. Non-Delinquent Receivables shall be deemed to be Receivables that are not deemed to be Delinquent Receivables or Doubtful Receivables on a given date.

Doubtful Receivables shall be deemed to be Receivables that are delinquent on a given date with a period of arrears equal to or greater than twelve (12) months in payment of overdue amounts or classified as bad debts by the Management Company because there are reasonable doubts as to their full repayment based on indications or information obtained from the Servicer. Non-Doubtful Receivables shall be deemed to be Receivables that are not deemed to be Doubtful Receivables on a given date.

2.2.3 Legal nature of the pool of assets.

The selected loans to be securitised through the Fund may be classified based on their collaterals into:

- (i) Loans without special security.
- (ii) Loans exclusively secured with third-party personal bonds.
- (iii) Loans secured with third-party personal surety and a reservation of title clause.

The Loan Receivables shall be directly assigned to the Fund, upon being sold by BBVA FINANZIA and acquired by the Fund, on the terms provided for in section 3.3 of this Building Block.

2.2.4 Expiry or maturity date(s) of the assets.

The selected loans each have a final maturity date without prejudice to periodic partial repayment instalments, on the specific terms applicable to each of them.

Obligors may at any time during the life of the loans prepay all or part of the outstanding capital, in which case the accrual of interest on the part prepaid will cease as of the date on which repayment occurs.

The final maturity date of the loans selected to be assigned to the Fund upon being established lies between January 1, 2008 and February 23, 2017. The final maturity date of the Loans assigned to the Fund upon acquisitions being subsequently made during the Revolving Period may not extend beyond February 28, 2019.

2.2.5 Amount of the assets.

The maximum amount of the Outstanding Balance of the Receivables pooled in the Fund shall be EUR eight hundred million (800,000,000.00) (the “**Maximum Receivable Amount**”), equivalent to the face value of the Bond Issue.

2.2.6 Loan to value ratio or level of collateralisation.

The selected loans have no real estate mortgage security and the information as to the loan to value ratio does not therefore apply.

There is no overcollateralisation in the Fund since the Maximum Receivable Amount shall be EUR eight hundred million (800,000,000), the face value amount of the Bond Issue.

2.2.7 Method of creation of the assets.

The loans selected to be transferred to the Fund have been granted by BBVA FINANZIA following its usual credit risk analysis and assessment procedures for granting retail loans and credits without mortgage security to individuals. The procedures currently in place at BBVA FINANZIA are described below:

BBVA FINANZIA is BBVA Group's unit specialising in point-of-sale financing. It operates by arrangements with referrers (importers, manufacturers and dealers in general) and it is the latter that offer to finance end clients their products.

The commercial network has nationwide coverage with 34 branches specialising in the automotive sector and consisting of 250 commercial agents whose mission is mainly managing and recruiting referrers.

In order to improve commercial management and service, BBVA FINANZIA has provided its agents with advanced management and administration tools, which identify business opportunities and reduce administrative processes.

General Operation

Broadly, a partnership arrangement between BBVA FINANZIA and its referrers provides for the following steps:

- The financing offer to the end client is made and processed through the referrer.
- The financing contract is entered into between BBVA FINANZIA and the end client and BBVA FINANZIA takes on the transaction risk.
- BBVA FINANZIA pays the referrer the purchase price.
- The end client repays the amount to BBVA FINANZIA in accordance with the payment method set down in the contract.

A financing transaction must always include 4 steps:

- Completing a proposal with the transaction details.
- Applying to BBVA FINANZIA for authorisation.
- Signing the proposal and attaching the documentation.
- Checking the details and proceeding to pay the transaction.

Credit risk management principles.

The general risk policy at BBVA FINANZIA is compliant with BBVA Group's general risk policy, which is its benchmark, albeit with the specific features to satisfy the requirements relevant to the specialisation.

Its business is sourced and originates mainly in goods manufacturers and/or dealers, and partnership arrangements are encouraged as a means for ensuring fidelity, through which the desired risk quality may be achieved with less difficulty.

Risks are at all times subject to monitoring and control processes enabling risk quality to be ascertained, risk evolution analysis, making such corrections, if any, as may be necessary and undesirable situations to be forecast.

The basic principle of Credit Risk management at BBVA FINANZIA is managing risk exposure throughout the life of the risk (continuous risk management), allocating specific responsibilities in the various stages: analysis, admission, monitoring and, in the event of credit quality worsening, intensive monitoring and recovery management.

This provides an assurance that every exposure is managed where and by whom it should, that the teams involved in the different stages of the life of the risk effectively interact and that each step in the process adds value.

This management dynamics is supplemented with a continuous revision and improvement of the policies, regulations and methodologies used and of the procedures, decision circuits and tools used in studying and controlling risks.

A top priority at BBVA Group is the development of tools and systems supporting risk management in each stage. In this regard, credit scoring models in the risk analysis and admission stages allow more objective, swifter and efficient decisions to be made.

Credit risk management principles and policies are contained in the Credit Risk Management Policies Handbook originally approved by BBVA FINANZIA's Technical Transactions Committee and BBVA Group's Standing Committee and its latest release, without major changes with respect to the original version, was approved by BBVA FINANZIA's Technical Transactions Committee on 27.11.06, on the terms set out in the original document, and notified to BBVA Group's Risks Area.

Risk admission.

Risk assessment in private individual automotive financing transactions is in the first place based on the automatic system-generated reports and, in transactions where the automatic systems generate a "Doubt", on a manual analysis carried out, having regard to the amount, within the personal empowerment scheme in place at BBVA FINANZIA.

Risk analysis is centralised at BBVA FINANZIA's Central Risks Unit.

All transactions exceeding the powers of the Executive Chairman of BBVA FINANZIA must be proposed to be authorised by BBVA Group's Risks Area, with a favourable recommendation of BBVA FINANZIA.

BBVA FINANZIA's Central Risks Unit develops the automatic assessment models, in accordance with the internal validation regulations for credit risk models designed by BBVA Group's Risks Area.

Risks empowerment.

Being empowered to take on risks is a sine qua non but not the only requirement for a person to be able to decide, because any decision is based on a preliminary, professional analysis of transactions and clients, in accordance with the rules in force from time to time.

Risk quality is a primary, non-negotiable value that must be objectively and freely evaluated, making no allowances under any pressures which those deciding as to risks may for various reasons - environmental, sociological, being on-target, etc - may withstand.

Powers are personally conferred, having regard to the attorney's expertise and qualifications and the need to be so empowered to carry out a mission. Because powers are conferred on an individual rather than on a position, the empowerment figure may vary where different individuals hold the same responsibility.

The empowering party must agree with his or her principal the figures and characteristics (forms, term, etc.) of the empowerment to be made.

Checking the decisions to be made with other people is a necessary procedure for the purposes of both enrichment and greater objectivity in making the decision. This does not detract from the rule of personal responsibility and should not prevent a swift response in dealing with our clients.

The authority to take on risks originates in BBVA Group's Management Bodies and cascades at BBVA FINANZIA from the Chairman down the managerial structure and centrally at the Risks Area (Central Risks Unit).

The empowerment figure sets the ceiling for limits and risks that may be arrived at with a client or series of clients collectively considered as a Group, Family or Retail Unit.

Powers are always given in writing, using the form set by internal regulations. The maximum figure which an attorney may in turn sub-delegate shall be set down in his or her empowerment letter.

Transactions exceeding the empowerment because of their amount, description, term, etc. or for clients or groups of clients in respect of which there is no authority, shall be submitted to the next immediate level, after analysing the same.

In addition to cascade empowerment at the Central Risks Unit and to properly deal with exceptions that satisfy certain prerequisites, cascade empowerment by exception is established which, also starting from the Chairman of BBVA FINANZIA, cascades down through the Business Units and applies exclusively to transactions previously processed at the Central Risks Unit and satisfying certain requirements.

Processing of exceptions to usual decision-making circuits was approved by BBVA FINANZIA's Technical Transactions Committee on 11.04.04.

The size of the portfolio authorised through this exceptional procedure as of 30.01.07 accounts for 4.1% of the total portfolio investment.

The Empowerment Rule at BBVA FINANZIA is included in the Credit Risk Management Policies Handbook which was approved by BBVA FINANZIA's Technical Transactions Committee and BBVA Group's relevant managerial bodies.

Empowerment levels.

The Credit Risk Management Policies Handbook makes provision for different empowerment levels based on amounts for deciding end client risks in the admission of transactions, and based on estimated turnover for new partners / partnership arrangements. Thus, empowerment for admission transactions cascades as follows:

- BBVA Group's Risks Area.
- Chairman of BBVA FINANZIA (exercising his powers on the Technical Transactions Committee).
- Central Risks Unit.

- Business Unit, exceptionally, for transactions previously processed at the Central Risks Unit and satisfying certain requirements, as set out in the preceding section.

Similarly, empowerment for new referrers and partnership arrangements cascades as follows:

- BBVA Group's Risks Area.
- Chairman of BBVA FINANZIA (exercising his powers on the Technical Transactions Committee).
- Central Risks Unit.
- Business Units (other than in exceptions cancelling out their empowerment).

Transaction analysis and approval process in the private individual automotive financing business.

As a preliminary step, the dealer must be registered in the relevant application and shall therefore have gone through the procedures for admission of partners and decision levels established in the Risk Policies Management Handbook.

The financing proposal arrives at BBVA FINANZIA directly with the details provided by the dealer on the telephone (through a Call Centre) or on line. After entering all the client details in the system, the system carries out an automatic analysis. The Call Centre deals with processing those proposals, in accordance with the parameters established by the Central Risks Unit.

The above processing yields a final result or opinion, which may be authorised, refused and doubt:

If the opinion reports a "doubt", the Call Centre shall proceed to forward the transaction (on line) to the Admission Area at the Central Risks Unit in order for analysts to give an opinion, based on the personal empowerment scheme.

In the event that the information obtained from the proposal, the scoring report and the credit references are not sufficient to base a decision, the credit analyst may demand further information on the applicant.

Once the transaction is authorised, the process continues for the transaction to be put in place, receiving the established documentation, strictly checking that the details on the supporting documents match those recorded in the application, and, having done so, clearing payment to the referrer and settling the transaction with the end client.

If any documentation detail fails to match the details entered in the system, then a new opinion shall be obtained from the automatic systems based on the new information before continuing the process.

The documentation to be submitted in order for transactions processed through the automatic decision-making processes to be cleared shall be at least the following:

- Proposal / consumer credit contract.
- Identity documents: Spanish ID / Residence Permit / Foreigner Identification Number.
- Proof of payment by direct debit.
- Proof of income: Pay cheque, Personal Income Tax Return, etc, as the case may be.
- Title deeds, where appropriate: Real Estate Tax / proof of latest mortgage payment.

Contracts in excess of EUR 30,000 are certified by a commissioner for oaths.

Approval / scoring systems

The first step in the process is completing the proposal, and all of its sections should very importantly be completed because the failure to do so may affect the final decision. The financing proposal may arrive at BBVA FINANZIA in several ways: telephone, fax, directly at the branch or at the Call Centre.

The details on the proposal must be checked against the client's Spanish ID or Residence Permit (in order to avoid potential deceit). It is the originator's duty to check this, for only a photocopy thereof is received at BBVA FINANZIA.

The Call Centre receives the application and if details essential for the same to be processed are missing, based on the parameters established by the Central Risks Unit - Risk Policies and Monitoring at BBVA FINANZIA, the necessary information is requested, such information being subsequently recorded.

There are currently two scoring models at the Automotive Division based on BBVA FINANZIA's knowledge as to the performance of the sector and on the BBVA FINANZIA database.

The standard model is applied to transactions where the parties are Spanish, or residents originating in the first fifteen member countries of the European Union. From July 2006, a model for all other resident foreigners is in production. These models have been developed and are regularly revised by the Central Risks Unit - Risk Policies and Monitoring at BBVA FINANZIA, adjusting the variables and their weighting based on portfolio profile evolution, and the implementation decision is for the Technical Transactions Committee to make. The Corporate Risks Methodology Unit of BBVA Group's Risks Area is responsible for subsequently gauging the scoring model.

The complete scoring process consists of:

- Points decision algorithm: Selecting the best borrower. This is a points scoring model based on the applicant's social and demographic details (this variable weighs 68% in the score) and on the transaction details (representing 32%). All parties involved, borrowers and guarantors, are scored and the borrower holder is selected.
- Risk and delinquency filters: internal and external databases (Credit Bureaux) are used. The system evaluates the filters and reports a "doubt" if in doubt. The call centre reviews based on the parameters given by risks and issues an "authorised" or "refused" assessment. In case of "doubt", the assessment is forwarded to the analyst.
- Validation and/or forcing rules: the model in addition has a number of validation rules which may change the previous assessment.
- Final automatic assessment: upon completion of the previous stages, the final assessment may be: a) "authorised", b) "refused" or c) "doubt".

There is a revision every six months in order to check that the scored distribution of transactions observes the theoretical model to make sure that the portfolio profile remains unchanged and therefore that the model is still predictive.

Controlling and monitoring the credit risk

The whole executive structure of the business, from the highest echelon down to the level closest to the client, is committed to and responsible for monitoring and for the actions to be taken as a result. The specialised units provide the information and the necessary technical analyses.

BBVA FINANZIA's Central Risks Unit prepares the information as to risk evolution at all stages for all Business Units, through the existing information systems, and provides the relevant Committees with all such risk monitoring aspects as are deemed appropriate.

There are different types of reports depending on their frequency and contents:

- **Regular Reports**, analysing the main risk evolution aspects, through standard reports, noteworthy among which are those relating to evolution as to arrears, defaults, recoveries, etc.
- **Timely Reports**, obtained upon an alarm signal as to evolution of a referrer or in order to improve the existing risk criteria, and the purpose of which is providing more information for decisions to be made (for instance, referrers in arrears or in default exceeding a certain amount or reports as to BBVA FINANZIA's position in a certain sector).
- **Risk Criteria and Scoring Reports**, prepared with varying frequency depending on the product, because it is essential to have a sufficient critical client mass in order for a scoring system survey to provide statistically representative data.

BBVA Group's Risks Area assists in the overseeing and monitoring functions to be able to evaluate the credit portfolio makeup, structure and quality, from the Units involved.

2.2.8 Indication of representations and collaterals given to the issuer relating to the assets.

The Management Company reproduces below the representations and warranties BBVA FINANZIA, as holder of the Loans until assigned to the Fund and as Originator, shall make to the Management Company, on the Fund's behalf, in the Deed of Constitution of the Fund and in the notarised certificate assigning receivables in relation to the Originator proper and to the Initial Receivables, and in each notarised assignment certificate in relation to the Originator proper and to the Additional Receivables assigned under such notarised certificate, upon those assignments being made.

1. In relation to BBVA FINANZIA.

- (1) That BBVA FINANZIA is a credit institution duly incorporated in Spain in accordance with the laws in force for the time being, entered in the Companies Register and in the Bank of Spain's Register of Credit Institutions.
- (2) That neither at today's date nor at any time since it was incorporated has BBVA FINANZIA been decreed insolvent, in bankruptcy or in suspension of payments, nor in any circumstance generating a liability which might result in the credit institution authorisation being revoked.
- (3) That BBVA FINANZIA has obtained all necessary authorisations, including those required of its corporate bodies and third parties, if any, affected by the assignment of the Receivables to the Fund, to validly be present at the execution of the Deed of Constitution and the Initial Receivables assignment certificate and at the execution of the subsequent notarised assignment certificates, the agreements relating to the establishment of the Fund and to fulfil the undertakings made.
- (4) That BBVA FINANZIA has audited annual accounts for the last three years ending on December 31, 2005, 2004 and 2003. The audit report to the year 2005 annual accounts has no provisos. The audited annual accounts for said years have been filed with the CNMV and with the Companies Register.

2. In relation to the Loans and to the Receivables derived therefrom assigned to the Fund.

- (1) That the grant of the Loans and all aspects related thereto are and will be at arm's length.
- (2) That the Loans exist and are valid and enforceable in accordance with the applicable laws.
- (3) That BBVA FINANZIA is the legal and beneficial owner, without limitation, of all the Loans, free and clear of any and all liens and claims.
- (4) That the details of the Loans included in the schedules to the Deed of Constitution and the Initial Receivables assignment certificate and in subsequent notarised assignment certificates shall accurately reflect the status of those Loans on the assignment date.
- (5) That the Obligor or Obligors shall be liable for fulfilling the Loans with all their current or future assets. Some of them are also guaranteed by means of a surety given by a person other than the Obligor or Obligors, and some of them are also secured with a reservation of title clause.
- (6) That the Loans are duly supported and partly originated in a loan agreement certified by a commissioner for oaths, whereas others are originated in a private agreement.
- (7) That the agreements or private documents recording the Loans contain no clauses preventing their assignment or requiring any authorisation or communication for the Loan to be assigned.
- (8) That the Obligors under the Loans are all Spanish individuals or individuals resident in Spain and are not employees, managers or officers of BBVA FINANZIA.

- (9) That the Loans have been granted by BBVA FINANZIA in order to finance for Spanish individuals or individuals resident in Spain new and used motor car purchase transactions.
- (10) That BBVA FINANZIA has considered as a policy for granting the Loan that the principal Loan amount is not, upon origination, in excess of the value of the motor car to be financed.
- (11) That on the date of assignment to the Fund, it has not come to BBVA FINANZIA's notice that any Obligor has been declared insolvent.
- (12) That the Loans are all denominated and payable exclusively in euros and their capital or principal has been fully drawn down.
- (13) That all the Receivable payment obligations are satisfied by directly debiting an account.
- (14) That on the date of assignment to the Fund, none of the Loans have any payments more than thirty (30) days overdue.
- (15) That BBVA FINANZIA has strictly adhered to the lending policies in force from time to time and applicable to it in granting the Loans.
- (16) That the agreements or private documents originating the Loans have all been duly filed in BBVA FINANZIA archives suitable therefor, and are at the Management Company's disposal, for and on behalf of the Fund, and the Loans are all clearly identified both in data files and by means of their agreements or private documents.
- (17) That the outstanding capital balance of each Receivable is equivalent to the capital figure for which the Receivable is assigned to the Fund.
- (18) That the final maturity date of the Receivables is at no event after February 28, 2019.
- (19) That after being granted, the Loans have been serviced and are still being serviced by BBVA FINANZIA in accordance with its set customary procedures.
- (20) That BBVA FINANZIA has no knowledge of the existence of any litigation whatsoever in relation to the Loans which may detract from their validity or enforceability or may result in the application of Civil Code article 1535.
- (21) That the Loans all have a fixed interest rate.
- (22) That on the assignment date, at least one (1) instalment has fallen due on each Receivable and is not overdue.
- (23) That the information on the Loans and the Receivables contained in the Prospectus is strictly true.
- (24) That nobody has a preferred right over the Fund as holder of the Receivables.
- (25) That BBVA FINANZIA has received from the Obligors no notice whatsoever of full or partial repayment of the Loans.
- (26) That the Loan has not matured before, and does not mature on, the date of assignment to the Fund.
- (27) That the outstanding principal balance of the Loan is between EUR five hundred (500) and EUR seventy thousand (70,000), both inclusive.
- (28) That loan interest and repayment instalment frequency is monthly.

- (29) That the Loan principal repayment system is a repayment system with periodic instalments such as the French method, a variable geometric or arithmetic progression repayment instalments method or an equal, constant repayment instalments method.
- (30) That none of the Loans contemplates clauses whereby regular interest payment and principal repayment may be deferred, other than principal repayment exclusion, if any, upon the origination date of each Loan.
- (31) That it is not aware that any Obligor has any receivable owing from BBVA FINANZIA whereby the Obligor may be entitled to a set-off adversely affecting the rights vested in the Fund upon the Loans being assigned.
- (32) That the Loans are not finance lease transactions.
- (33) That upon being assigned the Receivables all satisfy the set Election Requirements, excepting Individual Requirement 12 and with reference to the Initial Receivables.

2.2.9 Substitution of the securitised assets.

Set rules for substituting the Receivables or otherwise repayment to the Fund.

1. In the event of early redemption of the Receivables due to prepayment of the relevant Loan capital, there will be no direct substitution of the Receivables affected thereby, notwithstanding the acquisition by the Fund of Additional Receivables during the Revolving Period.
2. In the event that it should be observed throughout the life of the Receivables that any of them failed on the assignment date to meet the characteristics contained in sections 2.2.8.2 or 2.2.2.2.3 of this Building Block, the Originator agrees, subject to the Management Company's consent, to proceed forthwith to remedy and, if that is not possible, substitute or redeem the affected Receivable not substituted, by automatically terminating the assignment of the affected Receivables, subject to the following rules:
 - a) The party becoming aware of the existence of a non-conforming Receivable, whether the Originator or the Management Company, shall notify the other party of this circumstance. BBVA FINANZIA shall have not more than fifteen (15) Business Days from said notice to proceed to remedy that circumstance if it may be remedied or, in order to proceed to a substitution thereof
 - b) The substitution shall be made for the outstanding principal plus interest accrued and not paid and any amount owing to the Fund until that date on the relevant substituted Receivable.

In order to proceed to the substitution, the Originator shall notify the Management Company of the characteristics of the Loans proposed to be assigned satisfying the characteristics given in section 2.2.8.2 of this Building Block and the (Individual and Global) Election Requirements and similarly characterised as to purpose, term, interest rate and outstanding principal balance. Once the Management Company has checked that the (Individual and Global) Election Requirements are satisfied and expressly stated to the Originator that the Loans to be assigned are appropriate, the Originator shall proceed to terminate the assignment of the affected Receivable and assign a new or new replacement Receivables.

Both the substitution of Initial Receivables and the substitution of Additional Receivables shall be made in a notarised certificate, subject to the same formal requirements established for the assignment of Additional Receivables, and both shall be communicated to the CNMV and to the Rating Agencies.

- c) In the event that any Receivable should not be substituted on the terms set in rule b) of this section, the Originator shall proceed to automatically terminate the assignment of the affected Receivable not replaced. That termination shall take place by a repayment in cash to the Fund of the outstanding principal, interest accrued and not settled, and any other amount owing to the Fund until that date on the relevant Receivable, which shall be paid into the Treasury Account.

Both termination of the assignment of Initial Receivables and termination of the assignment of Additional Receivables affected and not substituted shall be notified to the CNMV and to the Rating Agencies.

- d) In the event of termination of Receivables due to both substitution and repayment, the Originator shall be vested in all the rights attaching to those Receivables accruing from the termination date or accrued and not due, and overdue amounts on that same date.
3. In particular, the amendment by the Servicer during the life of the Receivables of their terms without regard to the limits established in the special laws applicable and, in particular, to the terms agreed between the Fund, represented by the Management Company, and the Originator in this Prospectus, in the Deed of Constitution and in the Servicing Agreement, which would therefore be an absolutely exceptional amendment, would constitute a unilateral breach by the Servicer of its duties which should not be borne by the Fund or by the Management Company.

Upon any such breach occurring, the Fund may, through the Management Company: (i) demand payment of the relevant damages and losses and (ii) request replacement or repayment of the affected Receivables, in accordance with the procedure provided for in paragraph 2 above of this section, which shall not result in the Servicer guaranteeing that the transaction will be successfully completed, but only the requisite redress of the effects resulting from the breach of its duties, in accordance with article 1124 of the Civil Code.

The expenses originated by the actions to remedy the Originator's breach shall be borne by the Servicer and cannot be charged to the Fund or the Management Company. The Management Company shall forthwith notify the CNMV of each and every replacement or redemption of Receivables resulting from a breach by the Originator.

2.2.10 Relevant insurance policies relating to the assets.

Not applicable.

2.2.11 Information relating to the obligors where the securitised assets comprise obligations of 5 or fewer obligors which are legal persons or where an obligor accounts for 20% or more of the assets, or where an obligor accounts for a material portion of the assets.

Not applicable.

2.2.12 Details of the relationship, if it is material to the issue, between the issuer, guarantor and obligor.

There are no relationships between the Fund, the Originator, the Management Company and other parties involved in the transaction other than as set forth in sections 5.2 and 6.7 of the Registration Document and in section 3.2 of this Building Block.

2.2.13 Where the assets comprise fixed income securities, a description of the principal terms.

Not applicable.

2.2.14 Where the assets comprise equity securities, a description of the principal terms.

Not applicable.

2.2.15 If the assets comprise equity securities that are not traded on a regulated or equivalent market, where they represent more than ten (10) per cent of the securitised assets, a description of the principal terms.

Not applicable.

2.2.16 Valuation reports relating to the property and cash flow/income streams where a material portion of the assets are secured on real property.

Not applicable.

2.3 Actively managed assets backing the issue.

Not applicable.

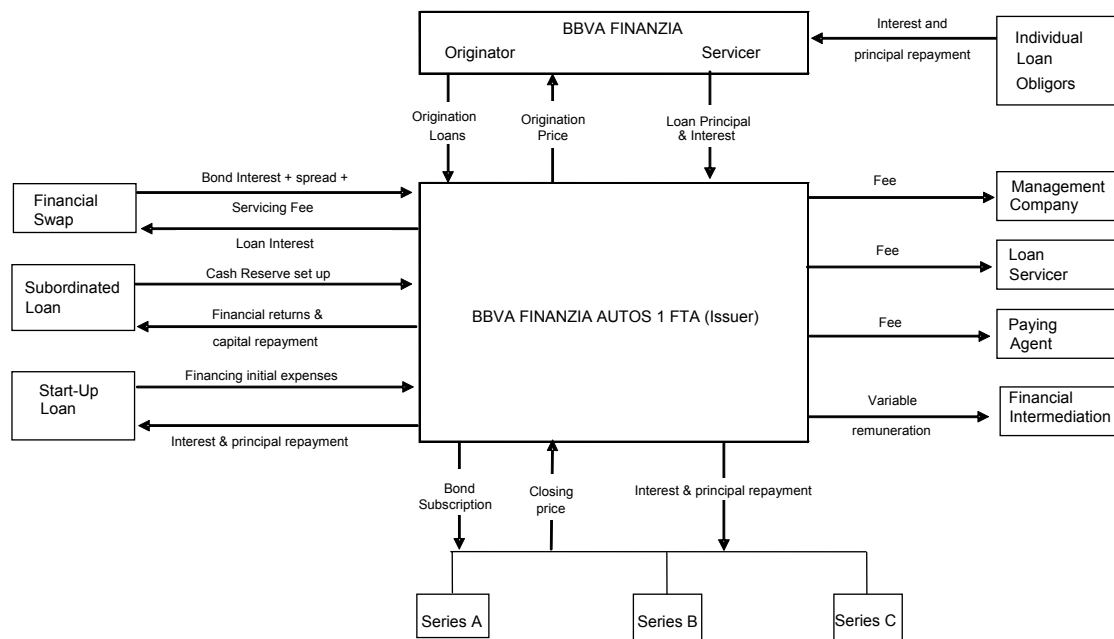
2.4 Where the issuer proposes to issue further securities backed by the same assets, statement to that effect and description of how the holders of that class will be informed.

Not applicable.

3. STRUCTURE AND CASH FLOW

3.1 Description of the structure of the transaction, including if necessary, a diagram.

Transaction structure diagram.



Initial balance sheet of the Fund.

The balance sheet of the Fund on the Closing Date will be as follows:

ASSETS		LIABILITIES	
Fixed Assets	801,038,485.02	Bond Issue	800,000,000.00
Receivables	800,000,000.00	Series A Bonds	744,000,000.00
		Series B Bonds	26,800,000.00
		Series C Bonds	29,200,000.00
Set-up and issue and admission expenses*	1,038,485.02	Other long-term liabilities	14,720,000.00
		Start-Up Loan	1,200,000.00
		Subordinated Loan	13,520,000.00
Current assets	13,681,514.98	Short-term creditors	to be determined
Treasury Account*	13,681,514.98		
Principal Account	to be determined	Receivables interest accrued **	to be determined
(Initial Receivables adjustment deficiency)			
Accrued interest receivable**	to be determined		
Total assets	814,720,000.00	Total liabilities	814,720,000.00
MEMORANDUM ACCOUNTS			
Cash Reserve	13,520,000.00		
Financial Swap collections	to be determined		
Financial Swap payments	to be determined		

(Amounts in EUR)

* Assuming that all Fund set-up and Bond issue and admission expenses are met on the Closing Date and that they amount to EUR 1,038,485.02 as set out in section 6 of the Securities Note.

** As set forth in section 3.3.3 of this Building Block.

The Management Company represents that the summary descriptions of the agreements, contained in the relevant sections, give the most substantial and relevant information on each of the agreements, accurately present their contents, and no information has been omitted which might affect the contents of the Prospectus.

3.2 Description of the entities participating in the issue and of the functions to be performed by them.

(i) EUROPEA DE TITULIZACIÓN is the Fund Management Company that will establish, manage and be the authorised representative of the Fund, was involved in financially structuring the Fund and the Bond Issue, and takes responsibility for the contents of this Prospectus.

(ii) BBVA FINANZIA is the originator of the Receivables to be acquired by the Fund.

In addition, BBVA FINANZIA shall be the Fund's counterparty in the Subordinated Loan, Start-Up Loan, Receivables Servicing and Financial Intermediation Agreements.

(iii) BBVA shall be a Lead Manager and an Underwriter and Placement Agent of the Bond Issue and also takes responsibility for the contents of the Securities Note.

Out of the functions and activities that Lead Managers may discharge in accordance with article 35.1 of Royal Decree 1310/2005, BBVA was involved in structuring the financial terms of the Fund and the Bond Issue and will, together with the other Lead Manager, do the following: (i) temporary and marketing actions and activities in connection with the offering for Bond Issue subscription, (ii) liaising with potential investors and being one of the Bond subscription book runners, (iii) liaising with all other Underwriters and Placement Agents, and (iv) all other actions and activities provided for in respect of the Lead Managers in the Securities Note.

In addition, BBVA shall be the Fund's counterparty in the Guaranteed Interest Rate Account (Treasury Account), Guaranteed Interest Rate Account (Principal Account), Financial Swap and Bond Paying Agent Agreements.

(iv) RBS shall be a Lead Manager and an Underwriter and Placement Agent of the Bond Issue.

Out of the functions and activities that Lead Managers may discharge in accordance with article 35.1 of Royal Decree 1310/2005, RBS will, together with the other Lead Manager, do the following: (i)

temporary and marketing actions and activities in connection with the offering for Bond Issue subscription, (ii) liaising with potential investors and being one of the Bond subscription book runners, (iii) coordinating all other Underwriters and Placement Agents, and (iv) all other actions and activities provided for in respect of the Lead Managers in the Securities Note.

- (v) CALYON, HSBC, IXIS CIB and SOCIÉTÉ GÉNÉRALE shall be Bond Issue Underwriters and Placement Agents.
- (vi) URÍA MENÉNDEZ, as independent advisers, have provided legal advice for establishing the Fund and issuing the Bonds and reviewed their tax aspects.
- (vii) Deloitte have audited the selected loans from BBVA FINANZIA.

The description of the institutions referred to in the preceding paragraphs is contained in section 5.2 of the Registration Document.

3.3 Description of the method and date of the sale, transfer, novation or assignment of the assets or of any rights and/or obligations in the assets to the issuer.

3.3.1 Perfecting the assignment of the Receivables.

3.3.1.1 Assignment of the Initial Receivables.

BBVA FINANZIA shall, upon the Fund being established, assign the Initial Receivables to the Fund in a receivables sale and purchase agreement, perfected in a certificate executed before a notary public, concurrently upon the Deed of Constitution being executed. In the Deed of Constitution, the Management Company, for and on behalf of the Fund, and BBVA FINANZIA shall lay down the obligation by BBVA FINANZIA to assign to the Fund in a notarised certificate on each Payment Date in the Revolving Period the Additional Receivables selected by the Management Company, in an amount not in excess of the Acquisition Amount, from among those offered by BBVA FINANZIA satisfying the Election Requirements.

3.3.1.2 Assignment of the Additional Receivables.

Each new assignment to the Fund of Additional Receivables shall be perfected in a notarised certificate executed by the Management Company, for and on behalf of the Fund, and BBVA FINANZIA on each assignment date.

All expenses and taxes deriving from completion of subsequent assignments of Additional Receivables shall be borne by the Fund.

On each new acquisition of Additional Receivables, the Management Company shall deliver to the CNMV, on the following Business Day:

- (i) A copy of the notarised assignment certificate with details of each Additional Receivable assigned to the Fund with the main features allowing them to be identified.
- (ii) A written statement by the Management Company, also signed by BBVA FINANZIA, that the Additional Receivables satisfy all the set (Individual and Global) Election Requirements to be assigned to the Fund.

3.3.1.3 The assignment by BBVA FINANZIA to the Fund of the Receivables shall not be notified to the Obligors. However, in the event of insolvency, or indications thereof, of administration by the Bank of Spain, of liquidation or of substitution of the Servicer, or because the Management Company deems it reasonably justified, the Management Company may demand the Servicer to notify Obligors and guarantors, if any, of the transfer to the Fund of the outstanding Receivables, and that the payments derived therefrom will only be effective as a discharge if made into the Treasury Account opened in the name of the Fund. However, both in the event of the Servicer failing to notify Obligors within five (5) Business Days of receiving the request and in the event of the Servicer becoming insolvent, the Management Company itself shall directly or, as the case may be, through a new Servicer it shall have designated, notify Obligors and guarantors, if any. Similarly, and in the same circumstances, the Management Company may request BBVA FINANZIA to have such things as may be necessary done in order to secure entry of the assignments of Receivables subject to reservations of title in the Chattels Register.

3.3.2 Loan assignment terms.

1. The Receivables will be fully and unconditionally assigned for the entire term remaining until maturity of each Loan.
2. The Originator shall be liable to the Fund for the existence and lawfulness of the Receivables to the same extent laid down in articles 348 of the Commercial Code and 1529 of the Civil Code.
3. The Originator shall not bear the risk of default on the Receivables and shall therefore have no liability whatsoever for default by the Obligors of principal, interest or any other amount owing to them by the Obligors under the Loans, and will not be liable for the enforceability of personal security collateral thereto or the accessibility or effects, as the case may be, of exchange proceedings. The Originator will moreover have no liability whatsoever to directly or indirectly guarantee that the transaction will be properly performed, nor give any guarantees or security, nor indeed agree to replace or repurchase the Receivables, other than as provided in section 2.2.9 of this Building Block.
4. Each Loan shall be assigned for all the outstanding capital pending repayment on the assignment date and for all ordinary and late-payment interest on each Loan assigned, and for all rights derived from the reservations of title and death and total and permanent disability insurance contracts.

Specifically, for illustration, without limitation, assignment of the Receivables shall confer the following rights in relation to each of the assigned Loans:

- (i) To receive all Loan capital or principal repayment.
- (ii) To receive all Loan capital ordinary interest amounts accrued.
- (iii) To receive all Loan late-payment interest amounts accrued.
- (iv) To receive any other amounts, assets or rights received as payment of Loan principal, interest or expenses.
- (v) To receive all possible Loan rights or compensations accruing for the Originator, including those derived from any ancillary right attached to the Loans, including all rights derived from the reservations of title and death and total and permanent disability insurance contracts excluding total or partial prepayment fees and any other right that may not be integrated in the debt claimed from the Obligor in the event of default on the Loans.

The above-mentioned rights will all accrue for the Fund from the date of assignment of the Receivables. Interest shall moreover include interest accrued and not due since the last interest settlement date on each of the Loans, on or before the assignment date, and overdue interest, if any, as of that same date.

Loan returns constituting Fund income shall not be subject to a Corporation Tax withholding as established in Royal Decree 1777/2004, July 30, approving the Corporation Tax Regulations.

5. The Fund's rights resulting from the Receivables are linked to the payments made by the Obligors, and are hence directly affected by the evolution, delays, prepayments or any other incident relating to the Loans.
6. The Fund shall bear any and all expenses or costs defrayed by the Originator derived from the recovery actions in the event of a breach of obligations by the Obligors, including bringing the relevant action against the same.
7. In the event of a renegotiation of the Loans or their due dates, consented to by the Management Company, for and on behalf of the Fund, the change in the terms shall affect the Fund.
8. BBVA FINANZIA as Originator of the Receivables shall be entitled to receive from the Obligor the fees, including prepayment or early cancellation fees, or any other right which cannot be made part of the debt to be claimed from the Obligor in the event of default on the Loans.

3.3.3 Loan sale or assignment price.

The sale or assignment price of the Receivables shall be at par. The aggregate amount payable by the Fund for the assignment of the Receivables shall be an amount equivalent to the sum of (i) the face value of the capital or principal outstanding on each Loan, and (ii) ordinary interest accrued and not due and overdue interest, if any, on each Loan on the assignment date (the “**accrued interest**”).

The Management Company shall pay the total Receivable assignment price on behalf of the Fund as follows:

1. The part consisting of the face value of the capital of all the Loans, subparagraph (i) of paragraph one of this section, shall be paid by the Fund on the following dates:
 - a) Payment of the face value of the Initial Receivables shall be fully paid on the Bond Closing Date, for same day value, upon the subscription for the Bond Issue being paid up, by means of an instruction given by the Management Company to BBVA FINANZIA to proceed to debit the Treasury Account opened on behalf of the Fund. BBVA FINANZIA shall receive no interest on the deferment of payment until the Closing Date.
 - b) Payment of the face value of the Additional Receivables shall be fully paid on the relevant Payment Date on which the assignment occurs, for same day value, upon BBVA FINANZIA debiting the Treasury Account opened on behalf of the Fund.
2. The part consisting of interest accrued on each Receivable, subparagraph (ii) of paragraph one of this section, shall be paid by the Fund on the earlier of the collection dates falling on the first interest settlement date of each Receivable or the date on which they are paid by the Obligor, after the date of assignment, and will not be subject to the Fund Priority of Payments.

If the establishment of the Fund and hence the assignment of the Initial Receivables should terminate, in accordance with the provisions of section 4.4.4.(v) of the Registration Document, (i) so will the Fund's obligation to pay for the assignment terminate, and (ii) the Management Company shall be obliged to restore to BBVA FINANZIA any rights whatsoever accrued for the Fund upon the Initial Receivables being assigned.

3.4 Explanation of the flow of funds.

3.4.1 How the cash flow from the assets will meet the issuer's obligations to holders of the securities.

Securitized Receivable amounts received by the Fund will be paid by the Servicer into the Treasury Account on the seventh day after the date on which they are received by the Servicer or the following business day if that is not a business day, for same day value. In this connection, business days shall be taken to be all those that are business days in the banking sector in the city of Madrid.

The weighted average interest rate of the loans selected as of April 2, 2007, as detailed in section 2.2.2.e) of this Building Block, is 6.53%, which is above the 4.15% weighted average interest rate of the Bonds that has been presumed for hypothetical purposes in the table contained in section 4.10 of the Securities Note. Nevertheless, the Financial Swap partly mitigates the interest rate risk occurring in the Fund because the Receivables are subject to fixed interest with accrual periods and settlement date differing from the floating interest established for the Bonds based on 3-month Euribor and with quarterly accrual and settlement periods, and the risk derived from potential Loan interest rate renegotiation.

Quarterly on each Payment Date Bondholders will be paid interest accrued and, upon the Revolving Period terminating, principal will be repaid on the Bonds in each Series on the terms set for each of them and in the Priority of Payments given in section 3.4.6.2 of this Building Block.

3.4.2 Information on any credit enhancement.

3.4.2.1 Description of the credit enhancement.

The following credit enhancement transactions are incorporated to the financial structure of the Fund:

- (i) Cash Reserve set up by drawing down the Subordinated Loan.
Mitigates the credit risk derived from delinquency and default on the Receivables.
- (ii) Financial Swap:
Partly mitigates the interest rate risk occurring in the Fund because the Receivables have fixed interest and accrual periods and settlement date differing from the floating interest established for the Bonds based on 3-month Euribor with quarterly accrual and settlement periods. In addition, a 2.20% excess margin is included.
- (iii) Treasury Account.
Partly mitigates the loss of return on the liquidity of the Fund due to the timing difference between income received on the Receivables until payment of Bond interest and acquisition of Additional Receivables on the next succeeding Payment Date during the Revolving Period or, when it is over, until principal repayment occurs.
- (iv) Principal Account:
Partly mitigates the loss of return on the amounts of the Principal Available Funds not applied to acquiring Additional Receivables during the Revolving Period.
- (v) Subordination and deferment in interest payment and principal repayment between the Bonds in the different Series, derived from their place in the application of the Available Funds as well as the rules for Distribution of Principal Available Funds in the Priority of Payments, or in the application of the Liquidation Available Funds in the Liquidation Priority of Payments, are a means for distinctly hedging the different Series.

3.4.2.2 Cash Reserve.

The Management Company shall set up on the Closing Date an Initial Cash Reserve by drawing fully the available Subordinated Loan principal and shall subsequently, on each Payment Date, keep the Required Cash Reserve amount provisioned in the Fund Priority of Payments.

The characteristics of the Cash Reserve shall be as follows:

Cash Reserve amount.

1. The Cash Reserve shall be set up on the Closing Date in an amount equal to EUR thirteen million five hundred and twenty thousand (13,520,000.00) ("**Initial Cash Reserve**").
2. Subsequently to being set up, on each Payment Date, the Cash Reserve shall be provisioned up to the Required Cash Reserve amount established hereinafter with the Available Funds in the Priority of Payments.

The required Cash Reserve amount on each Payment Date (the "**Required Cash Reserve**") shall be the lower of the following amounts:

- (i) EUR thirteen million five hundred and twenty thousand (13,520,000.00).
 - (ii) The higher of:
 - a) 3.38% of the Outstanding Principal Balance of the Bond Issue.
 - b) EUR six million seven hundred and sixty thousand (6,760,000.00).
3. Notwithstanding the above, the Required Cash Reserve shall not be reduced on the relevant Payment Date and shall remain at the Required Cash Reserve amount on the preceding Payment Date whenever any of the following circumstances concur on the Payment Date:
 - i) That on the Determination Date preceding the relevant Payment Date the amount of the Outstanding Balance of Delinquent Receivables is greater than 1.00% of the Outstanding Balance of Non-Doubtful Receivables.

- ii) That on the preceding Payment Date the Cash Reserve was not provisioned up to the Required Cash Reserve amount on that Payment Date, or if it cannot be provisioned on the relevant Payment Date.
- iii) That two (2) years have not elapsed since the date of establishment of the Fund.

Yield.

The Cash Reserve amount shall remain credited to the Treasury Account, and will be remunerated on the terms of the Guaranteed Interest Rate Account (Treasury Account) Agreement.

Application.

The Cash Reserve shall be applied on each Payment Date to satisfying Fund payment obligations in the Priority of Payments and in the Liquidation Priority of Payments.

3.4.3 Details of any subordinated finance.

3.4.3.1 Subordinated Loan.

The Management Company shall, for and on behalf of the Fund, enter with BBVA FINANZIA into an agreement whereby BBVA FINANZIA shall grant to the Fund a commercial subordinated loan amounting to EUR thirteen million five hundred and twenty thousand (13,520,000.00) (the “**Subordinated Loan Agreement**”). The Subordinated Loan amount shall be delivered on the Closing Date and shall be applied to setting up the Initial Cash Reserve on the terms for which provision is made in section 3.4.2.2 of this Building Block, although granting of the Loan by no means guarantees performance of the securitised Receivables.

Subordinated Loan principal shall be repaid on each Payment Date in an amount equal to the positive difference existing between the outstanding Subordinated Loan principal on the Determination Date preceding the relevant Payment Date and the Required Cash Reserve amount on the relevant Payment Date, and in the application priority established for that event in the application of Available Funds in the Priority of Payments.

In the event that the Fund should not have sufficient liquidity to proceed to the relevant Subordinated Loan repayment on a Payment Date, in the Priority of Payments, the portion of principal not repaid shall be repaid on the next succeeding Payment Date along with the amount that should be repaid, as the case may be, on that same Payment Date, until fully repaid.

Final maturity of the Subordinated Loan shall occur on the Final Maturity Date or, as the case may be, on the date on which the Management Company proceeds with Early Liquidation subject to the Liquidation Priority of Payments.

The Subordinated Loan outstanding principal shall accrue an annual floating nominal interest, determined quarterly in each Interest Accrual Period, which shall be the result of adding: (i) the Reference Rate determined for the Bonds, and (ii) a 3.00% margin. This interest will be payable only if the Fund should have sufficient liquidity in the Priority of Payments or the Liquidation Priority of Payments, as the case may be. Interest shall be settled and payable on the date of expiration of each Interest Accrual Period on each Payment Date, and shall be calculated based on: (i) the exact number of days in each Interest Accrual Period and (ii) a three-hundred-and-sixty- (360-) day year. The first interest settlement date shall fall on July 26, 2007. Interest shall be paid on the relevant Payment Date provided that the Fund has sufficient liquidity in the Priority of Payments or, in the event, the Liquidation Priority of Payments

Interest accrued and not paid on a Payment Date shall not be accumulated to the Subordinated Loan principal and shall not earn late-payment interest.

All Subordinated Loan amounts due and not paid to BBVA FINANZIA due to a shortfall of Available Funds shall be settled on the following Payment Dates on which the Available Funds allow payment in the Priority of Payments of the Fund. Amounts not paid on preceding Payment Dates shall be paid with preference over Subordinated Loan amounts payable on that Payment Date, honouring firstly overdue interest and

secondly principal repayment, in the Priority of Payments or in the Liquidation Priority of Payments, as the case may be.

The Subordinated Loan Agreement shall be fully terminated in the event that the Rating Agencies should not confirm the provisional ratings assigned to each Series as final ratings by the start of the Subscription Period.

3.4.3.2 Start-Up Loan.

The Management Company shall, for and on behalf of the Fund, enter with BBVA FINANZIA into a commercial loan agreement amounting to EUR one million two hundred thousand (1,200,000.00) (the “**Start-Up Loan Agreement**”). The Start-Up Loan amount shall be delivered on the Closing Date and be allocated to financing the expenses of setting up the Fund and issue and admission of the Bonds.

Outstanding Start-Up Loan principal will accrue an annual floating nominal interest, determined quarterly for each Interest Accrual Period, which shall be the result of adding: (i) the Bond Reference Rate determined for each Interest Accrual Period, and (ii) a 2.00% margin. This interest will be payable only if the Fund should have sufficient liquidity in the Priority of Payments or Liquidation Priority of Payments, as the case may be. Interest shall be settled and payable on the date of expiration of each Interest Accrual Period on each Payment Date, and shall be calculated based on: (i) the exact number of days in each Interest Accrual Period and (ii) a three-hundred-and-sixty- (360-) day year. The first interest settlement date shall be July 26, 2007.

Interest accrued and not paid on a Payment Date shall not be accumulated to the Start-Up Loan principal and shall not earn late-payment interest.

Start-Up Loan principal will be repaid quarterly on each Payment Date as follows:

- (i) The portion of Start-Up Loan principal actually used to finance the Fund set-up and Bond issue and admission expenses shall be repaid in twelve (12) consecutive quarterly instalments in an equal amount, on each Payment Date, the first of which shall be the first Payment Date, July 26, 2007, and the following until the Payment Date falling on April 26, 2010, inclusive.
- (ii) The portion of Start-Up Loan principal not used shall be repaid on the first Payment Date, July 26, 2007.

All Start-Up Loan amounts due and not paid to BBVA FINANZIA due to a shortfall of Available Funds shall be settled on the following Payment Dates on which the Available Funds allow payment in the Priority of Payments of the Fund. Amounts not paid on preceding Payment Dates shall be paid with preference over Start-Up Loan amounts payable on that Payment Date, honouring firstly overdue interest and secondly principal repayment, in the Priority of Payments or in the Liquidation Priority of Payments, as the case may be.

The Start-Up Loan Agreement shall not be terminated in the event of the establishment of the Fund being terminated in accordance with the provisions of section 4.4.4.(v) of the Prospectus Registration Document. In that event, the Start-Up Loan shall be used to pay the expenses of setting up the Fund and issue of the Bonds and all other obligations undertaken by the Management Company, for and on behalf of the Fund, originated upon the Fund being established and which are due and payable, and principal repayment shall be deferred and subordinated to satisfaction of those obligations, using the Fund's remaining assets.

3.4.3.3 Subordination of Series B and Series C Bonds.

Series B Bond interest payment and principal repayment is deferred with respect to Series A Bonds, as provided in the Priority of Payments and in the Liquidation Priority of Payments.

Series C Bond interest payment and principal repayment is deferred with respect to Series A and Series B Bonds, as provided in the Priority of Payments and in the Liquidation Priority of Payments.

Sections 4.6.1 and 4.6.2 of the Securities Note detail the order numbers of Bond interest payment and principal repayment in each Series in the priority of payments of the Fund.

3.4.4 Investment parameters for the investment of temporary liquidity surpluses and parties responsible for such investment.

3.4.4.1 Treasury Account.

The Management Company, for and on behalf of the Fund, and BBVA shall enter into a Guaranteed Interest Rate Account (Treasury Account) Agreement whereby BBVA will pay a certain variable yield on the amounts paid by the Fund through its Management Company into a financial account. The Guaranteed Interest Rate Account (Treasury Account) Agreement shall specifically determine that all amounts received by the Fund will be paid into a financial account in euros (the “**Treasury Account**”) opened at BBVA, in the name of the Fund by the Management Company, which amounts shall mostly consist of the following items:

- (i) cash amount received upon subscription for the Bond Issue being paid up;
- (ii) Receivable principal repaid and interest collected;
- (iii) any other Receivable amounts, excluding prepayment or early termination fees and any other right that may not be integrated in the debt claimed from the Obligor in the event of default on the Loans;
- (iv) Subordinated Loan principal drawn down, and the Cash Reserve amount from time to time;
- (v) Start-Up Loan principal drawn down;
- (vi) Financial Swap amounts paid to the Fund;
- (vii) the amounts of the returns obtained on Treasury Account, Principal Account and, as the case may be, Surplus Account(s) balances; and
- (viii) the amounts of interim withholdings on the return on investments to be effected on each relevant Payment Date on the Bond interest paid by the Fund, until due for payment to the Tax Administration.

BBVA shall pay an annual nominal interest rate, variable quarterly and settled quarterly, other than for the first interest accrual period, the duration of and the interest settlement for which shall be based on the duration of that period, applicable for each interest accrual period (differing from the Interest Accrual Period established for the Bonds) to the positive daily balances if any on the Treasury Account, equal to the interest rate resulting from decreasing (i) the Reference Rate determined for each Bond Interest Accrual Period substantially matching each Treasury Account interest period, (ii) by a 0.10% margin, translated to an interest rate based on calendar years (i.e. multiplied by 365, or 366 in leap years, and divided by 360). Interest shall be settled on the date of expiration of each interest accrual period on each of the Fund Determination Dates, and shall be calculated based on: (i) the exact number of days in each interest accrual period, and (ii) a three-hundred-and-sixty-five (365-) day year or a three-hundred-and-sixty-six (366-) day year if it is a leap year. The first interest accrual period shall comprise the days elapsed between the date of establishment of the Fund and the first Determination Date, July 17, 2007.

In the event that the rating of BBVA’s short-term, unsecured and unsubordinated debt obligations should, at any time during the life of the Bond Issue, be downgraded below P-1 or A-1 respectively by Moody’s and S&P, the Management Company shall within not more than thirty (30) days from the time of the occurrence of any such circumstances put in place any of the options described hereinafter allowing a suitable level of guarantee to be maintained with respect to the commitments derived from the Guaranteed Interest Rate Account (Treasury Account) Agreement in order for the rating given to the Bonds by the Rating Agencies not to be adversely affected:

- a) Obtaining from an institution with short-term, unsecured and unsubordinated debt obligations rated at least as high as P-1 and A-1 respectively by Moody’s and S&P a first demand guarantee securing for the Fund, merely upon the Management Company so requesting, prompt payment by BBVA of its obligation to repay the amounts credited to the Treasury Account, during such time as BBVA’s rating remains downgraded below P-1 or A-1.
- b) Transferring the Treasury Account to an institution with short-term, unsecured and unsubordinated debt obligations rated at least as high as P-1 and A-1 respectively by Moody’s and S&P, arranging the highest possible yield for its balances, which may differ from that arranged with BBVA under the Guaranteed Interest Rate Account (Treasury Account) Agreement.

- c) If options a) and b) above are not possible, obtaining from BBVA or a third party collateral security in favour of the Fund on financial assets with a credit quality of not less than that of Spanish State Government Debt (*Deuda Pública del Estado Español*) on the Closing Date, in an amount sufficient to guarantee the commitments established in the Guaranteed Interest Rate Account (Treasury Account) Agreement.
- d) Moreover, if the above options should not be possible on the above terms, the Management Company may invest the balances for periods not extending beyond the following Payment Date, in short-term fixed-income assets in euros issued by institutions rated at least as high as P-1 and A-1 (for periods of less than 30 days) or A-1+ (for longer periods) for short-term, unsecured and unsubordinated debt obligations respectively by Moody's and S&P, including short-term securities issued by the Spanish State, in which case the yield obtained could also differ from that obtained initially with BBVA under the Guaranteed Interest Rate Account (Treasury Account) Agreement.
- e) In the event of b) or d) occurring, and in the event that the ratings of BBVA's short-term, unsecured and unsubordinated debt obligations should be upgraded back to P-1 and A-1 respectively by Moody's and S&P, the Management Company may subsequently transfer the balances back to BBVA under the Guaranteed Interest Rate Account (Treasury Account) Agreement

In addition, notwithstanding the provisions of the preceding paragraphs of this section, if at any time during the term of this Agreement the Treasury and Principal Account balance should exceed twenty percent (20.00%) of the Outstanding Principal Balance of the Bond Issue and the rating of the short-term, unsecured and unsubordinated debt obligations of the institution in which that account was opened should have been downgraded to A-1 by S&P, the Management Company shall, once S&P has verified that it is appropriate to do so, transfer and credit that surplus to a financial account (the "**Surplus Account**") opened by the Management Company in an institution with short-term, unsecured and unsubordinated debt obligations rated at least as high as P-1 and A-1+ respectively by Moody's and S&P, and arranging the highest possible yield for its balances, which shall at least match that arranged with BBVA under the Treasury Account, and on the same settlement terms as the Treasury Account, and subject to notice being first given to S&P in order for the rating given to the Bonds by the Rating Agencies not to be adversely affected.

(The Management Company may open in the name of the Fund an only Surplus Account or an account for crediting amounts transferred from the Treasury Account which shall for these purposes be referred to as a Cash Surplus Account and therefore references in this Prospectus to "Surplus Account balance transferred from the Treasury Account" shall be deemed to be replaced with "Cash Surplus Account balance".)

All costs, expenses and taxes incurred in connection with putting in place and arranging the above shall be borne by BBVA.

3.4.4.2 Principal Account.

The Management Company, for and on behalf of the Fund, and BBVA shall enter into a Guaranteed Interest Rate Account (Principal Account) Agreement whereby BBVA will pay a certain variable yield on the amounts paid by the Fund through its Management Company into a financial account. The Guaranteed Interest Rate Account (Principal Account) Agreement shall specifically determine that the amounts of the Principal Available Funds not applied to acquiring Additional Receivables during the Revolving Period will be paid into a financial account in euros (the "**Principal Account**") opened at BBVA in the name of the Fund by the Management Company.

BBVA shall pay an annual nominal interest rate, variable quarterly and settled quarterly, other than for the first interest accrual period, the duration of and the interest settlement for which shall be based on the duration of that period, applicable for each interest accrual period (equivalent to the Interest Accrual Period established for the Bonds) to the positive daily balances if any on the Principal Account, equal to the interest rate resulting from decreasing (i) the Reference Rate determined for each Bond Interest Accrual Period, (ii) by a 0.10% margin, translated to an interest rate based on calendar years (i.e. multiplied by 365, or 366 in leap years, and divided by 360). Interest shall be settled on the date of expiration of each Interest Accrual Period on each Payment Date, and shall be calculated based on: (i) the exact number of

days in each Interest Accrual Period, and (ii) a three-hundred-and-sixty-five (365-) day year or a three-hundred-and-sixty-six (366-) day year if it is a leap year.

In the event that the rating of BBVA's short-term, unsecured and unsubordinated debt obligations should, at any time during the life of the Bond Issue, be downgraded below P-1 or A-1 respectively by Moody's and S&P, the Management Company shall within not more than thirty (30) days from the time of the occurrence of any such circumstances put in place any of the options described hereinafter allowing a suitable level of guarantee to be maintained with respect to the commitments derived from the Guaranteed Interest Rate Account (Principal Account) Agreement in order for the rating given to the Bonds by the Rating Agencies not to be adversely affected:

- a) Obtaining from an institution with short-term, unsecured and unsubordinated debt obligations rated at least as high as P-1 and A-1 respectively by Moody's and S&P a first demand guarantee securing for the Fund, merely upon the Management Company so requesting, prompt payment by BBVA of its obligation to repay the amounts credited to the Principal Account, during such time BBVA's ratings remain downgraded below P-1 or A-1.
- b) Transferring the Principal Account to an institution with short-term, unsecured and unsubordinated debt obligations rated at least as high as P-1 and A-1 respectively by Moody's and S&P, arranging the highest possible yield for its balances, which may differ from that arranged with BBVA under the Guaranteed Interest Rate Account (Principal Account) Agreement.
- c) If options a) and b) above are not possible, obtaining from BBVA or a third party collateral security in favour of the Fund on financial assets with a credit quality of not less than that of Spanish State Government Debt (*Deuda Pública del Estado Español*) on the Closing Date, in an amount sufficient to guarantee the commitments established in the Guaranteed Interest Rate Account (Principal Account) Agreement.
- d) Moreover, if the above options should not be possible on the above terms, the Management Company may invest the balances for periods not extending beyond the following Payment Date, in short-term fixed-income assets in euros issued by institutions rated at least as high as P-1 and A-1 (for periods of less than 30 days) or A-1+ (for longer periods) for short-term, unsecured and unsubordinated debt obligations respectively by Moody's and S&P, including short-term securities issued by the Spanish State, in which case the yield obtained could also differ from that obtained initially with BBVA under the Guaranteed Interest Rate Account (Principal Account) Agreement.
- e) In the event of b) or d) occurring, and in the event that the rating of BBVA's short-term, unsecured and unsubordinated debt obligations should be upgraded back to P-1 and A-1 respectively by Moody's and S&P, the Management Company may subsequently transfer the balances back to BBVA under the Guaranteed Interest Rate Account (Principal Account) Agreement.

In addition, notwithstanding the provisions of the preceding paragraphs of this section, if at any time during the term of this Agreement the Treasury and Principal Account balance should exceed twenty percent (20.00%) of the Outstanding Principal Balance of the Bond Issue and the rating of the short-term, unsecured and unsubordinated debt obligations of the institution in which that account was opened should have been downgraded to A-1 by S&P, the Management Company shall, once S&P has verified that it is appropriate to do so, transfer and credit that surplus to a financial account (the "**Surplus Account**") opened by the Management Company in an institution with short-term, unsecured and unsubordinated debt obligations rated at least as high as P-1 and A-1+ respectively by Moody's and S&P, and arranging the highest possible yield for its balances, which shall at least match that arranged with BBVA under the Principal Account, and on the same settlement terms as the Principal Account, and subject to notice being first given to S&P in order for the rating given to the Bonds by the Rating Agencies not to be adversely affected.

(The Management Company may open in the name of the Fund an only Surplus Account or an account for crediting amounts transferred from the Treasury Account which shall for these purposes be referred to as a Principal Surplus Account and therefore references in this Prospectus to "Surplus Account balance transferred from the Principal Account" shall be deemed to be replaced with "Principal Surplus Account balance".)

All costs, expenses and taxes incurred in connection with putting in place and arranging the above shall be borne by BBVA.

The Guaranteed Interest Rate Account (Principal Account) Agreement shall be fully terminated in the event that the Rating Agencies should not confirm the provisional ratings assigned to each Series as final ratings by the start of the Subscription Period. Moreover, the Principal Account shall be closed on the Payment Date after the Payment Date on which the Revolving Period ends, once it is settled by the Management Company.

3.4.5 Collection by the Fund of payments in respect of the assets.

The Servicer shall manage collection of all Receivable amounts payable by the Obligor. The Servicer shall use every effort in order for payments to be made by the Obligor to be collected in accordance with the contractual terms and conditions of the Loans.

The Receivable amounts received by the Servicer shall be paid by the Servicer in full into the Fund's Treasury Account on the seventh day after the day on which they were received by the Servicer, or the following business day if that is not a business day, for same day value. In this connection, business days shall be taken to be all those that are business days in the banking sector in the city of Madrid.

Nevertheless, in the event that the Servicer's credit quality could result in the ratings given by the Rating Agencies to each Bond Series being downgraded, the Management Company shall, in a written notice to the Servicer, issue instructions for those amounts to be previously paid into the Treasury Account which may indeed be on the day next succeeding the day on which they were received by the Servicer. In this connection, business days shall be taken to be all those that are business days in the banking sector in the city of Madrid.

The Servicer may at no event pay any amount whatsoever to the Fund not previously received from the Obligor as payment for the Receivables.

3.4.6 Order of priority of payments made by the issuer.

3.4.6.1 Source and application of funds on the Bond Closing Date and until the first Payment Date, exclusive.

The source and application of the amounts available for the Fund on the Bond Issue Closing Date shall be as follows:

1. Source: the Fund shall have the following funds:

- a) Bond subscription payment.
- b) Drawdown of Start-Up Loan principal.
- c) Drawdown of Subordinated Loan principal.

2. Application: in turn, the Fund will apply the funds described above to the following payments:

- a) Payment of the part of the price for acquiring the Initial Receivables at their face value.
- b) Payment of the Fund set-up and Bond issue and admission expenses.
- c) Setting up the Initial Cash Reserve.

3.4.6.2 Source and application of funds from the first Payment Date, inclusive, until the last Payment Date or liquidation of the Fund, exclusive. Priority of Payments.

On each Payment Date, other than the Final Maturity Date or when the Early Liquidation of the Fund occurs, the Management Company shall proceed successively to apply the Available Funds and the Principal Available Funds in accordance with the order of priority of payments given hereinafter for each of them (the "**Priority of Payments**").

3.4.6.2.1 Available Funds: source and application.

1. Source.

The available funds on each Payment Date (the “**Available Funds**”) to meet the payment or withholding obligations listed in section 2 below shall be the following amounts credited to the Treasury Account and the Surplus Account, if any, transferred from the Treasury Account:

- a) Receivable principal repayment income received during the Determination Period preceding the relevant Payment Date.
- b) Receivable ordinary and late-payment interest received during the Determination Period preceding the relevant Payment Date.
- c) The return received on amounts credited to the Treasury Account and the Surplus Account, if any, transferred from the Treasury Account.
- d) The return received on amounts credited to the Principal Account and the Surplus Account, if any, transferred from the Principal Account.
- e) The Cash Reserve amount at the Determination Date preceding the relevant Payment Date.
- f) Net amounts, if any, received by the Fund under the Financial Swap Agreement and, in the event of termination of the Agreement, the settlement payment amount payable by the Fund’s counterparty (Party B).
- g) Any other amounts received by the Fund during the Determination Period preceding the relevant Payment Date, including those resulting from the sale or utilisation of assets or rights awarded to the Fund.

Income under items a), b) and g) above received by the Fund and credited to the Treasury Account from the Determination Date, exclusive, preceding the Payment Date for the latter, shall not be included in the Available Funds on the relevant Payment Date, and that amount shall remain credited to the Treasury Account to be included in the Available Funds on the following Payment Date.

2. Application.

The Available Funds shall be applied on each Payment Date to meeting payment or withholding obligations falling due on each Payment Date in the following priority of payments, irrespective of the time of accrual, other than the application established in item number 1, which may be made at any time as and when due:

1. Payment of the Fund’s properly supported taxes and ordinary⁽¹⁾ and extraordinary⁽²⁾ expenses, whether or not they were disbursed by the Management Company, including the management fee due to the latter, and all other expenses and service fees, including those derived from the Paying Agent Agreement. Only expenses prepaid or disbursed on the Fund’s behalf by and Receivable amounts reimbursable to the Servicer, provided they are all properly supported, shall be made to the Servicer under the Servicing Agreement in this priority.
2. Payment of the net amount, if any, payable by the Fund under the Financial Swap Agreement and, only in the event of termination of that Agreement following a breach by the Fund or because the Fund is the party affected by objective circumstances subsequently occurring, payment of the settlement payment amount payable by the Fund.
3. Payment of interest due on the Series A Bonds.
4. Payment of interest due on the Series B Bonds unless this payment is deferred to 7th place in the priority of payments.

This payment shall be deferred to 7th place when on the Determination Date preceding the relevant Payment Date the cumulative Outstanding Balance of Doubtful Receivables since the Fund was established is in excess of 12.25% of the Outstanding Balance of the Receivables upon

the Fund being established and provided that the Series A Bonds have not been or are not to be fully amortised on the relevant Payment Date.

5. Payment of interest due on the Series C Bonds unless this payment is deferred to 8th place in the priority of payments.

This payment shall be deferred to 8th place when on the Determination Date preceding the relevant Payment Date the cumulative Outstanding Balance of Doubtful Receivables since the Fund was established is in excess of 8.50% of the Outstanding Balance of the Receivables upon the Fund being established and provided that the Series A and the Series B Bonds have not been or are not to be fully amortised on the relevant Payment Date.

6. Principal Withholding in an amount equal to the positive difference if any as of the Determination Date preceding the relevant Payment Date between:

- (i) the Outstanding Principal Balance of the Bond Issue, and
- (ii) the sum of a) the Outstanding Balance of Non-Doubtful Receivables and b) the Principal Account balance and, as the case may be, the Surplus Account balance transferred from the Principal Account.

Depending on the liquidity existing on each Payment Date, the amount actually applied to Principal Withholding shall be included among the Principal Available Funds to be applied in accordance with the rules for Distribution of Principal Available Funds established hereinafter in section 3.4.6.2.2.

7. Payment of interest due on the Series B Bonds when this payment is deferred from 4th place in the priority of payments as established therein.
8. Payment of interest due on the Series C Bonds when this payment is deferred from 5th place in the priority of payments as established therein.
9. Withholding of an amount sufficient for the Required Cash Reserve amount to be maintained.
10. Payment of the settlement payment amount payable by the Fund under the Financial Swap Agreement other than in the events provided for in 2nd place above.
11. Payment of interest due on the Subordinated Loan.
12. Repayment of Subordinated Loan principal to the extent repaid.
13. Payment of interest due on the Start-Up Loan.
14. Repayment of Start-Up Loan principal to the extent repaid.
15. Payment to the Servicer of the fee established in the Servicing Agreement.
16. Payment of the Financial Intermediation Margin.

When accounts payable for different items exist in a same priority order number on the Payment Date and the Available Funds are not sufficient to settle the amounts due under all of them, the application of the remaining Available Funds shall be prorated among the amounts payable under each such item, and the amount applied to each item shall be distributed in the priority in which the accounts payable fall due.

- (1) The following shall be considered ordinary expenses of the Fund:
 - a) Any expenses deriving from mandatory administrative verifications, registrations and authorisations.
 - b) Rating Agency fees for monitoring and maintaining the rating of the Bonds.
 - c) Expenses relating to keeping the Bond accounting record representing the Bonds by means of book entries, admission to trading in organised secondary markets and maintaining all of the foregoing.
 - d) Expenses of auditing the annual accounts and Additional Receivables.

- e) Bond amortisation expenses.
- f) Expenses deriving from announcements and notices relating to the Fund and/or the Bonds.

The Fund's ordinary expenses in its first year, including the management fee due to the Management Company and those derived from the Paying Agent Agreement, are estimated at EUR three hundred thousand (300,000.00). Because most of those expenses are directly related to the Outstanding Principal Balance of the Bond Issue and the Outstanding Balance of the Receivables and those balances shall fall throughout the life of the Fund, the Fund's ordinary expenses will also fall as time goes by. In addition, ordinary periodic expenses, excluding the management fee due to the Management Company and those derived from the Paying Agent Agreement, are estimated at EUR seventy thousand (70,000.00)

- (2) The following shall be considered extraordinary expenses of the Fund:
- a) Expenses, if any, deriving from preparing and perfecting an amendment of the Deed of Constitution and of the agreements, and from entering into additional agreements.
 - b) Expenses required to enforce Receivables and deriving from any recovery actions required.
 - c) Extraordinary expenses of audits and legal advice.
 - d) The remaining amount, if any, of the initial expenses of setting up the Fund and issue and admission of the Bonds in excess of the Start-Up Loan principal.
 - e) In general, any other extraordinary expenses required borne by the Fund or by the Management Company for and on behalf of the Fund.

3.4.6.2.2 Principal Available Funds: source and application.

1. Source.

On each Payment Date, the Principal Available Funds shall be the following:

- a) The Principal Withholding amount actually applied in sixth (6th) place of the Available Funds on the relevant Payment Date, and
- b) until the Payment Date next succeeding the end of the Revolving Period, inclusive, the Principal Account balance and, as the case may be, the Surplus Account balance transferred from the Principal Account, on the Determination Date preceding the relevant Payment Date.

2. Distribution of Principal Available Funds.

The Principal Available Funds shall be applied on each Payment Date in accordance with the following rules:

1. During the Receivables Revolving Period, payment of the assignment price comprising the face value of the outstanding capital or principal of the Additional Receivables acquired by the Fund on the relevant Payment Date.

The remaining Principal Available Funds not used for acquiring Additional Receivables shall remain credited to the Principal Account.

2. After the Revolving Period ends, the Principal Available Funds shall be sequentially applied firstly to amortising Series A until fully amortised, secondly to amortising Series B until fully amortised, and thirdly to amortising Series C until fully amortised.

3.4.6.3 Fund Liquidation Priority of Payments.

The Management Company shall proceed to liquidate the Fund upon the Fund being liquidated on the Final Maturity Date or when there is an Early Liquidation in accordance with the provisions of sections 4.4.3 and 4.4.4 of the Registration Document, by applying the available funds to the following items (the "**Liquidation Available Funds**"): (i) the Available Funds, (ii) the amounts obtained by the Fund from time to time upon disposing of the Receivables and the remaining assets and, as the case may be, (iii) the amount drawn under the credit facility arranged and exclusively used for final amortisation of the Bonds then outstanding, in accordance with the provisions of section 4.4.3.(iii) of the Registration Document, in the following order of priority of payments (the "**Liquidation Priority of Payments**"):

1. Reserve to meet the final tax, administrative or advertising termination and liquidation expenses.

2. Payment of the Fund's properly supported taxes and ordinary and extraordinary expenses, whether or not they were disbursed by the Management Company, including the management fee due to the latter, and all other expenses and service fees, including those derived from the Paying Agent Agreement. Only expenses prepaid or disbursed on the Fund's behalf by and Receivable amounts reimbursable to the Servicer, provided they are all properly supported, shall be made to the Servicer under the Servicing Agreement in this priority.
3. Payment of amounts, if any, due on the net amount payable by the Fund on the Financial Swap and, only in the event of termination of that Agreement following a breach by the Fund or because the Fund is the party affected by objective circumstances subsequently occurring, payment of the settlement payment amount payable by the Fund.
4. Payment of interest due on the Series A Bonds.
5. Repayment of Series A Bond principal.
6. Payment of interest due on the Series B Bonds.
7. Repayment of Series B Bond principal.
8. Payment of interest due on the Series C Bonds.
9. Repayment of Series C Bond principal.
10. In the event of the credit facility being arranged for early amortisation of the Bonds then outstanding as provided for in section 4.4.3.3.(iii) of the Registration Document, payment of financial expenses accrued and repayment of principal of the credit facility arranged.
11. Payment of the settlement payment amount payable by the Fund under the Financial Swap Agreement other than in the events provided for in 4th place above.
12. Payment of interest due on the Subordinated Loan.
13. Repayment of Subordinated Loan principal.
14. Payment of interest due on the Start-Up Loan.
15. Repayment of Start-Up Loan principal.
16. Payment to the Servicer of the fee established in the Servicing Agreement.
17. Payment of the Financial Intermediation Margin.

When accounts payable for different items exist in a same priority order number and the Liquidation Available Funds are not sufficient to settle the amounts due under all of them, the application of the remaining Liquidation Available Funds shall be prorated among the amounts payable under each such item, and the amount applied to each item shall be distributed in the priority in which the accounts payable fall due.

3.4.6.4 Financial Intermediation Margin.

The Management Company shall, for and on behalf of the Fund, enter with the Originator into a Financial Intermediation Agreement designed to remunerate the Originator for the financial intermediation process carried out, enabling the financial transformation defining the Fund's activity, the subscription by the Fund for the Receivables and the rating assigned to each Bond Series.

The Originator shall be entitled to receive from the Fund a variable subordinated remuneration (the "**Financial Intermediation Margin**") which shall be determined and shall accrue upon the expiration of every quarterly accrual period comprised between every two consecutive Determination Dates, in an amount equal to the positive difference, if any, between the income and expenditure accrued by the Fund,

including losses, if any, brought forward from previous years, with reference to its accounts and before the close of the day next preceding every Determination Date. The Financial Intermediation Margin accrued at the close of the day preceding every Determination Date shall be settled on the next succeeding Payment Date, provided that the Fund has sufficient liquidity in the Fund Priority of Payments.

Exceptionally: (i) the first accrual period of the Intermediation Margin shall be comprised between the date on which the Fund is established, inclusive, and the first Determination Date, July 17, 2007, exclusive, which is the Determination Date preceding the first Payment Date, and (ii) the last accrual period of the Financial Intermediation Margin shall comprise a) until the Final Maturity Date or the date on which the Early Liquidation of the Fund concludes, as provided for in section 4.4.3 of the Registration Document, on which the Receivables and the assets remaining in the Fund shall have been liquidated and the Liquidation Available Funds shall have been distributed in the Liquidation Priority of Payments of the Fund, b) from the Determination Date preceding the Payment Date before the date referred to in a), both inclusive. The first settlement date of the Financial Intermediation Margin shall be on the first Payment Date, July 26, 2007.

If the Fund should not have sufficient liquidity on a Payment Date in the Priority of Payments to pay the full Financial Intermediation Margin, the amount not paid shall accumulate without any penalty whatsoever on the Financial Intermediation Margin accrued, as the case may be, in the following quarterly period and shall be paid on the following Payment Dates on which the Available Funds allow payment in the Priority of Payments or, as the case may be, in the Liquidation Priority of Payments. The Financial Intermediation Margin amounts not paid on preceding Payment Dates shall be paid with priority over the amount payable on the relevant Payment Date.

The Financial Intermediation Agreement shall be fully terminated in the event that the Rating Agencies should not confirm any of the provisional ratings assigned to each Bond Series as final by the start of the Subscription Period.

3.4.7 Other arrangements upon which payments of interest and principal to investors are dependent.

3.4.7.1 Financial Swap.

The Management Company shall, for and on behalf of the Fund, enter with BBVA into a financial swap agreement (the “**Financial Swap Agreement**” or the “**Financial Swap**”) based on the Spanish Banking Association’s standard Master Financial Transaction Agreement (CMOF), the most relevant characteristics of which are described below.

Under the Financial Swap Agreement, the Fund will make payments to BBVA calculated on the Receivable interest rate and in consideration BBVA will make payments to the Fund calculated on the weighted average Nominal Interest Rate of the Bond Series and other items, the foregoing as described hereinafter.

Party A : The Fund, represented by the Management Company.

Party B : BBVA.

1. Settlement dates.

The settlement dates shall fall on the Bond Payment Dates, i.e. on January 26, April 26, July 26 and October 26 in every year, or the next succeeding Business Day if any of these dates is not a Business Day. The first settlement date shall be July 26, 2007.

The variable amounts payable by Party A and by Party B for each respective settlement period shall be netted and be paid by the paying Party to the receiving Party on each Payment Date.

2. Settlement periods.

Party A:

The Party A settlement periods shall be the exact number of days elapsed between two consecutive Determination Dates, not including the first but including the last date. Exceptionally, a) the length of the first Party A settlement period shall be equivalent to the exact number of days elapsed between

the date of establishment of the Fund, inclusive, and July 17, 2007, the first Determination Date, inclusive, and b) the length of the last Party A settlement period shall be equivalent to the exact number of days elapsed between the Determination Date preceding the date on which the Financial Swap Agreement terminates, exclusive, and the date on which termination occurs, inclusive.

Party B:

The Party B settlement periods shall be the exact number of days elapsed between two consecutive settlement dates, including the first but not including the last date. Exceptionally, a) the length of the first Party B settlement period shall be equivalent to the exact number of days elapsed between the Bond Issue Closing Date, inclusive, and July 26, 2007, exclusive, and b) the length of the last Party B settlement period shall be equivalent to the exact number of days elapsed between the Payment Date preceding the date on which the Financial Swap Agreement terminates, exclusive, and the date on which termination occurs, inclusive.

3. Face Amount.

This shall be on each settlement date the daily average during the next preceding Party A settlement period of the Outstanding Balance of Non-Delinquent Receivables, increased, until the settlement date falling on Revolving Period ending date, inclusive, by the result of multiplying a) the daily average during the Party A settlement period falling due of the balance of the Principal Account and the Surplus Account, if any, transferred from the Principal Account, and b) the average margin applicable for determining the Nominal Interest Rate of the Bond Series weighted by the Outstanding Principal Balance of each Series during the then-current Interest Accrual Period, matching the Party B settlement period falling due, plus 0.10%, and c) the result of dividing one (1) by the Party B Interest Rate determined for the Party B settlement period falling due.

4. Party A amounts payable.

This shall be on each settlement date the result of applying the Party A Interest Rate, determined for the next preceding Party A settlement period, to the Face Amount according to the number of days in the Party A settlement period and based on a three-hundred-and-sixty- (360-) day year.

4.1 Party A Interest Rate.

For each Party A settlement period this shall be the annual interest rate resulting from dividing (i) the sum of total interest amount received and paid into the Fund on the Receivables during the Party A settlement period, decreased by the amount of interest accrued on the Receivables assigned paid by the Fund, as the case may be, during the same Party A settlement period, by (ii) the Face Amount, multiplied by the result of dividing 360 by the number of days in the Party A settlement period.

5. Party B amounts payable.

This shall be on each settlement date the amount resulting from applying the Party B Interest Rate, determined for the Party B settlement period falling due, to the Face Amount according to the number of days in the Party B settlement period falling due, and based on a three-hundred-and-sixty- (360-) day year.

5.1 Party B Interest Rate.

For each Party B settlement period this shall be the annual interest rate resulting from adding (i) the Nominal Interest Rate applicable to each Bond Series determined for the then-current Interest Accrual Period coinciding with each Party B settlement period, weighted by the Outstanding Principal Balance in each Series during that then-current Interest Accrual Period and (ii) 2.20%.

6. Maturity Date.

This shall be the earlier of the dates on which the events (i) to (iv) listed for termination of the Fund occurs in accordance with the provisions of section 4.4.4 of the Registration Document.

7. If on a Payment Date the Fund (Party A) should not have sufficient liquidity to pay the full net amount, if any, payable to Party B, the portion of this net amount not paid shall be settled on the following Payment Date provided that the Fund has sufficient liquidity in the Priority of Payments. Should such

event of non-payment occur on two consecutive Payment Dates, Party B may choose to terminate the Financial Swap Agreement. In this event, the Fund (Party A) shall accept the obligation to pay the settlement amount established to which it is bound on the terms of the Financial Swap Agreement, all in the Priority of Payments. Should the settlement amount under the Financial Swap Agreement be a payment obligation for Party B and not for the Fund (Party A), Party B shall take over the obligation to pay the settlement amount provided for in the Financial Swap Agreement.

It shall also be determined that if on a Payment Date Party B should not make payment of the full amount payable to the Fund (Party A), the Management Company, for and on behalf of the Fund, may choose to terminate the Financial Swap Agreement. In that event, Party B shall accept the obligation to pay the settlement amount established in the Financial Swap Agreement. Should the settlement amount under the Financial Swap Agreement be due by the Fund (Party A) and not by Party B, it shall be paid by the Fund (Party A) in the Priority of Payments.

Subject to the above, other than in an event of permanent financial imbalance of the Fund, the Management Company shall endeavour, for and on behalf of the Fund, to enter into a new financial swap agreement on terms substantially identical with the Financial Swap Agreement.

8. Actions in the event of change in the rating of Party B.

(i) Moody's Criteria

In the event that:

- (1) (a) the long-term, unsecured and unsubordinated debt obligations of Party B cease to be rated at least as high as A2 by Moody's; or

(b) the short-term, unsecured and unsubordinated debt obligations of Party B cease to be rated at least as high as P-1 by Moody's,
- (2) (a) the short-term, unsecured and unsubordinated debt obligations of Party B cease to be rated by Moody's; and

(b) the long-term, unsecured and unsubordinated debt obligations of Party B cease to be rated at least as high as A1 by Moody's,

(either event (1) or (2) being Moody's "First Required Rating Threshold")

(such being a "First Rating Default", then Party B will within 30 Business Days and at its own cost, do one of the following:

- (A) obtain a Replacement with the First Required Rating Threshold (or a Replacement with a Credit Support Provider having the First Required Rating Threshold),
- (B) obtain a Credit Support Provider with the First Required Rating Threshold,
- (C) post collateral in the form of cash or securities in favour of the Fund with an institution with short-term, unsecured and unsubordinated debt obligations rated P-1 by Moody's, as set out in the Credit Support Annex, calculated based on the market value of the Financial Swap Agreement, at a sum allowing the rating of the Bonds given by Moody's and in force at the time to be maintained.

(ii) Moody's Criteria (continued)

In the event that:

- (1) (a) the long-term, unsecured and unsubordinated debt obligations of Party B or of all Credit Support Providers of Party B cease to be rated at least as high as A3 by Moody's; or

(b) the short-term, unsecured and unsubordinated debt obligations of Party B or of all Credit Support Providers of Party B cease to be rated at least as high as P-2 by Moody's, or

(2) (a) the short-term, unsecured and unsubordinated debt obligations of Party B and of all credit support providers of Party B cease to be rated by Moody's; or

(b) the long-term, unsecured and unsubordinated debt obligations of Party B and of all Credit Support Providers of Party B cease to be rated at least as high as A3 by Moody's,

(either event (1) or (2) being Moody's "Second Required Rating Threshold")

(such being a "Second Rating Default", then Party B will, as soon as reasonably practicable, on a best efforts basis and in any case as soon as possible and at its own cost, do one of the following:

(A) obtain a Credit Support Provider with the Second Required Rating Threshold, or

(B) obtain a Replacement with the Second Required Rating Threshold, (or a Replacement with a Credit Support Provider having the Second Required Rating Threshold),

(C) and, additionally, if none of the actions specified above have been taken, Party B shall, within thirty (30) Business Days of the occurrence of the Second Rating Default, post collateral in the form of cash or securities in favour of the Fund with an institution with short-term, unsecured and unsubordinated debt obligations rated at least P-1 by Moody's, as set out in the Credit Support Annex, calculated based on the market value of the Financial Swap Agreement, at a sum allowing the rating of the Bonds given by Moody's and in force at the time to be maintained.

Party B's obligations under (i) and (ii) above, and the Termination events deriving therefrom, shall only apply during such time as the events respectively prompting the First Required Rating Default or the Second Required Rating Default are in place. The collateral transferred by Party B pursuant to (i) and (ii) above will be retransferred to Party B upon cessation of the causes resulting in the First Rating Default or the Second Rating Default, respectively.

All costs, expenses and taxes incurred in connection with fulfilment of the preceding obligations shall be payable by Party B.

In the above connection, "Credit Support Provider" shall mean an institution providing an unconditional, irrevocable and first demand guarantee with respect to present and future obligations of Party B (the "Guarantee"), and provided that (A) a law firm provides a legal opinion confirming that none of the payments made by that institution to Party A under the Guarantee results in any requirement for deduction or withholding for or on account of any tax; or (B) the Guarantee determines that, if there is any such deduction or withholding, the payment made by that institution shall be increased by whatever amount is necessary in order for the net payment received by Party A to be equal to such other amount as Party A would have received had there been no such deduction or withholding; and "Replacement" shall mean any institution taking over the contractual position of Party B under the Financial Swap Agreement or entering into a new swap agreement with Party A, on terms substantially identical with the Financial Swap Agreement (which shall be confirmed by Party A, on a best efforts basis), and provided that (A) a law firm provides a legal opinion confirming that none of the payments made by that institution to Party A under the Guarantee results in any requirement for deduction or withholding for or on account of any tax; or (B) the Guarantee determines that, if there is any such deduction or withholding, the payment made by that institution shall be increased by whatever amount is necessary in order for the net payment received by Party A to be equal to such other amount as Party A would have received had there been no such deduction or withholding. That institution shall thereafter, to all intents and purposes, be considered Party B under the Financial Swap Agreement or in the new swap agreement to be entered into.

(iii) **S&P Criteria**

In the event that:

- (1) the short-term, unsecured and unsubordinated debt obligations of Party B (or its successor) cease to be rated at least as high as A-1+ (or its equivalent) by S&P, and
- (2) if relevant, the short-term, unsecured and unsubordinated debt obligations of any credit support provider of Party B cease to be rated at least as high as A-1+ (or its equivalent) by S&P,

(both, the "Required Ratings" by S&P)

each of the above being an "Initial Rating Event", then Party B will, within 30 days, at its own cost, do one of the following:

- (A) transfer all of its rights and obligations with respect to the Financial Swap Agreement (i) to a replacement third party having S&P's Required Ratings or (ii) to a third party which S&P has confirmed would not be in an Initial Rating Event providing that such transfer does not result in any requirement for deduction or withholding for or on account of any tax; or
- (B) procure a third party to become co-obligor in respect of the obligations of Party B under the Financial Swap Agreement provided that such third party (i) has S&P's Required Ratings or (ii) S&P has confirmed that the same is not in an Initial Rating Event providing that such does not result in any requirement for deduction or withholding for or on account of any tax; or
- (C) put in place any other action which S&P shall confirm to Party B may remedy S&P's Initial Rating Event.

While any of (iii)(A), (iii)(B) and (iii)(C) above are outstanding, then Party B will at its own cost

- (D) within not more than ten (10) days, post collateral in the form of cash or securities to Party A in an amount calculated, among other factors, based on the Financial Swap market value, in accordance with the criteria in force then published by S&P.

(iv) **S&P Criteria (continued) ("Subsequent Rating Event")**

In the event that:

- (a) the short-term, unsecured and unsubordinated debt obligations of Party B (or its successor) and, as the case may be, any credit support provider of Party B, cease to be rated at least as high as A-2 (or its equivalent) by S&P,
- (b) the long-term, unsecured and unsubordinated debt obligations of Party B (or its successor) and, as the case may be, any Credit Support Provider of Party B, cease to be rated at least as high as BBB- (or its equivalent) by S&P, or
- (c) all the ratings assigned to Party B by S&P are completely withdrawn,

the above being a "Subsequent Rating Event", then Party B will, as soon as reasonably practicable, on a best efforts basis, in any case within 10 days of the Subsequent Rating Event and at its own cost, do one of (iv)(A) or (iv)(B) below for the above events:

- (A) transfer all of its rights and obligations with respect to the Financial Swap Agreement (i) to a replacement third party having S&P's Required Ratings or (ii) to a third party which S&P has confirmed would not be in a Subsequent Rating Event providing that such transfer does not result in any requirement for deduction or withholding for or on account of any Tax; or

- (B) procure a third party to become co-obligor in respect of the obligations of Party B under the Financial Swap Agreement provided that such third party (i) has S&P's Required Ratings or (ii) S&P has confirmed that the same is not in a Subsequent Rating Event providing that such does not result in any requirement for deduction or withholding for or on account of any Tax; or

While any of (iii)(A) and (iv) (B) above are outstanding, then Party B will, in the interim, at its own cost

- (C) immediately after the occurrence of the Subsequent Rating Event post collateral in the form of cash or securities to Party A in an amount calculated, among other factors, based on the Financial Swap market value, in accordance with the criteria in force then published by S&P.

For the purposes of (iii) and (iv) above, "Required Rating" means in respect of the relevant entity that its short-term, unsecured and unsubordinated debt obligations are rated at least as high as A-1+ by S&P or such other ratings as may be agreed with S&P from time to time, based on the criteria then in force published by S&P.

9. The occurrence, as the case may be, of an early termination of the Financial Swap Agreement will not in itself be an Early Amortisation event of the Bond Issue and an Early Liquidation event of the Fund referred to in sections 4.4.3 of the Registration Document and 4.9.4 of the Securities Note, unless in conjunction with other events or circumstances related to the net asset value of the Fund, its financial balance should be materially or permanently altered.

All matters, discrepancies, lawsuits and claims deriving from the Financial Swap Agreement shall be referred for arbitration to the Chamber of Commerce of Madrid.

Party B agrees not to take any action whatsoever holding Party A liable.

The Financial Swap Agreement shall be fully terminated in the event that the Rating Agencies should not confirm the provisional ratings assigned to each Series as final ratings by the start of the Subscription Period.

3.5 Name, address and significant business activities of the originator of the securitised assets.

The originator and assignor of the securitised Receivables is FINANZIA BANCO DE CRÉDITO S.A.

Registered office: Calle Julián Camarillo number 4, 28037 Madrid (Spain)

Significant economic activities of BBVA FINANZIA.

The following are the relevant consolidated data of Finanzia Banco de Crédito, S.A. for the fourth quarter of the years 2006 (not audited) and 2005 and how they compare between them. That information was prepared in accordance with International Financial Reporting Standards applicable to it under Regulation EC 1606/2002 and Bank of Spain Circular 4/2004.

	31.12.2006	31.12.2005	Δ%
BALANCE SHEET (EUR thousand)			
Total assets	3,573,146	3,112,582	14.80
Customer credit (gross)	3,195,392	2,788,525	14.59
Credit Institution Deposits ⁽¹⁾	3,359,415	2,916,833	15.17
Customer deposits	2,612	2,375	9.98
Subordinated liabilities ⁽²⁾	6,025	6,057	-0.53
Net assets	160,470	140,607	14.13
Equity	160,470	140,607	14.13

	31.12.2006	31.12.2005	Δ%
PROFIT & LOSS ACCOUNT (EUR thousand)			
Intermediation margin	92,469	90,243	2.47
Basic margin	92,469	90,243	2.47
Ordinary margin	106,158	95,698	10.93
Operating margin	49,937	48,907	2.11
Pre-tax profit	36,019	35,102	2.61
Year's profit or loss	20,065	26,048	-22.97
ADDITIONAL INFORMATION			
Number of shares	2,493,000	2,493,000	0.00
Number of shareholders ⁽³⁾			
Commercial branches	33	33	0.00

(1) This is basically the amount of term deposits taken from BBVA, S.A.

(2) This is a subordinated loan granted by BBVA, S.A.

(3) At December 31, 2006 the shareholders were the following

Corfisa (*) 99.00%

Cidessa Uno, S.L. (*) 1.00%

(*) Companies wholly-owned by BBVA Group

3.6 Return on and/or repayment of the securities linked to others which are not assets of the issuer.

Not applicable.

3.7 Administrator, calculation agent or equivalent.

3.7.1 Management, administration and representation of the Fund and of the holders of the securities.

The Management Company, EUROPEA DE TITULIZACIÓN shall be responsible for managing and being the authorised representative of the Fund, on the terms set in Royal Decree 926/1998, Act 19/1992, failing a provision in Royal Decree 926/1998 and to the extent applicable, and other applicable laws, and on the terms of the Deed of Constitution and this Prospectus. The management and significant economic activities of EUROPEA DE TITULIZACIÓN are respectively detailed in sections 5.2 and 6 of the Registration Document.

The Management Company shall discharge for the Fund the functions attributed to it in Royal Decree 926/1998.

It is also the Management Company's duty, as the manager of third-party portfolios, to represent and enforce the interests of the holders of the Bonds issued by the Fund and of all its other ordinary creditors. Consequently, the Management Company shall make its actions conditional on their protection and observe the provisions established for that purpose from time to time. Bondholders and all other ordinary creditors of the Fund shall have no recourse against the Fund Management Company, other than for a breach of its duties or failure to observe the provisions of the Deed of Constitution and the Prospectus.

3.7.1.2 Administration and representation of the Fund.

The Management Company's obligations and actions in fulfilment of its duty to manage and be the authorised representative of the Fund are the following, for illustrative purposes only and without prejudice to any other actions provided in this Prospectus:

- (i) Keeping the Fund's accounts duly separate from the Management Company's own, rendering accounts and satisfying tax and any other statutory obligations of the Fund.
- (ii) Making such decisions as may be appropriate in connection with the liquidation of the Fund, including the decision to proceed to an Early Liquidation of the Fund and Early Amortisation of the Bond Issue, in accordance with the provisions of this Prospectus. Moreover, making all appropriate decisions in the event of the establishment of the Fund terminating.

- (iii) Complying with its formal, documentary and reporting duties to the CNMV, the Rating Agencies and any other supervisory body.
- (iv) Appointing and, as the case may be, replacing and dismissing the auditor who is to review and audit the Fund's annual accounts and the Additional Receivables.
- (v) Providing Bondholders, the CNMV and the Rating Agencies with all such information and notices as may be prescribed by the laws in force for the time being and specifically as established and in this Prospectus.
- (vi) Complying with the calculation duties provided for and taking the actions laid down in this Prospectus and in the various Fund transaction agreements or in such others as the Management Company may enter into in due course for and on behalf of the Fund.
- (vii) The Management Company may extend or amend the agreements entered into on behalf of the Fund, substitute, as the case may be, each of the Fund service providers, on the terms provided for in each agreement, and indeed, if necessary, enter into additional agreements, including a credit facility agreement in the event of Early Liquidation of the Fund, and amend the Deed of Constitution, provided that circumstances preventing the foregoing in accordance with the laws and regulations in force from time to time do not occur. In any event, those actions shall require that the Management Company first notify and secure the prior authorisation, if necessary, of the CNMV or competent administrative body and notify the Rating Agencies, and provided that such actions are not detrimental to the rating assigned to the Bonds by the Rating Agencies. The Deed of Constitution or the agreements may also be corrected upon a request by the CNMV.
- (viii) On each Offer Request Date, determining whether on the next succeeding Payment Date there is to be an acquisition of Additional Receivables and, if appropriate, calculating the Acquisition Amount that may be allocated to the new acquisition on the next succeeding Payment Date.
- (ix) Sending to BBVA FINANZIA, if appropriate, a written communication requesting an offer of Additional Receivables, specifying the Acquisition Amount and the Payment Date on which the assignment to the Fund and payment of the assignment shall be made and completed.
- (x) Checking that the loans included in the offer for assigning Additional Receivables made by BBVA FINANZIA satisfy the (Individual and Global) Election Requirements established for acquiring Additional Receivables in accordance with their characteristics notified by BBVA FINANZIA, and notifying BBVA FINANZIA of the list of Additional Receivables accepted for assignment to the Fund on the relevant Payment Date.
- (xi) On each Payment Date on which Additional Receivables are to be assigned to the Fund, perfecting the notarised assignment certificate with BBVA FINANZIA and subsequently sending it to the CNMV, along with the relevant statement that those Additional Receivables satisfy the set (Individual and Global) Global Requirements for acquiring Additional Receivables.
- (xii) Exercising the rights attaching to the ownership of the Receivables acquired by the Fund and, in general, carrying out all such acts of administration and disposition as may be required for properly managing and being the authorised representative of the Fund.
- (xiii) Checking that the amount of income actually received by the Fund matches the amounts that must be received by the Fund, on the terms of the assignment of the Receivables and on the terms of their relevant agreements, and that Receivable amounts are provided by the Servicer to the Fund within the time-periods and on the terms provided for under the Servicing Agreement.
- (xiv) Determining on each Interest Rate Fixing Date and for each Interest Accrual Period thereafter, the Nominal Interest Rate to be applied for each Bond Series and calculating and settling the accrued interest amounts payable on each Payment Date.

- (xv) Calculating and determining on each Determination Date the principal to be amortised and repaid on each Bond Series on the relevant Payment Date.
- (xvi) Determining the interest rate applicable to each of the relevant borrowing, lending and hedge transactions and calculating and settling the interest and fee amounts receivable and payable by the Fund under the same, and the fees payable for the various financial services arranged for.
- (xvii) Taking the actions for which provision is made in relation to the debt ratings or the financial position of the Fund's counterparties in the financial and service provision agreements mentioned in section 3.2 of this Building Block.
- (xviii) Watching that the amounts credited to the Treasury Account, the Principal Account and the Surplus Account(s), if any, return the yield set in the respective agreements.
- (xix) Calculating the Available Funds, the Principal Available Funds, the Liquidation Available Funds and the payment or withholding obligations to be complied with, and applying the same in the Priority of Payments or the Liquidation Priority of Payments, as the case may be.
- (xx) Instructing transfers of funds between the various borrowing and lending accounts, and issuing all relevant payment instructions, including those allocated to servicing the Bonds.

3.7.1.3 Resignation and substitution of the Management Company.

The Management Company shall be substituted in managing and representing the Fund, in accordance with articles 18 and 19 of Royal Decree 926/1998 set forth hereinafter and with subsequent rules statutorily established in that connection.

Resignation.

- (i) The Management Company may resign its management and authorised representation function with respect to all or part of the funds managed whenever it deems this fit, applying to be substituted in a letter addressed to the CNMV, including a designation of the substitute management company. That letter shall enclose a letter from the new management company, declaring its willingness to take over that function and applying for the appropriate authorisation.
- (ii) The CNMV's substitution authorisation shall be subject to meeting of the following requirements:
 - (a) The substituted Management Company's delivery of the accounting records and data files to the new management company. That delivery will only be taken to have been made when the new management company is able to fully take over its function and that circumstance is notified to the CNMV.
 - (b) The rating accorded to the Bonds by the Rating Agencies should not fall as a result of the proposed substitution.
- (iii) The Management Company may in no event resign its duties until and unless all requirements and formalities have been complied with in order for its substitute to take over its duties.
- (iv) The substitution expenses originated shall be borne by the resigning Management Company and may in no event be passed on to the Fund.
- (v) The substitution shall be published within fifteen days by means of a notice inserted in two nationwide newspapers and in the bulletin of the organised secondary market where the Bonds issued by the Fund are listed. Furthermore, the Management Company shall notify the Rating Agencies of that substitution.

Forced substitution.

- (i) In the event that the Management Company should be adjudged insolvent, it shall find a substitute management company, in accordance with the provisions of the foregoing section.

- (ii) In the event for which provision is made in the preceding section, if four months should have elapsed from the occurrence determining the substitution and no new management company should have been found willing to take over management, there shall be an early liquidation of the Fund and a redemption of the Bonds issued by the same, and of the Receivables, in accordance with the provisions of this Prospectus.

The Management Company agrees to execute such public and private documents as may be necessary for it to be substituted by another management company, in accordance with the system for which provision is made in the preceding paragraphs of this section. The substitute management company shall be substituted in the Management Company's rights and duties under this Prospectus. Furthermore, the Management Company shall hand to the substitute management company such accounting records and data files as it may have to hand in connection with the Fund.

3.7.1.4 Subcontracting.

The Management Company shall be entitled to subcontract or subdelegate to solvent and reputable third parties the provision of any of the services it has to provide as the manager and authorised representative of the Fund, as established in this Prospectus, provided that the subcontractor or delegated party waives the right to take any action holding the Fund liable. In any event, subcontracting or delegating any service (i) may not result in an additional cost or expense for the Fund, (ii) shall have to be legally possible, (iii) shall not result in the rating accorded to each Bond Series by the Rating Agencies being downgraded, and (iv) shall be notified to the CNMV and, where statutorily required, first be authorised by the CNMV. Notwithstanding any subcontracting or subdelegation, the Management Company shall not be exonerated or released, under that subcontract or subdelegation, from any of the liabilities undertaken in this Prospectus which may legally be attributed or ascribed to it.

3.7.1.5 Management Company's remuneration.

In consideration of the functions to be discharged by the Management Company, the Fund will pay it a management fee consisting of:

- (i) An initial fee which shall accrue upon the Fund being established and be payable on the Closing Date.
- (ii) A periodic fee on the sum of the Outstanding Principal Balance of Series A, B and C, which shall accrue daily from the establishment of the Fund until it terminates and shall be settled and paid by Interest Accrual Periods in arrears on each Payment Date subject to the Priority of Payments or, as the case may be, the Liquidation Priority of Payments. The periodic fee amount on each Payment Date may not be lower than the minimum amount determined. The minimum amount shall be cumulatively reset in the same proportion, from the year 2008, inclusive, and effective as of January 1 of each year.

If on a Payment Date the Fund should not have sufficient liquidity to settle the above-mentioned fee, the amount due shall accrue interest equal to the Bond Reference Rate, payable on the following Payment Date, in the Priority of Payments.

3.7.2 Servicing and custody of the securitised assets.

BBVA FINANZIA, Originator of the Receivables to be acquired by the Fund, as established in article 2.2.b) of Royal Decree 926/1998, shall continue as attorney for the Management Company to be responsible for servicing and managing the Loans, and the relations between BBVA FINANZIA, BBVA, as the Servicer's first replacement, as the case may be, and the Fund, represented by the Management Company, shall be governed by the Receivables Servicing Agreement (the "**Servicing Agreement**") in relation to custody and servicing of the Loans.

BBVA FINANZIA (the "**Servicer**" in that Agreement) and BBVA, as the Servicer's potential replacement in certain circumstances, shall accept the appointment received from the Management Company and thereby agree as follows:

- (i) To service and manage the Loans acquired by the Fund subject to the system terms and ordinary servicing and management procedures established in the Servicing Agreement.
- (ii) To continue servicing the Loans, devoting the same time and efforts to them as it would devote and use to service its own loans and in any event on the terms for which provision is made in the Servicing Agreement.
- (iii) That the procedures it applies and will apply to service and manage the Loans are and will continue to be in accordance with the laws and statutory regulations in force applicable thereto.
- (iv) To full faithfully observe the instructions issued by the Management Company.
- (v) To pay the Fund damages resulting from a breach of the obligations undertaken, although the Servicer shall not be liable for actions put in place on the Management Company's specific instructions.

In any event, the Servicer waives the privileges and authorities conferred on it by law as the manager of collections for the Fund and as servicer of the Loans, and custodian of the relevant agreements, and in particular those for which provision is made in articles 1730 and 1780 of the Civil Code and 276 of the Commercial Code.

3.7.2.1 Ordinary system and procedures for servicing and custody of the Loans.

1. Custody of agreements, private contracts, documents and files.

The Servicer shall keep all Loan agreements, private contracts, documents and data files under safe custody and shall not give up their possession, custody or control other than with the Management Company's prior written consent for it to do so, unless a document should be required to institute proceedings to enforce a Loan, or any competent authority should so require and after first informing the Management Company.

The Servicer shall allow the Management Company or the auditors of the Fund duly authorised thereby reasonable access at all times to said agreements, private contracts, documents and records. Furthermore, whenever it is required to do so by the Management Company, it shall provide within two (2) Business Days of that request and clear of expenses, a copy or photocopy of any of such loan agreements, private contracts and documents.

2. Collection management.

The Servicer shall continue managing collection of all amounts payable by the Obligors under the Loans, including both principal and interest and any other item. The Servicer shall act due diligently for payments to be made by the Obligors to be collected in accordance with the contractual terms and conditions of the Loans.

The amounts received by the Servicer derived from the Loans corresponding to the Fund shall be paid by the Servicer into the Fund's Treasury Account on the seventh day after the date on which they were received by the Servicer, or the following business day, for same day value, if that is not a business day, in accordance with the set terms and conditions. In this connection, business days shall be taken to be all those that are business days in the banking sector in the capital city of Madrid.

Nevertheless, in the event that the Servicer's credit quality could result in the ratings given by the Rating Agencies to each Bond Series being downgraded, the Management Company shall, in a written notice to the Servicer, issue instructions for those amounts to be previously paid into the Treasury Account which may indeed be on the day next succeeding the day on which they were received by the Servicer. In this connection, business days shall be taken to be all those that are business days in the banking sector in the city of Madrid.

The Servicer may in no event pay any amount whatsoever to the Fund not previously received as payment for the Loans.

3. Information.

The Servicer shall regularly communicate to the Management Company the information concerning the individual characteristics of each Loan, fulfilment by the Obligors of their obligations under the Loans, delinquency status, changes in the characteristics of the Loans, actions in the event of late payment, legal actions and auction of assets, the foregoing subject to the procedures and within the time-periods established in the Servicing Agreement.

Furthermore, the Servicer shall prepare and hand to the Management Company such additional information concerning the Loans or the rights attaching thereto as the Management Company may reasonably request, and in particular the documents required for the Management Company, as the case may be, to bring legal actions.

4. Authorities and actions in relation to Loan renegotiation procedures.

The Servicer may not voluntarily forgive the Loans in full or in part or extend the same, or in general do anything that may diminish the enforceability at law or economic value of the Loans, without prejudice to its proceeding to heed requests by the Obligors using the same efforts and procedure as if the loans should not have been assigned.

Notwithstanding the above, the Management Company may, as manager of third-party funds, previously issue instructions to or authorise the Servicer to agree with the Obligor such terms and conditions as it shall see fit for a novation changing the relevant Loans.

a) Renegotiating the interest rate.

1. The Servicer may under no circumstance entertain on its own account and without being so requested by the Obligor, interest rate renegotiations which may result in a decrease in the interest rate applicable to a Loan. In any event, whether or not it was generically authorised, any Loan interest rate renegotiation shall be taken on and settled bearing in mind the interests of the Fund.
2. Without prejudice to the provisions hereinafter, any renegotiation subscribed by the Servicer shall be occur exclusively with the written consent of the Management Company, on behalf of the Fund, and the Servicer agrees to seek such consent from the Management Company as soon as it is aware that an Obligor has requested a renegotiation. The Management Company shall nevertheless initially authorise the Servicer to entertain and accept renegotiations of the interest rate applicable to the Loans, requested by the Obligors, without requiring the written consent of the Management Company, subject to the following requirements:
 - a) The Servicer shall in renegotiating the Loan interest rate clause observe that the terms include a fixed interest rate at arm's length and are no different from those applied by the Servicer proper in renegotiating or granting its fixed-rate loans. In this connection, arm's length fixed interest rate shall be deemed to be the fixed interest rate offered by the Servicer on the Spanish market for retail loans without mortgage security granted to individuals, the amounts and terms being substantially similar to the renegotiated Loan.
 - b) The fixed interest rate of a Loan shall under no circumstances be renegotiated down in the event that the average interest rate of all the Loans weighted by the outstanding principal of each of the Loans is below 5.00%.
3. The Management Company may, acting for the Fund, at any time during the term of the Agreement and subject to prior written notice to the Servicer, cancel, suspend or change the requirements for the Servicer's authorisation to renegotiate which it may previously have determined for the Servicer.

b) Extending the period of maturity.

The final maturity or final amortisation date of the Loans may be extended (hereinafter "**extending the term**") subject to the criteria established in this section.

The Servicer may in no case entertain on its own account, i.e. without it being so requested by the Obligor, a change in the final maturity date of the Loan which may result in an extension of that date. The Servicer, without encouraging an extension of the term, shall act in relation to such extension bearing in mind at all times the Fund's interests, and subject to the following rules and limitations:

- (i) The aggregate of the capital or principal assigned to the Fund of the Loans with respect to which the maturity date is extended may not exceed 10.00% of the face amount of the Bond Issue.
- (ii) The term of a specific Loan may be extended provided that the following requirements are met:
 - a) That Loan capital or principal repayment instalment frequency is at all events maintained or reduced, albeit keeping the same repayment system in place.
 - b) That the new final maturity or final repayment date does not extend beyond February 28, 2019.
 - c) That the average life of all the Loans weighted by the outstanding principal of each Loan is not in excess of: (i) eighty-four (84) months, or (ii) when the Revolving Period is over, the time in months resulting from reducing from eighty-four (84) months the number of months to have elapsed from the last Payment Date in the Revolving Period until the effective date of the extension of the term.

The Management Company may at any time during the term of the Servicing Agreement, on the Fund's behalf, cancel or suspend the Servicer's authorisation to extend the term.

If there should be any renegotiation of the interest rate of a Loan or its due dates, the Servicer shall forthwith notify the Management Company of the terms resulting from each renegotiation. Such notice shall be made through the software or data file provided for the terms of the Receivables to be updated. Both the loan agreements and the private agreements pertaining to a novation of the terms of the Receivables will be kept by the Servicer, in accordance with the provisions of paragraph 1 of this section.

5. Action against the Obligors in the event of default on the Loans.

Actions in the event of late payment.

The Servicer shall use the same efforts and the same procedure for claiming overdue amounts on the Loans applied to the rest of its portfolio loans.

In the event of default by the Obligor of the payment obligations, the Servicer shall put in place the actions described in the Servicing Agreement, taking for that purpose the steps it would ordinarily take if they were its own portfolio loans and in accordance with standard banking usage and practice for collecting overdue amounts, and shall be bound to advance such expenses as may be necessary for those actions to be taken, without prejudice to its right to be reimbursed by the Fund. Needless to say, these actions include all such legal and other actions as the Servicer may deem necessary to claim and collect the amounts due by the Obligors.

Legal actions.

The Servicer, under the Servicing Agreement or using the power referred to in the following paragraph, shall take all relevant actions against Obligors failing to meet their payment obligations derived from the Loans and against guarantors, if any. Such an action shall be brought using the appropriate court enforcement procedures, which may be enforcement or exchange proceedings or, as the case may be, by means of the appropriate declaratory proceedings.

For the above purposes and in relation to Loans originated by means of a loan agreement certified by a commissioner for oaths, and for the purposes of the provisions of articles 581.2 and 686.2 of the Civil Procedure Act and if this should be necessary, the Management Company grants in the Deed of

Constitution as full and extensive a power of attorney as may be required at Law to BBVA FINANZIA in order that the latter may, acting through any of its attorneys properly empowered for those purposes, as instructed by the Management Company, for and on behalf of the latter, or in its own name albeit on behalf of the Management Company, as the authorised representative of the Fund, demand by any judicial or other means the obligor of any Loan and guarantors, if any, to pay the debt and take legal action against the same, in addition to other authorities required to discharge its duties as Servicer. These authorities may be extended or amended in another deed where appropriate.

The Servicer shall as a general rule commence the relevant legal proceedings if, for a period of six (6) months, a Loan Obligor in default of payment obligations should fail to resume payments or the Servicer, and the latter with the Management Company's consent, should fail to obtain a payment undertaking satisfactory to the interests of the Fund. In order for actions for payment to be swifter, the Management Company may generally confer authorisations on the Servicer, on such terms and subject to such limits as shall be deemed fit.

If more than six (6) months should have elapsed from the oldest default without the Obligor resuming payments or without a debt restructuring agreement, and the Servicer should delay bringing of the relevant action in each case without due cause, the Management Company shall, acting for the Fund, directly proceed to commence the appropriate legal proceedings to claim the debt in full. Moreover, in the event that the proceedings instituted by the Servicer should come to a standstill without due cause, the Management Company may, acting for the Fund, take over the position of the former and continue the legal proceedings, duly notifying the relevant Obligor and guarantors, if any.

In this connection, BBVA FINANZIA shall in the Deed of Constitution confer powers to the fullest extent required by Law in order that the Management Company, acting for the Fund, may notify assignment to the Obligors of any of the Loans and guarantors, if any, whenever it deems this appropriate.

Additionally, the Servicer will provide the Management Company with all such documents as the latter may request in relation to the Loans and in particular the documents required for the Management Company to take legal actions, as the case may be.

6. Set-off.

In the event that any of the Obligors under the Loans should have a receivable that is liquid, due and payable due from the Servicer, and, because the assignment is made without the Obligor being aware, any of the Loans should be fully or partially set-off against that receivable, the Servicer shall remedy such circumstance or, if it cannot be remedied, the Servicer shall proceed to pay to the Fund the amount set off plus the accrued interest which would have been payable to the Fund until the date on which the payment is made, calculated on the terms applicable to the relevant Loan.

7. Subcontracting.

The Servicer may subcontract any of the services it may have agreed to provide under the Servicing Agreement other than those that may not be so delegated in accordance with the laws in force for the time being. That subcontracting may in no event result in an additional cost or expense for the Fund or the Management Company, and may not result in the rating assigned to each Bond Series by the Rating Agencies being downgraded. Notwithstanding any subcontracting or subdelegation, the Servicer shall not be excused or released under that subcontract or subdelegation from any of the liabilities undertaken in the Servicing Agreement which may legally be attributed or ascribed to it.

8. Obligors death or total and permanent disability insurance.

The Servicer shall not take or fail to take any action resulting in cancellation of any death or total and permanent disability insurance policy of the Obligors or reducing the amount payable in any claim thereunder. The Servicer shall use all reasonable efforts and in any event use the rights conferred under the insurance policies in order to keep those policies in full force and effect in relation to each Obligor.

Whenever the Servicer receives notice of non-payment of policy premiums by any Obligor the Servicer shall demand the Obligor to pay the same and indeed take out death or total and permanent disability insurance on the Obligor's behalf, advancing payment of the premiums, without prejudice to being reimbursed by the Obligor for amounts so paid.

In the event of a claim, the Servicer shall coordinate actions for collecting compensations derived from the death or total and permanent disability insurance policies on the terms and conditions of the actual policies, paying the amounts received to the Fund.

3.7.2.2 Term and substitution.

The services shall be provided by the Servicer until all the obligations undertaken by the Servicer as Originator of the Receivables terminate, once all the Loans acquired by the Fund have been repaid, or when the liquidation of the Fund concludes after it terminates, without prejudice to the possible early revocation of its appointment under the Servicing Agreement.

In the event of the Servicer being in breach of any of the obligations imposed on the Servicer under the Servicing Agreement, the Management Company shall be entitled to demand that the Servicer fulfil the agreements made or, as the case may be and if it is legally possible and after first notifying the Rating Agencies, terminate the Servicing Agreement notwithstanding the Servicer's contractual liability, if any, as a result of such breach. In addition, both upon a breach and due to a change in its financial position resulting in a loss or risk for the Fund's financial structure or which may be detrimental to the ratings given to the Bonds by the Rating Agencies, the Management Company will be entitled, if that is legally possible, to terminate the Servicing Agreement with the Servicer.

In the event of the Agreement being terminated, the Management Company shall previously designate BBVA as the new Servicer of the loans. In that event, BBVA as the new Servicer shall, upon the Management Company so requesting in writing and provided that this is legally possible, take on the servicing and management duties of the Loans which the Servicer was in charge of servicing on terms and conditions identical with those set out in the Servicing Agreement. In this connection, the parties agree to perfect such documents as may be necessary.

Furthermore, in the event of insolvency, or indications thereof, administration by the Bank of Spain, liquidation or substitution of the Servicer or because the Management Company deems this reasonably justified, the Management Company shall demand the Servicer to notify Obligors and guarantors, if any, of the transfer to the Fund of the outstanding Loans, and that the payments derived therefrom will only be effective as a discharge if made into the Treasury Account opened in the name of the Fund. However, both in the event of the Servicer failing to notify Obligors within five (5) Business Days of receiving the request and in the event of insolvency or liquidation of the Servicer, the Management Company itself shall notify Obligors and guarantors, if any, directly or, as the case may be, through a new Servicer it shall have designated. Similarly, and in the same circumstances, the Management Company may demand BBVA FINANZIA to do such things as may be necessary in order to have the assignments of Receivables subject to reservations of title entered in the Chattels Register.

Upon the early termination of the Servicing Agreement, the outgoing Servicer shall provide BBVA or the new Servicer upon BBVA being replaced as servicer, as the case may be, on demand by the Management Company and as determined thereby, with the necessary documents and data files it may have in order for the new Servicer to carry on the relevant activities.

The Servicing Agreement shall be fully terminated in the event that the Rating Agencies should not confirm the provisional ratings assigned to each Series as final ratings by the start of the Subscription Period.

3.7.2.3 Liability of the Servicer and indemnity.

The Servicer shall at no time have any liability whatsoever in relation to the obligations of the Management Company as manager of the Fund and manager of Bondholders' interests, nor in relation to the obligations of the Obligors derived from the Loans, without prejudice to the liabilities undertaken thereby as Originator of the Receivables acquired by the Fund.

The Servicer takes on the obligation to indemnify the Fund or its Management Company for any damage, loss or expense resulting for the same on account of any breach by the Servicer of its duties to custody, service and report on the Loans, established under the Servicing Agreement or in the event of breach as provided for in paragraph 3 of section 2.2.9 of this Building Block.

The Management Company shall, for and on behalf of the Fund, have an action against the Servicer where the breach of the obligation to pay any and all principal repayment and interest and other amounts paid by the Obligors under the Loans corresponding to the Fund does not result from default by the Obligors and is attributable to the Servicer.

Upon the Loans terminating, the Fund shall, through its Management Company, retain a right of action against the Servicer until fulfilment of its obligations.

Neither Bondholders nor any other creditor of the Fund shall have any direct right of action whatsoever against the Servicer; that action shall lie with the Management Company, as the representative of the Fund, who shall have that action on the terms described in this section.

3.7.2.4 Servicer's remuneration.

In consideration of the custody, servicing and management of the Loans, the Servicer shall be entitled to receive in arrears on each Payment Date during the term of the Servicing Agreement, a servicing fee equal to 0.01% per annum, inclusive of VAT if there is no exemption, which shall accrue on the exact number of days elapsed in each Determination Period preceding the Payment Date and on the mean daily Outstanding Balance of the Receivables serviced during that Determination Period. If BBVA FINANZIA should be replaced in that servicing task, the Management Company will be entitled to change the above percentage fee for the new Servicer, which may be in excess of that agreed with BBVA FINANZIA, unless BBVA is the replacement. The servicing fee will be paid on the relevant Payment Date provided that the Fund has sufficient liquidity in the Priority of Payments or, as the case may be, in the Liquidation Priority of Payments.

If the Fund should fail, through its Management Company, due to a liquidity shortfall in the Fund Priority of Payments, to pay on a Payment Date the full fee due to the Servicer, overdue amounts shall accumulate without any penalty whatsoever on the fee payable on the following Payment Dates, until fully paid.

Furthermore, on each Payment Date, the Servicer shall be entitled to reimbursement of all Loan servicing and management expenses of an exceptional nature incurred, such as in connection with legal and/or recovery actions, including procedural expenses and costs, or managing and overseeing the sale of assets awarded to the Fund, if any, after first justifying the same. Those expenses will be paid whenever the Fund has sufficient liquidity and in the Priority of Payments or, as the case may be, in the Liquidation Priority of Payments.

3.7.2.5 Security for the Servicer's obligations.

BBVA shall stand unconditional, irrevocable and joint and several surety, expressly waiving the benefit of discussion, priority and division, for fulfilment of the following obligations of the Servicer:

1. Delivery by the Servicer of all amounts received by the Servicer (i) from the Loan Obligors derived from the Loans (whether or not a legal or other claim is involved), and (ii) amounts, if any, received derived from the insurance policies under the Loans where the receivables are partly assigned to the Fund, on the terms given in section 3.7.2 of the Building Block to the Securities Note, and provided that they are paid by the Obligors under the respective loan agreements or Loan insurance policies.
2. The losses which may result for the Fund in the event of the Servicer being decreed to be insolvent or being administered by the Bank of Spain, or entering into liquidation, specifically including those which may result from a breach by the Servicer of its obligations to service and manage the Loans and, specifically, it shall proceed to directly pay to the Fund the Loan principal and interest amounts owing to the Fund, if that is appropriate.

In the event of the Servicer being decreed to be insolvent or being administered by the Bank of Spain, or entering into liquidation, BBVA shall, upon the Management Company so requesting in writing and provided that this is legally possible, take on the servicing and management duties of the Loans which the Servicer was in charge of servicing, following notice duly served on the relevant Obligors, and shall be subrogated to the Servicer's position, on terms and conditions identical with those set out in the Servicing Agreement. In this connection, the parties agree to perfect such documents as may be necessary. The replaced Servicer shall provide BBVA, upon the Management Company so requesting and in such manner as the same shall determine, with all such documents and computer records as may be necessary in order for BBVA to do such things as it shall be bound to.

3. None of the above guarantees shall be construed as a security for payment upon the Obligors' default under the Receivables assigned to the Fund.

In the event of the Servicer being in breach of any of the obligations imposed on the Servicer under the Servicing Agreement, the Management Company shall be entitled to demand that the Servicer fulfil the agreements and in both cases pay for the damages and losses caused.

BBVA shall not be howsoever remunerated by the Fund for providing the above security.

3.8 Name, address and brief description of any swap, credit, liquidity or account counterparties.

BBVA FINANZIA is the Fund's counterparty in the transactions listed below. The details relating to BBVA FINANZIA and its activities are respectively given in section 5.2 of the Securities Note and in section 3.5 of this Building Block.

- (i) Subordinated Loan:
Subordinated Loan Agreement
Description in section 3.4.3.1 of this Building Block.
- (ii) Start-Up Loan:
Start-Up Loan Agreement
Description in section 3.4.3.2 of this Building Block.
- (iii) Financial Intermediation:
Financial Intermediation Agreement
Description in section 3.4.6.4 of this Building Block.

BBVA is the Fund's counterparty in the transactions listed below. The details relating to BBVA and its activities are respectively given in section 5.2 of the Securities Note and in section 3.5 of this Building Block.

- (i) Treasury Account:
Guaranteed Interest Rate Account (Treasury Account) Agreement
Description in section 3.4.4.1 of this Building Block.
- (ii) Principal Account:
Guaranteed Interest Rate Account (Principal Account) Agreement
Description in section 3.4.4.2 of this Building Block.
- (iii) Financial Swap:
Financial Swap Agreement
Description in section 3.4.7.1 of this Building Block.

4. POST-ISSUANCE REPORTING

Obligations and deadlines set to publicise and submit to the CNMV the periodic information on the economic and financial status of the Fund.

4.1 As part of its Fund management and administration duty, the Management Company agrees to submit as promptly as possible or by the deadlines given, the information described hereinafter and such additional information as may be reasonably required of it.

4.1.1 Ordinary information.

The Management Company agrees to give the notices detailed below, observing the recurrence provided in each case.

a) Notices to Bondholders referred to each Payment Date.

1. Within the period comprised between the Interest Rate Fixing Date and not more than two (2) Business Days after each Payment Date, it shall proceed to notify Bondholders of the Nominal Interest Rate resulting for each Bond Series, and for the Interest Accrual Period after that Payment Date.
2. Quarterly, at least one (1) calendar day in advance of each Payment Date, it shall proceed to notify Bondholders of the following information:
 - i) Interest resulting from the Bonds in each Series, along with the amortisation of the Bonds.
 - ii) Furthermore, and if appropriate, interest and amortisation amounts accrued thereby and not settled due to a shortfall of Available Funds, in accordance with the rules of the Fund Priority of Payments.
 - iii) The Outstanding Principal Balances of the Bonds in each Series, after the amortisation to be settled on each Payment Date, and the percentages such Outstanding Principal Balances represent on the initial face amount of each Bond.
 - iv) Obligors' Receivable principal prepayment rate during the calendar quarter preceding the Payment Date.
 - v) The average residual life of the Bonds in each Series estimated assuming that Receivable principal prepayment rates shall be maintained and making all other assumptions as provided in section 4.10 of the Securities Note.

The foregoing notices shall be made in accordance with the provisions of section 4.1.3 below and will also be notified to the CNMV, the Paying Agent, AIAF and Iberclear, at least one (1) Business Day before each Payment Date.

b) Information to be sent to the CNMV referred to each Payment Date:

In relation to the Receivables:

1. Outstanding Balance.
2. During the Revolving Period, the acquisition amount of Additional Receivables.
3. Interest and principal amount of instalments in arrears.
4. Receivable interest rate.
5. Receivable maturity dates.
6. Outstanding Balance of Doubtful Receivables and cumulative amount of Doubtful Receivables from the date on which the Fund is established.

In relation to the economic and financial position of the Fund:

1. Report on the source and subsequent application of the Available Funds and the Principal Available Funds in accordance with the Priority of Payments of the Fund.

In relation to new assignments of Additional Receivables:

1. Sending to the CNMV each notarised assignment certificate for Additional Receivables, and the relevant statement that those Additional Receivables satisfy the set (Individual and Global) Global Requirements for acquiring Additional Receivables.

c) Annually, in relation to the Fund's Annual Accounts:

Annual Accounts (balance sheet, profit & loss account and management report) and audit reports for the Annual Accounts and Additional Receivables in accordance with section 2.2.2.2.6 of this Building Block, within four (4) months of the close of each fiscal year, which shall also be filed with the CNMV.

4.1.2 Extraordinary notices.

The following shall be the subject of an extraordinary notice:

1. The final margins applicable for determining the Nominal Interest Rate for each Series and the Nominal Interest Rate determined for each Bond Series for the first Interest Accrual Period.
2. Other:

Any relevant event occurring in relation to the Receivables, the Bonds, the Fund and the Management Company proper, which may materially influence trading of the Bonds and, in general, any relevant change in the Fund's assets or liabilities, change in the Deed of Constitution, or in the event of termination of the establishment of the Fund or a decision in due course to proceed to an Early Liquidation of the Fund and an Early Amortisation of the Bond Issue in any of the events provided in this Prospectus. In the latter event, the Management Company shall send to the CNMV the notarial certificate of termination of the Fund and the liquidation procedure followed will be as referred to in section 4.4.4 of the Registration Document.

4.1.3 Procedure to notify Bondholders.

Notices to Bondholders to be made by the Management Company in accordance with the above, in regard to the Fund, shall be given as follows:

1. Ordinary notices.

Ordinary notices shall be given by a publication in the daily bulletin of AIAF Mercado de Renta Fija or any other replacement or similarly characterised bulletin, or by a publication in an extensively circulated business and financial or general newspaper in Spain. The Management Company or the Paying Agent may additionally disseminate that information or other information of interest to Bondholders through dissemination channels and systems typical of financial markets, such as Reuters, Bridge Telerate, Bloomberg or any other similarly characterised means.

2. Extraordinary notices.

Extraordinary notices shall be given by publication in an extensively circulated business and financial or general newspaper in Spain, and those notices shall be deemed to be given on the date of that publication, any Business or other calendar day (as established in this Prospectus) being valid for such notices.

Exceptionally, the final margins applicable for determining the Nominal Interest Rate for each Series and the Nominal Interest Rate determined for the Bonds in each Series for the first Interest Accrual Period shall be notified in writing by the Management Company by the start of the Subscription Period to the Underwriters and Placement Agents in order to be reported to investors interested in subscribing for the Bonds. The Management Company will also notify this to the CNMV, the Paying Agent, AIAF and Iberclear.

3. Notices and other information.

The Management Company may provide Bondholders with notices and other information of interest to them through its own Internet pages or other similarly characterised teletransmission means.

4.1.4 Information to the CNMV.

The Management Company shall proceed to advise the CNMV of the periodic and extraordinary notices and information given in accordance with the provisions of the preceding sections, and of such other information as the CNMV may require of it or by the laws in force from time to time, irrespective of the above.

4.1.5 Information to the Rating Agencies.

The Management Company shall provide the Rating Agencies with periodic information as to the position of the Fund and the performance of the Receivables in order that they may monitor the rating of the Bonds and extraordinary notices. The Management Company shall also provide that information when it is reasonably required to do so and, in any event, whenever there is a significant change in the conditions of the Fund, in the agreements entered into by the Fund through its Management Company or in the interested parties.

Mario Masiá Vicente, for and on behalf of EUROPEA DE TITULIZACIÓN, S.A., SOCIEDAD GESTORA DE FONDOS DE TITULIZACIÓN and as General Manager signs this Prospectus at Madrid, on April 24, 2007.

This is a Certified Translation into English of the Spanish Prospectus. No document other than the Spanish Prospectus registered by the Comisión Nacional del Mercado de Valores may have any legal effect whatsoever or be taken into account with respect to the Bond Issue.

GLOSSARY OF DEFINITIONS

“Acquisition Amount” shall mean the maximum amount allocated by the Management Company, for and on behalf of the Fund, on each Payment Date in the Revolving Period, to the acquisition of Additional Receivables. The Acquisition Amount shall be the amount of the Principal Available Funds on the relevant Payment Date.

“Act 19/1992” shall mean Investment Trusts and Companies System and Mortgage Securitisation Funds Act 19/1992, July 7.

“Act 28/1998” shall mean Chattels Hire Purchase Act 28/1998, July 13.

“Act 3/1994” shall mean Act 3/1994, April 14, adapting Spanish laws in the matter of credit institutions to the Second Banking Coordination Directive and introducing other changes in relation to the financial system.

“Additional Receivables” shall mean the Receivables acquired by the Fund during the Revolving Period.

“AIAF” shall mean AIAF Fixed-Income Market (*AIAF Mercado de Renta Fija*).

“Available Funds” shall mean, in relation to the Priority of Payments and on each Payment Date, the amounts to be allocated to meeting the Fund’s payment or withholding obligations, which shall have been paid into the Treasury Account, as established in section 3.4.6.2.1 of the Building Block.

“Bankruptcy Act” shall mean Bankruptcy Act 22/2003, July 9.

“BBVA” shall mean BANCO BILBAO VIZCAYA ARGENTARIA S.A.

“BBVA FINANZIA” shall mean FINANZIA BANCO DE CRÉDITO, S.A.

“Bond Issue Management, Underwriting and Placement Agreement” shall mean the Bond Issue management, underwriting and placement agreement entered into between the Management Company, for and on behalf of the Fund, and BBVA and RBS as Lead Managers and Underwriters and Placement Agents and CALYON, HSBC, IXIS CIB and SOCIÉTÉ GÉNÉRALE as Underwriters and Placement Agents.

“Bond Issue” shall mean the issue of asset-backed bonds issued by the Fund having a face value of EUR eight hundred million (800,000,000.00), consisting of eight thousand (8,000) Bonds comprised of three Series (Series A, Series B and Series C).

“Bond Paying Agent Agreement” shall mean the Bond paying agent agreement entered into by the Management Company, for and on behalf of the Fund, and BBVA, as Paying Agent.

“Bonds” or “Asset-Backed Bonds” shall mean the Series A Bonds, the Series B Bonds and the Series C Bonds issued by the Fund.

“Business Day” shall mean any day other than a public holiday in the city of Madrid or non-business day in the TARGET (Trans European Automated Real-Time Gross Settlement Express Transfer System).

“CALYON” shall mean CALYON SUCURSAL EN ESPAÑA.

“Cash Reserve” shall mean the Initial Cash Reserve set up on the Closing Date and subsequently provisioned on each Payment Date up to the Required Cash Reserve amount.

“CET” shall mean “Central European Time”.

“Closing Date” shall mean May 4, 2007, the date on which the cash amount of the subscription for the Bonds shall be paid up.

“CNMV” shall mean National Securities Market Commission (*Comisión Nacional del Mercado de Valores*).

“CPR” shall mean the effective constant annual early amortisation or prepayment rate at which average lives and durations of the Bonds are estimated in this Prospectus.

“Deed of Constitution” shall mean the public deed recording the establishment of the Fund and issue by the Fund of the Asset-Backed Bonds.

“Delinquent Receivables” shall mean Receivables that are delinquent on a given date with an arrears in excess of three (3) months in payment of overdue amounts, excluding Doubtful Receivables.

“Deloitte” shall mean Deloitte S.L.

“Determination Dates” shall mean the dates falling on the seventh (7th) Business Day preceding each Payment Date.

“Determination Period” shall mean the exact number of days elapsed between every two consecutive Determination Dates, each Determination Period excluding the beginning Determination Date and including the ending Determination Date. Exceptionally, (i) the duration of the first Determination Period shall be equal to the days elapsed between the date of establishment of the Fund, inclusive, and the first Determination Date, July 17, 2007, inclusive, and (ii) the duration of the last Determination Period shall be equal to the days elapsed a) until the Final Maturity Date or the date on which the Early Liquidation of the Fund concludes, as provided for in section 4.4.4.3 of the Registration Document, on which all the assets remaining in the Fund have been liquidated and all the Liquidation Available Funds have been distributed in the Liquidation Priority of Payments of the Fund, b) from the Determination Date preceding the Payment Date preceding the date referred to in a), including the first date a) but not including the last date b).

“Distribution of Principal Available Funds” shall mean the rules for applying the Principal Available Funds on each Payment Date established in sections 4.9.3.1.5 of the Securities Note and 3.4.6.2.2.2 of the Building Block.

“Doubtful Receivables” shall mean the Receivables that are delinquent on a given date with a period of arrears equal to or greater than twelve (12) months in payment of overdue amounts or classified as bad debts by the Management Company because there are reasonable doubts as to their full repayment based on the indications or information obtained from the Servicer.

“Early Amortisation” shall mean Bond amortisation on a date preceding the Final Maturity Date in the Early Liquidation Events of the Fund and subject to the requirements established in section 4.4.3 of the Registration Document.

“Early Liquidation Events” shall mean the events contained in section 4.4.3 of the Registration Document where the Management Company, following notice duly served on the CNMV, is entitled to proceed to an Early Liquidation of the Fund on a Payment Date.

“Early Liquidation of the Fund” shall mean the liquidation of the Fund and thereby an early amortisation of the Bond Issue on a date preceding the Final Maturity Date, in the events and subject to the procedure established in section 4.4.3 of the Registration Document.

“Election Requirements” shall mean the requirements to be satisfied by the Additional Receivables to be assigned to and included in the Fund on the relevant assignment date.

“Euribor” shall mean the Euro Interbank Offered Rate which is the term interbank deposit offered rate in euros calculated as the daily average of the quotations supplied for fifteen maturity terms by a panel consisting of 57 Banks, from among the most active banks in the Euro zone. The rate is quoted based on a count of the actual days to maturity and a 360-day year, and is fixed at 11am (CET time), accurate to three decimal places.

“Final Maturity Date” shall mean the final Bond amortisation date, i.e. April 26, 2021 or the following Business Day if that is not a Business Day.

“Financial Intermediation Agreement” shall mean the financial intermediation agreement entered into between the Management Company, for and on behalf of the Fund, and BBVA FINANZIA.

“Financial Intermediation Margin” shall mean, with respect to the Financial Intermediation Agreement, the variable subordinated remuneration which shall accrue upon the expiration of every quarterly accrual period, comprised between every two consecutive Determination Dates, in an amount equal to the positive difference, if any, between the income and expenditure accrued by the Fund, including losses, if any, brought forward from previous years, with reference to its accounts and before the close of the day next preceding every Determination Date.

“Financial Swap Agreement” shall mean the interest swap agreement based on the standard Master Financial Transaction Agreement (CMOF) entered into between the Management Company, for and on behalf of the Fund, and BBVA.

“Fund” shall mean BBVA FINANZIA AUTOS 1 FONDO DE TITULIZACIÓN DE ACTIVOS.

“Global Requirements” shall mean the requirements the Additional Receivables must satisfy as a whole to be assigned to and included in the Fund on the relevant assignment date.

“Guaranteed Interest Rate Account (Principal Account) Agreement” shall mean the guaranteed interest rate account (Principal Account) agreement entered into by the Management Company, for and on behalf of the Fund, and BBVA.

“Guaranteed Interest Rate Account (Treasury Account) Agreement” shall mean the guaranteed interest rate account (Treasury Account) agreement entered into by the Management Company, for and on behalf of the Fund, and BBVA.

“HSBC” shall mean HSBC BANK PLC.

“Iberclear” shall mean Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.

“Individual Requirements” shall mean the individual requirements each of the Additional Receivables shall satisfy to be assigned to and included in the Fund on the relevant assignment date.

“Initial Cash Reserve” shall mean the Cash Reserve set up on the Closing Date by drawing down the Subordinated Loan at a sum of EUR thirteen million five hundred and twenty thousand (13,520,000.00).

“Initial Receivables” shall mean the Receivables acquired by the Fund upon being established.

“Interest Accrual Period” shall mean the exact number of days elapsed between every two consecutive Payment Dates, including the beginning Payment Date, but not including the ending Payment Date. The first Interest Accrual Period shall begin on the Closing Date, inclusive, and end on the first Payment Date, exclusive.

“Interest Rate Fixing Date” shall mean the second Business Day preceding each Payment Date.

“IRR” shall mean internal rate of return as defined in section 4.10.1 of the Securities Note.

“IXIS CIB” shall mean IXIS CORPORATE & INVESTMENT BANK.

“Lead Managers” shall mean BBVA and RBS.

“Liquidation Available Funds” shall mean, in relation to the Liquidation Priority of Payments, on the Final Maturity Date or when there is an Early Liquidation of the Fund, the amounts to be allocated to meeting the Fund's payment or withholding obligations, as follows: (i) the Available Funds, (ii) the amounts obtained by the Fund from time to time upon disposing of the Receivables and of the assets remaining and, as the case may be, (iii) the amount drawn under the credit facility arranged and exclusively used for final amortisation of the Bonds, in accordance with the provisions of section 4.4.3.(iii) of the Registration Document.

“Liquidation Priority of Payments” shall mean the order of priority of the Fund's payment or withholding obligations for applying the Liquidation Available Funds on the Final Maturity Date or when there is an Early Liquidation of the Fund.

“Loans” shall mean the loans owned by BBVA FINANZIA granted to Spanish individuals or individuals resident in Spain to finance new or used motor car purchase transactions, which are assigned to the Fund.

“Management Company” shall mean EUROPEA DE TITULIZACIÓN, S.A., SOCIEDAD GESTORA DE FONDOS DE TITULIZACIÓN.

“Maximum Receivable Amount” shall mean the maximum amount of the Outstanding Balance of the Receivables pooled in the Fund, which shall be EUR eight hundred million (800,000,000.00).

“Moody’s” shall mean both Moody’s Investors Service España, S.A. and Moody’s Investors Service Ltd., the holding company to which Moody’s Investors Service España, S.A. is affiliated.

“Nominal Interest Rate” shall mean the nominal interest rate, variable quarterly and payable quarterly, applicable to each Series and determined for each Interest Accrual Period, which shall be the result of adding (i) the Reference Rate and (ii) a margin for each Series as detailed in section 4.8.1.2 of the Securities Note.

“Non-Delinquent Receivables” shall mean Receivables that are not deemed to be Delinquent Receivables or Doubtful Receivables on a given date.

“Non-Doubtful Receivables” shall mean Receivables that are not deemed to be Doubtful Receivables on a given date.

“Obligors” shall mean the borrowers of the Loans.

“Offer Dates” shall mean the dates falling on the fourth (4th) Business Day preceding each Payment Date in the Revolving Period on which Additional Receivables should be acquired.

“Offer Request Dates” shall mean the dates falling on the sixth (6th) Business Day preceding each Payment Date in the Revolving Period on which Additional Receivables should be acquired.

“Originator” shall mean BBVA FINANZIA, originator of the Receivables.

“Outstanding Balance of the Receivables” shall mean the sum of outstanding capital or principal and overdue capital or principal not paid into the Fund for each and every one of the Receivables.

“Outstanding Principal Balance of the Bond Issue” shall mean the sum of the outstanding principal to be repaid (outstanding balance) on a given date of all three Series A, B and C making up the Bond Issue.

“Outstanding Principal Balance of the Series” shall mean the sum of the outstanding principal to be repaid (outstanding balance) on a given date on all the Bonds making up the Series.

“Paying Agent” shall mean the firm servicing the Bonds. The Paying Agent shall be BBVA (or any other institution taking its stead as Paying Agent).

“Payment Date” shall mean January 26, April 26, July 26 and October 26 in each year or the following Business Day if any of those is not a Business Day. The first Payment Date shall be July 26, 2007.

“Principal Account” shall mean shall mean the financial account opened in the name of the Fund at BBVA under the Guaranteed Interest Rate Account (Principal Account) Agreement into which the Management Company shall, for and on behalf of the Fund, pay the amounts of the Principal Available Funds not applied to acquiring Additional Receivables during the Revolving Period.

“Principal Available Funds” shall mean the available amount on each Payment Date to be allocated to the acquisition of Additional Receivables during the Revolving Period and, upon that period ending, to amortisation of the Bonds, which shall be a) the Principal Withholding amount actually applied in sixth (6th) place of the Available Funds on the relevant Payment Date, and b) until the Payment Date next succeeding the end of the Revolving Period, inclusive, the Principal Account balance and, as the case may be, the Surplus Account balance transferred from the Principal Account on the Determination Date preceding the relevant Payment Date.

“Principal Withholding” shall mean, on a Payment Date, the positive difference if any on the Determination Date preceding the relevant Payment Date between (i) the Outstanding Principal Balance of the Bond Issue, and (ii) the sum of a) the Outstanding Balance of Non-Doubtful Receivables and b) the Principal Account balance and, as the case may be, the Surplus Account balance transferred from the Principal Account.

“Priority of Payments” shall mean the priority for applying the Fund’s payment or withholding obligations both for applying the Available Funds and for distribution of Principal Available Funds from the first Payment Date until the last Payment Date or date of liquidation of the Fund, exclusive.

“Prospectus” shall mean this document registered in the CNMV, as provided for in Regulation 809/2004.

“Rating Agencies” shall mean Moody’s Investors Service España, S.A., and Standard & Poor’s España, S.A.

“RBS” shall mean THE ROYAL BANK OF SCOTLAND PLC.

“Receivables Servicing Agreement” shall mean the Loan servicing and custody agreement entered into between the Management Company, acting for and on behalf of the Fund, and BBVA FINANZIA, as Servicer, and BBVA, as the first replacement.

“Receivables” shall mean the receivables assigned by BBVA FINANZIA to the Fund derived from loans owned by and shown on the assets of BBVA FINANZIA granted to Spanish individuals or individuals resident in Spain to finance new or used motor car purchase transactions consisting of the Initial Receivables and the Additional Receivables.

“Reference Rate” shall mean, other than for the first Interest Accrual Period, three- (3-) month Euribor fixed at 11am (CET time) on the Interest Rate Fixing Date, or, if this Euribor rate should not be available or be impossible to obtain, the substitute rates for which provision is made in section 4.8.1.3 of the Securities Note. The Reference Rate for the first Interest Accrual Period shall mean the rate resulting from a straight-line interpolation, taking into account the number of days in the first Interest Accrual Period, between two- (2-) month Euribor and three- (3-) month Euribor, fixed at 11am (CET time) on the first Business Day preceding the Closing Date, or, upon the failure or impossibility to obtain these Euribor rates, the substitute rates for which provision is made in section 4.8.1.3 of the Securities Note.

“Regulation (EC) No. 809/2004” shall mean Commission Regulation (EC) No. 809/2004, April 29, 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements, as currently worded.

“Required Cash Reserve” shall mean, on each Payment Date, the lower of the following amounts: (i) EUR thirteen million five hundred and twenty thousand (13,520,000.00) and (ii) the higher of a) 3.38% of the Outstanding Principal Balance of the Bond Issue and b) a sum of EUR six million seven hundred and sixty thousand (6,760,000.00). However, the Required Cash Reserve shall not be reduced on the relevant Payment Date and shall remain at the Required Cash Reserve amount on the preceding Payment Date, when any of the circumstances for which provision is made in section 3.4.4.2 of the Building Block on the Payment Date.

“Revolving Period” shall mean each Payment Date in the period comprised between the first Payment Date, July 26, 2007, and the Payment Date falling on April 26, 2009, both inclusive, or on a previous Payment Date in the event of early termination of the Revolving Period.

“Royal Decree 116/1992” shall mean Book Entries and Stock Exchange Transaction Clearing and Settlement Royal Decree 116/1992, February 14.

“Royal Decree 1310/2005” shall mean Royal Decree 1310/2005, November 4, partly implementing Securities Market Act 24/1988, July 28, in regard to admission to trading of securities in official secondary markets, public offerings for sale or subscription and the prospectus required for that purpose.

“Royal Decree 926/1998” shall mean Royal Decree 926/1998, May 14, regulating asset securitisation funds and securitisation fund management companies.

“S&P” shall mean both Standard & Poor’s España, S.A. and Standard & Poor’s Rating Services, the holding company to which Standard & Poor’s España, S.A. is affiliated.

“Securities Market Act” shall mean Securities Market Act 24/1988, July 28, amended by Act 37/1998, November 16, and Act 44/2002, November 22, and Royal Decree Law 5/2005, March 11, among other amendments.

“Series A Bonds” shall mean the Series A Bonds issued by the Fund having a total face amount of EUR seven hundred and forty-four million (744,000,000.00) comprising seven thousand four hundred and forty (7,440) Bonds having a unit face value of EUR one hundred thousand (100,000).

“Series A” shall mean the Series A Bonds issued by the Fund.

“Series B Bonds” shall mean the Series B Bonds issued by the Fund having a total face amount of EUR twenty-six million eight hundred thousand (26,800,000.00) comprising two hundred and sixty-eight (268) Bonds having a unit face value of EUR one hundred thousand (100,000).

“Series B” shall mean the Series B Bonds issued by the Fund.

“Series C Bonds” shall mean the Series C Bonds issued by the Fund having a total face amount of EUR twenty-nine million two hundred thousand (29,200,000.00) comprising two hundred and ninety-two (292) Bonds having a unit face value of EUR one hundred thousand (100,000).

“Series C” shall mean the Series C Bonds issued by the Fund.

“Servicer” shall mean the institution in charge of custody and servicing of the Loans under the Receivables Servicing Agreement, i.e. BBVA FINANZIA (or any other institution taking its stead as Servicer).

“Servicing Agreement” shall mean the Receivables Servicing Agreement.

“SOCIÉTÉ GÉNÉRALE” shall mean SOCIÉTÉ GÉNÉRALE, SUCURSAL EN ESPAÑA.

“Start-Up Loan Agreement” shall mean the commercial subordinated loan agreement entered into by the Management Company, for and on behalf of the Fund, and BBVA FINANZIA, for a sum of EUR one million two hundred thousand (1,200,000.00).

“Start-Up Loan” shall mean the loan granted by BBVA FINANZIA to the Fund, in accordance with the provisions of the Start-Up Loan Agreement.

“Subordinated Loan Agreement” shall mean the commercial subordinated loan agreement entered into by the Management Company, for and on behalf of the Fund, and BBVA FINANZIA for a sum of EUR thirteen million five hundred and twenty thousand (13,520,000.00).

“Subordinated Loan” shall mean the loan granted by BBVA FINANZIA to the Fund, in accordance with the provisions of the Subordinated Loan Agreement.

“Subscription Period” shall mean the Bond subscription period comprised between 12 o’clock midday (CET time) and 1pm (CET time) on May 3, 2007.

“Surplus Account” shall mean the account opened as the case may be by the Management Company for and on behalf of the Fund and which shall be transferred and credited the amount of the excess of the sum of the Treasury Account and Principal Account balance of the amount equivalent to twenty percent (20.00%) of the Outstanding Principal Balance of the Bond Issue.

“Treasury Account” shall mean the financial account in euros opened at BBVA in the Fund’s name, in accordance with the provisions of the Guaranteed Interest Rate Account (Treasury Account) Agreement, through which the Fund will make and receive payments.

“Underwriters and Placement Agents” shall mean BBVA, RBS, CALYON, HSBC, IXIS CIB and SOCIÉTÉ GÉNÉRALE.

This is a Certified Translation into English of the Spanish Prospectus. No document other than the Spanish Prospectus registered by the Comisión Nacional del Mercado de Valores may have any legal effect whatsoever or be taken into account with respect to the Bond Issue.