

PROSPECTUS

June 19, 2007

BBVA LEASING 1 FONDO DE TITULIZACIÓN DE ACTIVOS

ISSUE OF ASSET-BACKED BONDS EUR 2,500,000,000

Series A1	EUR 750,000,000	AAA/Aaa
Series A2	EUR 1,606,200,000	AAA/Aaa
Series B	EUR 82,500,000	AA-/A3
Series C	EUR 61,300,000	BBB/Baa3

Backed by finance lease contract receivables assigned and serviced by



Lead Managers



Underwriters and Placement Agents

BBVA

BNP PARIBAS

RBS

SOCIÉTÉ GÉNÉRALE

BANCAJA

CALYON

DANSKE BANK

HSBC

Paying Agent

BBVA

Fund established and managed by



Prospectus entered in the Registers of the Comisión Nacional del Mercado de Valores
on June 21, 2007

**Material Event
concerning****BBVA LEASING 1 FONDO DE TITULIZACIÓN DE ACTIVOS**

As provided for in the Prospectus for **BBVA LEASING 1 Fondo de Titulización de Activos** (the “Fund”) notice is given to the Comisión Nacional del Mercado de Valores of the following material event:

This Management Company has been notifying Bondholders in each Series and for each Payment Date of the resultant interest and amortisation, on a quarterly basis and at least one (1) calendar day in advance, as provided for in section 4.1.1 a) 2) i) of the Building Block to the Prospectus Securities Note. That information is also made available to the CNMV, the Paying Agent, AIAF and Iberclear within not more than one (1) Business Day before each Payment Date.

Notwithstanding the above, following the implementation of Phase I of the Reform of the Spanish securities Clearing, Settlement and Recording System and in conformity with Iberclear’s procedures as summed up in that institution’s Informative Note 64/2016, April 15, entitled “Reform: Notifying Fixed Income Corporate Action Events”, participants must be notified of fixed income corporate action events at least two days before the record date, and Iberclear provides that it must be notified by 2 pm on the second day (TARGET2 business days) preceding the relevant record date (generally, the day before the payment date).

In order to adapt to the provisions of the preceding paragraph, the Management Company is to introduce the following operational changes from the date hereof:

- “**Determination Dates**” (section 4.9.3.1.1 of the Prospectus Securities Note) shall mean the dates falling on the **fifth** (5th) Business Day preceding each Payment Date.

Accordingly, the information contained in section 4.1.1 a) 2) i) of the Building Block to the Prospectus Securities Note referred to above may be notified by 2 pm two days in advance of each record date in accordance with Iberclear’s procedures.

Madrid, May 19, 2016

Paula Torres Esperante
Attorney-in-fact

José Luis Casillas González
Attorney-in-fact

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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 (“**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. The 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 May 26, 2009, 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 licence revoked, it shall find a substitute management company, provided that 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 amortisation of the securities issued by the same, in accordance with the provisions of the Deed of Constitution and of this Prospectus.

c) Limitation of actions against the Management Company.

Bondholders and all other creditors of the Fund shall have no recourse whatsoever against Obligors of the Receivables who may have defaulted on their payment obligations or against the Originator. Any such recourse 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 and the Management Company may be declared insolvent.

In particular, insolvency of BBVA 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, 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 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 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 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 to the Fund of the Receivables shall not be notified to 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 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, the Management Company or any other substitute institution which may be a counterparty 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, inter alia, 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 Class A (Series A1 and A2) Bonds, whereas Series C Bond interest payment and principal repayment is deferred with respect to Class A (Series A1 and A2) and Series B Bonds. Nevertheless, there is no certainty that these subordination rules shall protect Series A1, A2, 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.

Class A (Series A1 and A2) 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: Fitch Ratings España, S.A. and Moody's Investors Service 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.

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, as Originator, shall have no liability whatsoever for the Obligors' default of the capital and finance charge amount of the Finance Lease Contract instalments assigned, late-payment interest upon the failure to pay those instalments when due, or any other amount they may owe under the Receivables. Under article 348 of the Commercial Code and 1529 of the Civil Code, BBVA is liable to the Fund exclusively for the existence and lawfulness of the Finance Lease Contracts and the Receivables, and for the personality with which the assignment is made. BBVA 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 or the Management Company. No other guarantees have been granted by any public or private organisation whatsoever, including BBVA, 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) Receivables prepayment risk.

There will be a prepayment of the Receivables pooled in the Fund when Obligors 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 receivables selected to be assigned to the Fund upon being established are, as a percentage with respect to the outstanding capital, as follows: Catalonia (25.58%), Community of Madrid (16.21%) and Andalusia (15.41%), altogether representing 57.20%.

Moreover, paragraph 2 of section 2.2.2.2.3 of the Building Block sets down 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:

- On the date of assignment the Outstanding Balance of the Receivables for Obligors from a same Autonomous Community shall not be in excess of thirty percent (30.00%) of the total Outstanding Balance of the Receivables.
- On the date of assignment the Outstanding Balance of the Receivables for Obligors from the three (3) Autonomous Communities with the highest representation (Outstanding Balance) shall not be in excess of sixty-five percent (65.00%) of the total Outstanding Balance of the Receivables.

e) Interest rate risk.

The weighted average interest rate of the finance charge of the receivables selected as of June 6, 2007, as detailed in section 2.2.2.e) of this Building Block, is 4.92%, which is above the 4.41% 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. In any event, differences if any between these interest rates are covered by the Financial Swap because, under that swap, the Fund shall 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.

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 LEASING 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 in a resolution dated May 29, 2007.

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

Mr Mario Masiá Vicente, in the above capacity, 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 contents.

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**”). Designation of an auditor for a given period shall not preclude 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 straight-line depreciation during the months elapsing between the establishment of the Fund and January 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. The 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 May 26, 2009, 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 LEASING 1 FONDO DE TITULIZACIÓN DE ACTIVOS" and the following short names may also be used without distinction to identify the Fund:

- BBVA LEASING 1 FTA
- BBVA LEASING 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 has been entered in the Official Registers of the CNMV.

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 incorporation and existence of the issuer.

4.4.1 Date of establishment of the Fund.

The Management Company shall with BANCO BILBAO VIZCAYA ARGENTARIA, S.A. ("BBVA"), originator of the Receivables (the "**Originator**"), proceed to execute on June 25, 2007 a public deed whereby BBVA LEASING 1 FONDO DE TITULIZACIÓN DE ACTIVOS will be established, BBVA will assign the Initial Receivables to the Fund, 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 shall match the draft of the 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 Deed of Constitution may not be changed other than in exceptional events, provided that there are no circumstances preventing that in accordance with the laws and regulations in force from time to time. 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. 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 May 26, 2031 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 of this Registration Document 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 early liquidation ("**Early Liquidation**") of the Fund and thereby 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 changes 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 have its licence 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 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) Notice of the Management Company's resolution to proceed to Early Liquidation of the Fund shall contain a description of (i) the event or events for which Early Liquidation of the Fund is effected, (ii) the liquidation procedure, and (iii) 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 Early Liquidation of the Fund and Early Amortisation of the Bond Issue, the Management Company shall, for and on behalf of the Fund:

- (i) Subject to the provisions of paragraph (iv) below, proceed to sell the Receivables remaining in the Fund for a price which shall not be less than the sum of the amount of the assigned instalments still outstanding plus late-payment interest accrued and not paid on the remaining Receivables.
- (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 because the preceding actions fall short and because of the existence of Receivables or other remaining assets of the Fund, 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 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 voluntarily acquire the Receivables or other assets still on the assets of the Fund, and/or may 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 case, after complying with and observing the relevant legal procedure, in any of the following events:

- (i) The Receivables pooled therein are fully repaid.
- (ii) The Bonds issued are fully amortised.
- (iii) The Early Liquidation procedure established in section 4.4.3 above concludes.
- (iv) Final liquidation of the Fund on the Final Maturity Date on May 26, 2031 or the following Business Day if that is not a Business Day.
- (v) Termination of the establishment of the Fund 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. The Fund Management Company shall, notwithstanding the above, defray the expenses of setting up the Fund out of the Start-Up Loan, and the Start-Up Loan agreement shall not terminate but shall be cancelled after those amounts are settled, 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) 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, (vi) Commission Regulation (EC) no. 809/2004, April 29, 2004, 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; additional provision five of Act 3/1994, April 14, and Personal Income Tax

Act 35/2006, November 28, partly amending the Corporation, Non-Resident Income and Wealth Tax Acts, 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 and amortisation is exempt from payment of Value Added Tax and Capital Transfer and Documents Under Seal Tax.
- (iii) The Fund is liable to pay Corporation Tax, the taxable income being determined in accordance with the provisions of Title IV of the Corporation Tax Act, the general rate in force from time to time being applicable, which currently stands at 32.5%, effective from 1st January 2007, and 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) As for returns on the Receivables, or other receivables constituting Fund income, there shall be no Corporation Tax withholding or interim payment obligation.
- (v) Fund management and custody shall be exempt from Value Added Tax.
- (vi) The assignment to the Fund of the Receivables is a transaction subject to and exempt from Value Added Tax.
- (vii) The Fund is subject to the general information obligations and to the obligations provided for in Royal Decree 2281/1998, October 23, as worded by Royal Decree 1778/2004, July 30.

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 have the Fund acquire a set of receivables owned by BBVA under finance lease contracts entered into as lessees with non-financial legal persons and sole traders domiciled in Spain (the “**Obligors**”) to finance and assign the use and enjoyment of chattels and/or real estate designed and/or earmarked for economic, professional, industrial or business activities of every description (the “**Finance Lease Contracts**”) consisting of (i) the asset cost recovery or repayment capital, excluding the residual value amount, and (ii) the finance charge or interest of each instalment (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 underwritten placement of which is targeted at qualified investors.

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

In addition, the Fund, represented by the Management Company, shall arrange a number of financial and service transactions in order to consolidate the financial structure of the Fund, enhance Bond payment security or regularity, cover timing differences between the scheduled principal and interest flows on the Receivables and the Bonds, and, generally, enable the financial transformation carried out in respect of

the Fund's assets between the financial characteristics of the Receivables 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)

- BANCO BILBAO VIZCAYA ARGENTARIA S.A. ("BBVA") is the originator of the Receivables to be acquired by the Fund and 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.

In addition, BBVA shall be the Fund's counterparty in the Guaranteed Interest Rate Account (Treasury Account), Guaranteed Interest Rate Account (Principal Account), Subordinated Loan, Start-Up Loan, Financial Swap, Receivables Servicing, Bond Paying Agent and Financial Intermediation 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)

- BNP PARIBAS SUCURSAL EN ESPAÑA ("BNP PARIBAS") 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, BNP PARIBAS 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.

BNP PARIBAS is a bank incorporated and registered in France acting through its Spanish Branch that is entered in the Bank of Spain as a branch of a foreign Community credit institution under code number 0149.

VAT REG. No.: A-00111171

Registered office: Ribera del Loira number 28, 28042 Madrid (Spain).

- THE ROYAL BANK OF SCOTLAND PLC ("**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 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 bank with registered office at Edinburgh (United Kingdom) regulated and supervised by the Financial Services Authority (FSA), 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.

- SOCIÉTÉ GÉNÉRALE, SUCURSAL EN ESPAÑA ("**SOCIÉTÉ GÉNÉRALE**") 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, SOCIÉTÉ GÉNÉRALE 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.

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).

- CAJA DE AHORROS DE VALENCIA, CASTELLÓN Y ALICANTE, BANCAJA ("**BANCAJA**") shall be one of the Bond Issue Underwriters and Placement Agents.

BANCAJA is a Savings Bank incorporated in Spain and entered in the Companies Register of Castellón and in the Bank of Spain's Special Register of Popular Savings Banks under number 49, its code number being 2077.

VAT REG. No.: G-46/002804

Registered office: Caballeros number 2, 12001 Castellón (Spain).

Principal place of business: Pintor Sorolla number 8, 46002 Valencia.

- 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

Place of Business of the Spanish Branch: Paseo de la Castellana number 1, 28046 Madrid (Spain).

- DANSKE BANK S/A (“**DANSKE BANK**”) shall be one of the Bond Issue Underwriters and Placement Agents.

DANSKE BANK is a credit institution with registered office in Copenhagen (Denmark), registered under number 3000 and operating from its establishment in Denmark at Holmens Kanal 2-12 DK-1092 Copenhagen. In addition, DANSKE BANK is entered in the Bank of Spain as a Community credit institution, operating in Spain without an establishment.

- 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.

- Fitch Ratings España, S.A. is one of the two rating agencies (collectively, the “**Rating Agencies**”) of each Series in the Bond Issue.

Fitch Ratings España, S.A. is a Spanish company licensed as a rating agency by the CNMV, and is affiliated to and operates in accordance with the methodology, standards and quality control of Fitch Ratings Limited (each of them “**Fitch**” without distinction).

VAT REG. No.: A-58090655

Registered Office: Paseo de Gracia number 85, 7th floor, 08008 Barcelona (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)

- The firm CUATRECASAS ABOGADOS, S.R.L. (“**CUATRECASAS**”), an independent law firm, has provided legal advice for establishing the Fund and issuing the Bonds and reviewed their tax aspects.

VAT REG. No.: B-59942110

Registered Office: Paseo de Gracia number 111, 08008 Barcelona (Spain)

- Deloitte S.L. (“**Deloitte**”) has issued the audit report on certain characteristics and attributes of a sample of all the selected finance leases of BBVA 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)

BANCO BILBAO VIZCAYA ARGENTARIA S.A. has an 82.97 percent interest in the share capital of EUROPEA DE TITULIZACIÓN.

BNP PARIBAS SUCURSAL EN ESPAÑA and BNP PARIBAS ESPAÑA, S.A. are affiliated to the same group, and BNP PARIBAS ESPAÑA, S.A. has a 0.7658% 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 transaction.

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 annual accounts for the year ended as at December 31, 2006 have been drawn up by the Board of Directors of EUROPEA DE TITULIZACIÓN, have been audited and are yet to be approved, as the case may be, by the General Shareholders' Meeting of EUROPEA DE TITULIZACIÓN.

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 managed 70 securitisation funds as at the registration date of this Registration Document, 21 being mortgage securitisation funds and 49 being asset securitisation funds.

The following table itemises the 70 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 30.04.2007	Bonds	Issue Balance 31.12.2006	Bonds	Bond Issue Balance 31.12.2005
		EUR	EUR	Δ%	EUR	Δ%	EUR
TOTAL		75,490,696,652.96	56,053,401,773.71	31.1%	41,622,450,971.95	28.11%	32,490,363,122.22
Mortgage (FTH)		13,591,546,652.96	7,389,099,662.36	9.6%	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	763,197,885.95	-8.1%	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	120,290,829.30	-10.0%	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

Securitisation Fund	Establishment	Initial	Issue	Bonds	Issue	Bonds	Bond Issue
		Bond Issue	Balance 30.04.2007		Balance 31.12.2006		Balance 31.12.2005
		EUR	EUR	Δ%	EUR	Δ%	EUR
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	577,079,024.60	-9.3%	636,195,596.86	-15.4%	752,104,867.20
BZ Hipotecario 3 FTH	23.07.2001	310,000,000.00	93,868,716.98	-10.4%	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	131,525,114.16	-12.1%	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)		61,899,150,000.00	48,664,302,111.35	35.2%	34,883,207,121.43	34.1%	26,015,101,944.04
BBVA-6 FTPYME FTA	11/06/2007	1,500,000,000.00					
BBVA Finanzia Autos 1 FTA	30/04/2007	800,000,000.00	800,000,000.00				
MBS Bancaja 4 FTA	27/04/2007	1,873,100,000.00	1,873,100,000.00				
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	556,962,868.60	-9.7%	617,050,000.00		
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	277,367,808.11	-27.2%	380,805,675.83	-26.8%	520,000,000.00
Rural Hipotecario Global I FTA	18.11.2005	1,078,000,000.00	857,791,039.24	-8.0%	932,164,120.79	-13.5%	1,078,000,000.00
FTPYME Bancaja 4 FTA	07.11.2005	1,524,000,000.00	791,534,403.86	-19.8%	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	1,123,616,855.79	-10.4%	1,253,797,200.56	-18.6%	1,539,361,229.38
Bankinter 9 FTA	14.02.2005	1,035,000,000.00	801,535,810.30	-6.9%	860,813,028.16	-16.8%	1,035,000,000.00
BBVA-3 FTPYME FTA	29.11.2004	1,000,000,000.00	492,849,714.01	-16.4%	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	597,996,752.73	-8.2%	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	157,935,499.39	-16.9%	190,138,306.78	-29.7%	270,480,639.80
Bancaja 5 FTA	14.04.2003	1,000,000,000.00	430,339,049.65	-10.1%	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	253,502,106.30	-0.8%	255,514,370.40	-2.1%	260,899,034.40
BBVA-2 FTPYME ICO	01.12.2000	900,000,000.00	127,350,344.97	-27.2%	175,048,960.77	-42.9%	306,595,443.42
BCL Municipios I FTA	21.06.2000	1,205,000,000.00	418,307,630.00	-8.9%	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

** Information taken from the annual accounts for the year ended as of December 31, 2006, drawn up by the Board of Directors of EUROPEA DE TITULIZACIÓN, which have been audited and are yet to be approved, as the case may be, by the General Shareholders' Meeting.

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, Ms Carmen Pérez de Muniain Marzana 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.

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

Name of shareholder company	Holding * (%)
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;
- 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 selected finance lease contracts of BBVA 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) 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 LEASING 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 in a resolution dated May 29, 2007.

- 1.1.2 Mr Fernando Delgado Parra and Ms Sandra de las Cavadas Quevedo, 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 LEASING 1 FONDO DE TITULIZACIÓN DE ACTIVOS, take responsibility for the contents of this Securities Note.

Mr Fernando Delgado Parra is acting as attorney-in-fact 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.

Ms Sandra de las Cavadas Quevedo is acting as attorney-in-fact for the Lead Manager BBVA using the powers conferred on her before Madrid Notary Public Mr Ramón Corral Beneyto on February 23, 2006, his document number 929.

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 contents.
- 1.2.2 Mr Fernando Delgado Parra and Ms Sandra de las Cavadas Quevedo 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 his knowledge, in accordance with the facts and contains no omission likely to affect its contents.

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 is the Originator of the Receivables to be pooled in the Fund.
- d) BBVA, BNP PARIBAS, RBS and SOCIÉTÉ GÉNÉRALE 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) BANCAJA, CALYON, DANSKE BANK and HSBC 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), Subordinated Loan, Start-Up Loan, Financial Swap, Receivables Servicing and Financial Intermediation Agreements.

The Management Company is not aware of the existence of any other significant link or economic interest between the aforesaid institutions involved in the Bond Issue, other than what is strictly professional derived from their involvement as detailed in this section and 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 two billion five hundred million (2,500,000,000.00), consisting of twenty-five thousand (25,000) Bonds denominated in euros and comprised of three Bond Classes distributed as follows:

- a) Class A comprising two Series having a face amount of EUR two billion three hundred and fifty-six million two hundred thousand (2,356,200,000.00) (either "**Class A**" or the "**Class A Bonds**"):
 - i) Series A1 having a total face amount of EUR seven hundred and fifty million (750,000,000.00) comprising seven thousand five hundred (7,500) Bonds having a unit face value of EUR one hundred thousand (100,000), represented by means of book entries (either "**Series A1**" or the "**Series A1 Bonds**").
 - ii) Series A2 having a total face amount of EUR one billion six hundred and six million two hundred thousand (1,606,200,000.00) comprising sixteen thousand and sixty-two (16,062) Bonds having a unit face value of EUR one hundred thousand (100,000), represented by means of book entries (either "**Series A2**" or the "**Series A2 Bonds**").
- b) Class B comprising a single Series B having a total face amount of EUR eighty-two million five hundred thousand (82,500,000.00) comprising eight hundred and twenty-five (825) 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**").
- c) Class C comprising a single Series C having a total face amount of EUR sixty-one million three hundred thousand (61,300,000.00) comprising six hundred and thirteen (613) 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 A1, A2, 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"), BNP PARIBAS SUCURSAL EN ESPAÑA ("BNP PARIBAS"), THE ROYAL BANK OF SCOTLAND PLC ("RBS") and SOCIÉTÉ GÉNÉRALE, SUCURSAL EN ESPAÑA ("SOCIÉTÉ GÉNÉRALE") as Lead Managers and Underwriters and Placement Agents and by CAJA DE AHORROS DE VALENCIA, CASTELLÓN Y ALICANTE, BANCAJA ("BANCAJA"), CALYON SUCURSAL EN ESPAÑA ("CALYON"), DANSKE BANK S/A ("DANSKE BANK") and HSBC BANK PLC ("HSBC") 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, BNP PARIBAS, RBS and SOCIÉTÉ GÉNÉRALE 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 Class A (Series A1 and A2) 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 Class A (Series A1 and A2) 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 Class A (Series A1 and A2) Bonds is (i) fourth (4th) 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) 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.

Payment of interest accrued by Series B 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) 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.

Payment of interest accrued by Series C Bonds is (i) sixth (6th) 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 ninth (9th), and (ii) 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.

4.6.2 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 seventh (7th) 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 Class A (Series A1 and A2) Bond principal is 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.

Repayment of Series B Bond principal is 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.

Repayment of Series C Bond principal is tenth (10th) 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 and financial 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 recourse 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 LEASING 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, expressly waiving any other forum the parties might avail of.

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 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 Determination Date preceding that 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, 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, June 28, 2007, inclusive, and the first Payment Date, November 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 maximum margin for each Series as follows:
 - **Series A1:** margin not more than 0.20%, inclusive.
 - **Series A2:** margin not more than 0.30%, inclusive.
 - **Series B:** margin not more than 0.50%, inclusive.
 - **Series C:** margin not more than 1.00%, 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) on the day on which the Subscription Period begins (June 27, 2007).

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

- **Series A1:** 0.16% margin.
- **Series A2:** 0.20% margin.
- **Series B:** 0.35% margin.
- **Series C:** 0.70% margin.

The final margins set applicable to each Series 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 five- (5-) month Euribor, fixed at 11am (CET) on the second Business Day preceding the Closing Date, falling on the day on which the Subscription Period begins.

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) on the Interest Rate Fixing Date.

Exceptionally, the substitute Reference Rate for the first Interest Accrual Period shall be the simple arithmetic mean of the interbank offered interest rates for non-transferable five- (5-) month deposit transactions in euros, 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) on the second 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 subsequent 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 second 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 that they may 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 subsequent 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 the Bonds are finally amortised by Interest Accrual Periods in arrears on February 26, May 26, August 26 and November 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 November 26, 2007, and interest will accrue at the applicable Nominal Interest Rate between the Closing Date, June 29, 2007, inclusive, and November 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 May 26, 2031, 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.

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 A1 Bonds.

Series A1 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 A1, 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 A1 proper by reducing the face amount of each Series A1 Bond. The first partial amortisation of Series A1 Bonds shall occur on the Payment Date falling on August 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 A1 Bonds shall occur on the Final Maturity Date (May 26, 2031 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 A2 Bonds.

Series A2 Bonds shall be amortised by partial amortisation on each Payment Date after Bond amortisation begins until their total face amount has been fully amortised, in an amount equal to the Principal Available Funds applied on each Payment Date to amortising Series A2, in accordance with the rules for Distribution of Available Funds for Amortisation given in sections 4.9.3.1.4 and 4.9.3.1.5 below, prorated between the Bonds in Series A2 proper by reducing the face amount of each Series A2 Bond.

The first partial amortisation of Series A2 Bonds shall occur once Series A1 Bonds have been fully amortised. However, even if Series A1 has not been fully amortised, in the event that the circumstances for Pro Rata Amortisation of Class A occur, Series A2 Bonds shall be amortised pro rata to Series A1 Bonds, all in accordance with the rules for Distribution of Available Funds for Amortisation.

Final amortisation of Series A2 Bonds shall occur on the Final Maturity Date (May 26, 2031 or the following Business Day if that is not a Business Day), notwithstanding their full amortisation before that date due to the partial amortisation for which provision is made and the fact that the Management Company may, for and on behalf of the Fund, and in accordance with the provisions of section 4.9.3.2 of this Securities Note, proceed to 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 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 Series B Bonds shall occur once the Class A (Series A1 and A2) 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 (May 26, 2031 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.

4.9.2.4 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 Series C Bonds shall occur once the Class A (Series A1 and A2) 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 (May 26, 2031 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 Early Amortisation of the Bond Issue in the event of Early Liquidation of the Fund, the Fund shall, through its Management Company, proceed to 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 fourth (4th) 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 November 20, 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, November 20, 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 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 A1, A2, 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 seventh (7th) place in the order of priority for withholding the amount designed for acquiring Additional Receivables and, after the Revolving Period ends, for amortising the Bonds as a whole ("**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.

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 seventh (7th) 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 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 price comprising the face value of the outstanding capital 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 Class A (Series A1 and A2), as provided for in rule 3 below, secondly to amortising Series B until fully amortised, and thirdly to amortising Series C until fully amortised.
3. The amounts of the Principal Available Funds applied to amortising Class A (Series A1 and A2) shall be applied as follows, notwithstanding the provisions of section 3.4.6.3 of the Building Block in the Liquidation Priority of Payments:

3.1 Ordinary application in the following order:

1. Repayment of Series A1 Bond principal.
2. Repayment of Series A2 Bond principal, once Series A1 Bonds have been fully amortised.

- 3.2 Exceptional pro rata application of Class A ("**Pro Rata Amortisation of Class A**"): If Series A1 has not been fully amortised, the application priority of paragraph 3.1 above shall be stopped in the event that on the Determination Date preceding the relevant Payment Date the Outstanding Balance of Delinquent Receivables is in excess of 1.20% of the Outstanding Balance of Non-Doubtful Receivables.

In that event, on the relevant Payment Date, the amount of the Principal Available Funds applied to amortising Class A (Series A1 and A2) shall be applied to amortising Series A1 and amortising Series A2 and be prorated among the same directly in proportion to (i) the Outstanding Principal Balance of Series A1 and (ii) the Outstanding Principal Balance of Series A2, on the Determination Date preceding the relevant Payment Date.

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 Early Liquidation of the Fund and hence 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 final amortisation of the Bonds shall be on May 26, 2031 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 amount of the Receivables.
- ii) The repayment schedule and system of each Receivable established in the relevant document.
- iii) The Obligor's 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 Obligor, 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) Obligor's 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:

- Receivable interest rate: 4.92% weighted average interest rate as of June 6, 2007 of the selected receivables portfolio used to calculate the repayment and interest instalments of each of the selected receivables;
- Receivable portfolio delinquency: 0.82% of the Outstanding Balance of the Receivables, with 100% recoveries within 15 months of becoming delinquent;
- Doubtful Receivables rated as bad debts: 0%;
- that the Receivable prepayment rate remains constant throughout the life of the Bonds;
- that the Bond Closing Date is June 29, 2007;
- that the Receivables Revolving Period shall end on the Payment Date falling on May 26, 2009, inclusive, 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 five- (5-) month Euribor (4.241%) on June 13, 2007 and in the event that the applicable

margins should be the highest set for each Series in accordance with section 4.8.1.2 of this Securities Note:

	Series A1 Bonds	Series A2 Bonds	Series B Bonds	Series C Bonds
Nominal interest rate	4.441%	4.541%	4.741%	5.241%

For subsequent 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 (4.145%) on **June 13, 2007** and in the event that the applicable margins should be the same average margins as in the preceding paragraph:

	Series A1 Bonds	Series A2 Bonds	Series B Bonds	Series C Bonds
Nominal interest rate	4.345%	4.445%	4.645%	5.145%

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:	1.00%	3.00%	5.00%	7.00%	9.00%
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	Series A1 Bonds				
Average life (years)	2.53	2.51	2.49	2.47	2.45
IRR	4.546%	4.546%	4.546%	4.546%	4.546%
Duration (years)	2.30	2.28	2.27	2.25	2.23
Final maturity	26 08 2010	26 05 2010	26 05 2010	26 05 2010	26 05 2010
(in years)	3.16	2.91	2.91	2.91	2.91

	Series A2 Bonds				
Average life (years)	4.74	4.62	4.51	4.41	4.33
IRR	4.697%	4.697%	4.697%	4.697%	4.697%
Duration (years)	4.07	3.98	3.89	3.82	3.75
Final maturity	26 05 2014	26 02 2014	26 11 2013	26 08 2013	26 08 2013
(in years)	6.91	6.67	6.42	6.16	6.16

	Series B Bonds				
Average life (years)	6.91	6.67	6.42	6.16	6.16
IRR	5.009%	5.009%	5.009%	5.009%	5.009%
Duration (years)	5.62	5.45	5.28	5.10	5.10
Final maturity	26 05 2014	26 02 2014	26 11 2013	26 08 2013	26 08 2013
(in years)	6.91	6.67	6.42	6.16	6.16

	Series C Bonds				
Average life (years)	6.91	6.67	6.42	6.16	6.16
IRR	6.383%	6.383%	6.383%	6.383%	6.383%
Duration (years)	7.95	7.62	7.29	6.95	6.95
Final maturity	26 05 2014	26 02 2014	26 11 2013	26 08 2013	26 08 2013
(in years)	6.91	6.67	6.42	6.16	6.16

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 3%, 5% and 7% 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 the Receivables with 100% recoveries within 15 months of becoming delinquent.
- Receivable doubtfuls rated as 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 = 3.00%

Payment Date	Series A1 Bonds			Series A2 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	Principal Repayment	Gross Interest	Total Flow
TOTALS:	100,000.00	11,219.30	111,219.30	100,000.00	21,330.53	121,330.53	100,000.00	32,797.58	132,797.58	100,000.00	41,587.03	141,587.03
29/06/2007												
26/11/2007	0.00	1,871.25	1,871.25	0.00	1,933.75	1,933.75	0.00	2,058.75	2,058.75	0.00	2,600.42	2,600.42
26/02/2008	0.00	1,123.17	1,123.17	0.00	1,161.50	1,161.50	0.00	1,238.17	1,238.17	0.00	1,570.39	1,570.39
26/05/2008	0.00	1,098.75	1,098.75	0.00	1,136.25	1,136.25	0.00	1,211.25	1,211.25	0.00	1,536.25	1,536.25
26/08/2008	0.00	1,123.17	1,123.17	0.00	1,161.50	1,161.50	0.00	1,238.17	1,238.17	0.00	1,570.39	1,570.39
26/11/2008	0.00	1,123.17	1,123.17	0.00	1,161.50	1,161.50	0.00	1,238.17	1,238.17	0.00	1,570.39	1,570.39
26/02/2009	0.00	1,123.17	1,123.17	0.00	1,161.50	1,161.50	0.00	1,238.17	1,238.17	0.00	1,570.39	1,570.39
26/05/2009	0.00	1,086.54	1,086.54	0.00	1,123.63	1,123.63	0.00	1,197.79	1,197.79	0.00	1,519.18	1,519.18
26/08/2009	28,081.21	1,123.17	29,204.37	0.00	1,161.50	1,161.50	0.00	1,238.17	1,238.17	0.00	1,570.39	1,570.39
26/11/2009	26,300.63	807.77	27,108.39	0.00	1,161.50	1,161.50	0.00	1,238.17	1,238.17	0.00	1,570.39	1,570.39
26/02/2010	24,745.70	512.37	25,258.06	0.00	1,161.50	1,161.50	0.00	1,238.17	1,238.17	0.00	1,570.39	1,570.39
26/05/2010	20,872.47	226.79	21,099.26	977.30	1,123.63	2,100.93	0.00	1,197.79	1,197.79	0.00	1,519.18	1,519.18
26/08/2010	0.00	0.00	0.00	9,831.11	1,150.15	10,981.26	0.00	1,238.17	1,238.17	0.00	1,570.39	1,570.39
26/11/2010	0.00	0.00	0.00	9,292.47	1,035.96	10,328.43	0.00	1,238.17	1,238.17	0.00	1,570.39	1,570.39
28/02/2011	0.00	0.00	0.00	8,847.72	948.20	9,795.92	0.00	1,265.08	1,265.08	0.00	1,604.53	1,604.53
26/05/2011	0.00	0.00	0.00	8,300.49	780.41	9,080.90	0.00	1,170.88	1,170.88	0.00	1,485.04	1,485.04
26/08/2011	0.00	0.00	0.00	7,667.39	728.85	8,396.25	0.00	1,238.17	1,238.17	0.00	1,570.39	1,570.39
28/11/2011	0.00	0.00	0.00	7,169.44	653.70	7,823.14	0.00	1,265.08	1,265.08	0.00	1,604.53	1,604.53
27/02/2012	0.00	0.00	0.00	6,790.72	550.47	7,341.20	0.00	1,224.71	1,224.71	0.00	1,553.32	1,553.32
28/05/2012	0.00	0.00	0.00	6,383.59	472.46	6,856.04	0.00	1,224.71	1,224.71	0.00	1,553.32	1,553.32
27/08/2012	0.00	0.00	0.00	6,019.08	399.12	6,418.20	0.00	1,224.71	1,224.71	0.00	1,553.32	1,553.32
26/11/2012	0.00	0.00	0.00	5,815.59	329.96	6,145.55	0.00	1,224.71	1,224.71	0.00	1,553.32	1,553.32
26/02/2013	0.00	0.00	0.00	4,907.61	266.04	5,173.66	0.00	1,238.17	1,238.17	0.00	1,570.39	1,570.39
27/05/2013	0.00	0.00	0.00	4,217.04	204.50	4,421.54	0.00	1,211.25	1,211.25	0.00	1,536.25	1,536.25
26/08/2013	0.00	0.00	0.00	3,551.99	158.32	3,710.31	0.00	1,224.71	1,224.71	0.00	1,553.32	1,553.32
26/11/2013	0.00	0.00	0.00	2,838.57	118.80	2,957.37	0.00	1,238.17	1,238.17	0.00	1,570.39	1,570.39
26/02/2014	0.00	0.00	0.00	7,389.89	85.83	7,475.72	100,000.00	1,238.17	101,238.17	100,000.00	1,570.39	101,570.39

FLows for Every Bond without Withholding for the Holder
(Amounts in EUR)
CPR = 5.00%

Payment Date	Series A1 Bonds			Series A2 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	Principal Repayment	Gross Interest	Total Flow
TOTALS:	100,000.00	11,134.98	111,134.98	100,000.00	20,823.60	120,823.60	100,000.00	31,559.42	131,559.42	100,000.00	40,016.64	140,016.64
29/06/2007												
26/11/2007	0.00	1,871.25	1,871.25	0.00	1,933.75	1,933.75	0.00	2,058.75	2,058.75	0.00	2,600.42	2,600.42
26/02/2008	0.00	1,123.17	1,123.17	0.00	1,161.50	1,161.50	0.00	1,238.17	1,238.17	0.00	1,570.39	1,570.39
26/05/2008	0.00	1,098.75	1,098.75	0.00	1,136.25	1,136.25	0.00	1,211.25	1,211.25	0.00	1,536.25	1,536.25
26/08/2008	0.00	1,123.17	1,123.17	0.00	1,161.50	1,161.50	0.00	1,238.17	1,238.17	0.00	1,570.39	1,570.39
26/11/2008	0.00	1,123.17	1,123.17	0.00	1,161.50	1,161.50	0.00	1,238.17	1,238.17	0.00	1,570.39	1,570.39
26/02/2009	0.00	1,123.17	1,123.17	0.00	1,161.50	1,161.50	0.00	1,238.17	1,238.17	0.00	1,570.39	1,570.39
26/05/2009	0.00	1,086.54	1,086.54	0.00	1,123.63	1,123.63	0.00	1,197.79	1,197.79	0.00	1,519.18	1,519.18
26/08/2009	29,502.74	1,123.17	30,625.90	0.00	1,161.50	1,161.50	0.00	1,238.17	1,238.17	0.00	1,570.39	1,570.39
26/11/2009	27,491.57	791.80	28,283.38	0.00	1,161.50	1,161.50	0.00	1,238.17	1,238.17	0.00	1,570.39	1,570.39
26/02/2010	25,723.65	483.03	26,206.67	0.00	1,161.50	1,161.50	0.00	1,238.17	1,238.17	0.00	1,570.39	1,570.39
26/05/2010	17,282.04	187.78	17,469.82	3,021.48	1,123.63	4,145.11	0.00	1,197.79	1,197.79	0.00	1,519.18	1,519.18
26/08/2010	0.00	0.00	0.00	10,143.52	1,126.41	11,269.93	0.00	1,238.17	1,238.17	0.00	1,570.39	1,570.39
26/11/2010	0.00	0.00	0.00	9,531.35	1,006.59	10,539.93	0.00	1,238.17	1,238.17	0.00	1,570.39	1,570.39
28/02/2011	0.00	0.00	0.00	9,013.61	917.40	9,931.02	0.00	1,265.08	1,265.08	0.00	1,604.53	1,604.53
26/05/2011	0.00	0.00	0.00	8,403.72	750.08	9,153.81	0.00	1,170.88	1,170.88	0.00	1,485.04	1,485.04
26/08/2011	0.00	0.00	0.00	7,734.24	695.58	8,429.82	0.00	1,238.17	1,238.17	0.00	1,570.39	1,570.39
28/11/2011	0.00	0.00	0.00	7,192.35	618.91	7,811.27	0.00	1,265.08	1,265.08	0.00	1,604.53	1,604.53
27/02/2012	0.00	0.00	0.00	6,766.20	516.53	7,282.73	0.00	1,224.71	1,224.71	0.00	1,553.32	1,553.32
28/05/2012	0.00	0.00	0.00	6,317.60	438.80	6,756.40	0.00	1,224.71	1,224.71	0.00	1,553.32	1,553.32
27/08/2012	0.00	0.00	0.00	5,917.25	366.21	6,283.46	0.00	1,224.71	1,224.71	0.00	1,553.32	1,553.32
26/11/2012	0.00	0.00	0.00	5,656.88	298.23	5,955.11	0.00	1,224.71	1,224.71	0.00	1,553.32	1,553.32
26/02/2013	0.00	0.00	0.00	4,746.46	235.81	4,982.26	0.00	1,238.17	1,238.17	0.00	1,570.39	1,570.39
27/05/2013	0.00	0.00	0.00	4,047.10	176.75	4,223.85	0.00	1,211.25	1,211.25	0.00	1,536.25	1,536.25
26/08/2013	0.00	0.00	0.00	3,385.82	132.22	3,518.04	0.00	1,224.71	1,224.71	0.00	1,553.32	1,553.32
26/11/2013	0.00	0.00	0.00	8,122.41	94.34	8,216.75	100,000.00	1,238.17	101,238.17	100,000.00	1,570.39	101,570.39

FLows for Every Bond without Withholding for the Holder
(Amounts in EUR)
CPR = 7.00%

Payment Date	Series A1 Bonds			Series A2 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	Principal Repayment	Gross Interest	Total Flow
TOTALS:	100,000.00	11,049.30	111,049.30	100,000.00	20,346.42	120,346.42	100,000.00	30,321.25	130,321.25	100,000.00	38,446.25	138,446.25
29/06/2007												
26/11/2007	0.00	1,871.25	1,871.25	0.00	1,933.75	1,933.75	0.00	2,058.75	2,058.75	0.00	2,600.42	2,600.42
26/02/2008	0.00	1,123.17	1,123.17	0.00	1,161.50	1,161.50	0.00	1,238.17	1,238.17	0.00	1,570.39	1,570.39
26/05/2008	0.00	1,098.75	1,098.75	0.00	1,136.25	1,136.25	0.00	1,211.25	1,211.25	0.00	1,536.25	1,536.25
26/08/2008	0.00	1,123.17	1,123.17	0.00	1,161.50	1,161.50	0.00	1,238.17	1,238.17	0.00	1,570.39	1,570.39
26/11/2008	0.00	1,123.17	1,123.17	0.00	1,161.50	1,161.50	0.00	1,238.17	1,238.17	0.00	1,570.39	1,570.39
26/02/2009	0.00	1,123.17	1,123.17	0.00	1,161.50	1,161.50	0.00	1,238.17	1,238.17	0.00	1,570.39	1,570.39
26/05/2009	0.00	1,086.54	1,086.54	0.00	1,123.63	1,123.63	0.00	1,197.79	1,197.79	0.00	1,519.18	1,519.18
26/08/2009	30,956.43	1,123.17	32,079.60	0.00	1,161.50	1,161.50	0.00	1,238.17	1,238.17	0.00	1,570.39	1,570.39
26/11/2009	28,696.10	775.47	29,471.58	0.00	1,161.50	1,161.50	0.00	1,238.17	1,238.17	0.00	1,570.39	1,570.39
26/02/2010	26,700.17	453.17	27,153.34	0.00	1,161.50	1,161.50	0.00	1,238.17	1,238.17	0.00	1,570.39	1,570.39
26/05/2010	13,647.29	148.28	13,795.58	5,080.57	1,123.63	6,204.19	0.00	1,197.79	1,197.79	0.00	1,519.18	1,519.18
26/08/2010	0.00	0.00	0.00	10,444.15	1,102.49	11,546.64	0.00	1,238.17	1,238.17	0.00	1,570.39	1,570.39
26/11/2010	0.00	0.00	0.00	9,754.91	981.18	10,736.09	0.00	1,238.17	1,238.17	0.00	1,570.39	1,570.39
28/02/2011	0.00	0.00	0.00	9,161.85	886.74	10,048.59	0.00	1,265.08	1,265.08	0.00	1,604.53	1,604.53
26/05/2011	0.00	0.00	0.00	8,488.08	720.08	9,208.16	0.00	1,170.88	1,170.88	0.00	1,485.04	1,485.04
26/08/2011	0.00	0.00	0.00	7,779.60	662.87	8,442.47	0.00	1,238.17	1,238.17	0.00	1,570.39	1,570.39
28/11/2011	0.00	0.00	0.00	7,192.86	584.96	7,777.82	0.00	1,265.08	1,265.08	0.00	1,604.53	1,604.53
27/02/2012	0.00	0.00	0.00	6,719.46	483.65	7,203.12	0.00	1,224.71	1,224.71	0.00	1,553.32	1,553.32
28/05/2012	0.00	0.00	0.00	6,230.25	406.46	6,636.70	0.00	1,224.71	1,224.71	0.00	1,553.32	1,553.32
27/08/2012	0.00	0.00	0.00	5,794.75	334.88	6,129.63	0.00	1,224.71	1,224.71	0.00	1,553.32	1,553.32
26/11/2012	0.00	0.00	0.00	5,481.27	268.30	5,749.58	0.00	1,224.71	1,224.71	0.00	1,553.32	1,553.32
26/02/2013	0.00	0.00	0.00	4,572.59	207.59	4,780.18	0.00	1,238.17	1,238.17	0.00	1,570.39	1,570.39
27/05/2013	0.00	0.00	0.00	3,868.75	151.12	4,019.87	0.00	1,211.25	1,211.25	0.00	1,536.25	1,536.25
26/08/2013	0.00	0.00	0.00	9,430.92	108.35	9,539.27	100,000.00	1,224.71	101,224.71	100,000.00	1,553.32	101,553.32

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 in a resolution dated May 29, 2007 that:

- i) BBVA LEASING 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 under chattel and real estate finance lease contracts be pooled in the Fund.
- iii) The Bonds be issued by the Fund.

Resolution to assign the receivables:

The Standing Executive Committee of BBVA resolved, at a meeting held on May 22, 2007, that the assignment of the Receivables under finance lease contracts entered into by BBVA to an open-end Asset Securitisation Fund set up ad hoc for a total maximum amount of EUR two billion five hundred million (2,500,000,000.00) and with maturity not in excess of 20 years be authorised. Moreover, and in order for the outstanding balance of the securitised Receivables to remain at not more than EUR two billion five hundred million for the first twenty-four months of existence of the Fund, that the assignment of additional receivables be authorised.

b) Registration by the CNMV.

A condition precedent for the Fund to be established and the Bonds to be issued is that this Prospectus and all other supporting documents be entered in the Official Registers of the CNMV, 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, Originator of the Receivables, proceed to execute on June 25, 2007 a public deed whereby BBVA LEASING 1 FONDO DE TITULIZACIÓN DE ACTIVOS will be established, BBVA will assign the Initial Receivables to the Fund and the Fund will issue the Asset-Backed Bonds, on the terms provided in article 6 of Royal Decree 926/1998.

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 under the Deed of Constitution on June 25, 2007.

4.13.1 Potential investors to whom the Bonds are offered.

Placement of the Bonds in each of Series A1, A2, 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) on June 27, 2007 and end at 5pm (CET) on June 28, 2007.

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) on June 29, 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 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 Bond Issue, the most significant terms of which are given in section 3.4.7.2 of the Building Block.

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 two million one hundred and four thousand seven hundred and ninety-six euros and sixty-six eurocents (EUR 2,104,796.66). These expenses include, inter alia, the initial Management Company fee, notary's, rating and legal advice fees, CNMV fees, AIAF and Iberclear fees, 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.

CUATRECASAS, an independent law firm, has provided legal advice for establishing the Fund and issuing the Bonds and reviewed their tax implications.

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 Finance Lease Contracts on the terms set forth in section 2.2 of the Building Block and has audited the Management Company's and BBVA's annual accounts for the year ended December 31, 2006.

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, as Originator, as to the truthfulness of the characteristics of BBVA as Originator, of the Finance Lease Contracts and of the Receivables given in section 2.2.8 of the Building Block, and of the remaining information on BBVA, the Finance Lease Contracts and Receivables given in this Prospectus.

In the Deed of Constitution of the Fund and in each public deed of assignment of Additional Receivables to the Fund, BBVA 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 on the Receivables 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, 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.

Fitch and Moody's have, on June 20, 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	Fitch Ratings	Moody's Ratings
Series A1	AAA	Aaa
Series A2	AAA	Aaa
Series B	AA-	A3
Series C	BBB	Baa3

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 Fitch measure the Fund's capacity for timely payment of interest and payment of Bond principal throughout the life of the transaction and at all events before the Final Maturity Date, on the terms stipulated in the Prospectus. The structure allows Series B and C interest payment to be deferred in certain circumstances. This implies that those Series might not receive interest on some Payment Dates if the deferment circumstances occur, without that being a default on payment of those Bonds.

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 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.

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 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 shall assign to the Fund upon being established and their total capital shall be equal to or slightly under EUR two billion five hundred million (2,500,000,000.00), 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 capital and finance charge of 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 to Early Liquidation of the Fund and thereby 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 under Finance Lease Contracts and consisting of (i) the asset cost recovery or repayment capital, excluding the residual value amount, and (ii) the finance charge of each instalment, comprising the Initial Receivables assigned by BBVA to the Fund upon being established and the Additional Receivables later assigned during the Revolving Period.

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 two billion five hundred million (2,500,000,000.00) (the “**Maximum Receivable Amount**”), equivalent to the face value of the Bond Issue.

Outstanding Balance of the Receivables.

The outstanding balance of a Receivable shall be the sum of the capital not yet due and the capital due and not paid to the Fund on the relevant Receivable 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 Receivable on that date.

Delinquent Receivables shall be deemed to be Receivables that are delinquent on a given date with 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.

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

The securitised assets are governed by Spanish Law.

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.

In the Deed of Constitution, the Management Company, for and on behalf of the Fund, and BBVA shall perfect the agreement assigning to the Fund an as yet indeterminate number of Initial Receivables with a total capital equal to the Maximum Receivable Amount (EUR 2,500,000,000.00) or slightly lower amount closest thereto. The amount of the Initial Receivables assigned upon the Fund being established may be slightly less than the Maximum Receivable Amount given how difficult it is to exactly adjust to that amount because the Receivables will be assigned at each of their total outstanding balance 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 shall itemise each of the Initial Receivables assigned to the Fund, giving the main features allowing them to be identified.

The selected finance lease contract portfolio from which the Initial Receivables shall be taken comprises eighty-two thousand nine hundred and seventy-eight (82,978) finance lease contracts, the outstanding capital as at June 6, 2007 being two billion nine hundred and seven million six hundred and forty-two thousand five hundred and fifty-three euros and forty eurocents (EUR 2,907,642,553.40) and the overdue capital being EUR 980,153.80.

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

The 82,978 selected finance lease contracts 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 finance lease contracts (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: nature of the contract and obligor,

lending policy, title, identification of obligor, transfer of transaction rights, transaction origination date, transaction maturity date, initial transaction amount, outstanding balance of the transaction, interest rate or benchmark index, interest rate spread, interest rate applied, arrears in payment, insolvency status, transaction origination and title to the leased assets. Receivables under selected finance lease contracts in respect of which errors are detected in verifying the sample shall not be assigned to the Fund by BBVA.

The audit results shall be set out in a report prepared by Deloitte, which is one of the documents on display 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 selected finance lease contract Obligors.

The selected finance lease contract Obligors are legal persons and sole traders. The following table gives the concentration of the ten Obligors weighing most in the portfolio of selected finance lease contracts as of June 6, 2007.

Selected finance lease contract portfolio as of 06.06.2007				
Classification by Obligor				
	Transactions		Outstanding capital	
		%	(EUR)	%
Obligor 1	1	0.001	5,922,021.00	0.20
Obligor 2	2	0.002	5,767,133.86	0.20
Obligor 3	7	0.008	5,615,810.40	0.19
Obligor 4	1	0.001	5,475,748.34	0.19
Obligor 5	2	0.002	5,066,550.78	0.17
Obligor 6	86	0.104	4,603,877.74	0.16
Obligor 7	14	0.017	4,465,832.88	0.15
Obligor 8	1	0.001	4,442,122.95	0.15
Obligor 9	2	0.002	4,215,681.15	0.14
Obligor 10	1	0.001	4,214,542.18	0.14
Remaining Obligors: 50,478	82,861	99.86	2,857,853,232.12	98.29
Total 50,488 obligors	82,978	100.00	2,907,642,553.40	100.00

The outstanding capital of each Obligor is the result of the sum of the capital of outstanding instalments of each selected finance lease contract granted to a same Obligor.

b) Information regarding type of finance lease of the selected finance lease contracts.

The following table gives the distribution of the selected finance lease contract portfolio based on the type of finance lease (chattel or real estate).

Selected finance lease contract portfolio as of 06.06.2007				
Classification by type of finance lease				
Type of finance lease	Transactions		Outstanding capital	
		%	(EUR)	%
Real estate finance lease	2,821	3.40	926,845,900.78	31.88
Chattel finance lease	80,157	96.60	1,980,796,652.62	68.12
Total	82,978	100.00	2,907,642,553.40	100.00

c) Information on the obligors' economic activity by economic activity sectors in accordance with the Spanish Business Activity Code (CNAE).

Selected finance lease contract portfolio as of 06.06.2007				
Classification by economic activity sectors				
CNAE		Transactions %		Outstanding capital (EUR) %
01	Agriculture, stockbreeding, hunting and related service activities	1,913	2.31	47,751,937.12 1.64
02	Silviculture, forestry and related service activities.	237	0.29	9,490,031.78 0.33
05	Fishing, aquiculture and related service activities.	70	0.08	1,190,076.30 0.04
10	Extracting and agglomerating anthracite, coal, lignite and peat.	39	0.05	1,986,692.82 0.07
11	Extracting crude oil and natural gas. Oil and gas related service activities, excepting prospecting activities.	29	0.03	595,331.52 0.02
12	Extracting uranium and thorium minerals.	1	0.00	11,407.97 0.00
13	Extracting metallic minerals.	17	0.02	420,576.93 0.01
14	Extracting non-metallic and non-energetic minerals.	601	0.72	32,891,739.47 1.13
15	Food products and drinks industry.	2,009	2.42	63,960,509.17 2.20
16	Tobacco industry.	5	0.01	48,293.38 0.00
17	Textile manufacture and textile products.	449	0.54	22,372,830.03 0.77
18	Clothing and fur industry.	192	0.23	5,219,991.82 0.18
19	Preparing, tanning and finishing leather. Manufacturing morocco leather and travel goods. Harness, saddlery and footwear goods.	177	0.21	6,566,356.93 0.23
20	Wood and cork industry, excepting furniture, basketwork and wickerwork.	1,054	1.27	25,850,086.70 0.89
21	Paper industry.	265	0.32	15,297,451.49 0.53
22	Publishing, graphic arts and reproduction of recorded media.	1,385	1.67	58,785,425.41 2.02
23	Coke processing, oil refining and processing of nuclear fuels.	6	0.01	104,437.24 0.00
24	Chemical industry.	632	0.76	19,960,856.77 0.69
25	Manufacture of rubber products and plastic materials.	812	0.98	36,186,029.35 1.24
26	Manufacture of other non-metallic mineral products.	1,763	2.12	78,203,541.48 2.69
27	Metallurgy.	537	0.65	18,943,588.16 0.65
28	Manufacture of metallic products, other than machinery and equipment.	2,996	3.61	101,085,564.26 3.48
29	Building of machinery and mechanical equipment industry.	1,186	1.43	38,821,764.15 1.34
30	Manufacture of office machines and computer equipment.	35	0.04	1,261,498.22 0.04
31	Manufacture of machinery and electrical material.	385	0.46	9,123,121.68 0.31
32	Manufacture of electronic material. Manufacture of radio, television and communications equipment and appliances.	126	0.15	3,036,088.26 0.10
33	Manufacture of medical and surgical, optical precision and clock and watch equipment and instruments.	173	0.21	7,377,568.94 0.25
34	Manufacture of motor vehicles, trailers and semi-trailers.	178	0.21	10,699,368.87 0.37
35	Manufacture of other transport material.	93	0.11	2,372,914.62 0.08
36	Manufacture of furniture. Other manufacturing industries.	981	1.18	28,044,899.70 0.96
37	Recycling.	246	0.30	15,915,421.02 0.55
40	Production and distribution of electric power, gas, steam and hot water.	130	0.16	4,410,215.10 0.15
41	Collecting, treating and distributing water.	96	0.12	2,934,521.94 0.10
45	Building.	15,831	19.08	429,056,169.66 14.76
50	Sale, maintenance and repair of motor vehicles, motorcycles and mopeds; retail sale of fuel for motor vehicles.	1,827	2.20	56,813,845.27 1.95
51	Wholesale and trade intermediaries, excepting motor vehicles and motorcycles.	9,273	11.18	304,546,511.41 10.47
52	Retail trade, excepting sale of motor vehicles, motorcycles and mopeds; repair of personal chattels and household items.	5,063	6.10	132,285,142.49 4.55
55	Catering trade.	2,195	2.65	72,931,881.04 2.51
60	Land transport; Pipeline transport.	9,973	12.02	343,283,960.03 11.81
61	Transport by sea, cabotage and other inland waterways.	55	0.07	2,771,448.03 0.10
62	Air and space transport.	35	0.04	3,715,610.94 0.13
63	Transport-related activities. Travel agency activities.	1,808	2.18	84,897,456.89 2.92
64	Post and telecommunications.	333	0.40	4,823,604.50 0.17
67	Activities ancillary to financial broking.	73	0.09	1,927,988.10 0.07
70	Real estate activities.	2,981	3.59	337,672,034.22 11.61
71	Rental of machinery and equipment without operators, personal chattels and household items.	2,766	3.33	94,951,425.57 3.27

Selected finance lease contract portfolio as of 06.06.2007				
Classification by economic activity sectors				
CNAE		Transactions		Outstanding capital
			%	(EUR) %
72	Computer-related activities.	630	0.76	16,094,398.90 0.55
73	Research and development.	49	0.06	1,132,871.25 0.04
74	Other business activities	5,707	6.88	190,075,813.30 6.54
75	Public administration, defence and compulsory social security.	181	0.22	8,855,634.45 0.30
80	Education.	478	0.58	9,624,709.72 0.33
85	Health and veterinary activities, social services.	1,852	2.23	50,227,088.87 1.73
90	Public sanitation activities.	110	0.13	3,713,795.13 0.13
91	Associative activities.	82	0.10	2,718,423.88 0.09
92	Recreational, cultural and sporting activities.	1,235	1.49	45,676,755.82 1.57
93	Sundry personal service activities.	1,623	1.96	38,925,845.33 1.34
Total		82,978	100.00	2,907,642,553.40 100.00

d) Information regarding selected finance lease contract origination date.

The following table gives the selected finance lease contract distribution based on booking date by six-monthly intervals, excepting the last one, and the average, minimum and maximum age. The latest booking date for selected finance lease contracts with a monthly instalment frequency is May 4, 2007, whereas for selected finance lease contracts with a quarterly instalment frequency, the latest booking date is January 26, 2007.

Selected finance lease contract portfolio as of 06.06.2007				
Classification by finance lease contract booking date				
Date interval	Transactions		Outstanding capital	
		%	(EUR)	%
01/01/1999 to 30/06/1999	95	0.11	8,311,446.42	0.29
01/07/1999 to 31/12/1999	112	0.13	14,162,973.88	0.49
01/01/2000 to 30/06/2000	72	0.09	14,945,066.20	0.51
01/07/2000 to 31/12/2000	15	0.02	2,145,646.13	0.07
01/01/2001 to 30/06/2001	78	0.09	4,040,282.13	0.14
01/07/2001 to 31/12/2001	130	0.16	16,154,755.02	0.56
01/01/2002 to 30/06/2002	317	0.38	43,726,188.23	1.50
01/07/2002 to 31/12/2002	264	0.32	57,491,869.59	1.98
01/01/2003 to 30/06/2003	5,027	6.06	122,694,143.03	4.22
01/07/2003 to 31/12/2003	3,443	4.15	129,256,551.82	4.45
01/01/2004 to 30/06/2004	7,063	8.51	210,504,583.53	7.24
01/07/2004 to 31/12/2004	6,207	7.48	213,743,814.72	7.35
01/01/2005 to 30/06/2005	14,871	17.92	426,878,802.13	14.68
01/07/2005 to 31/12/2005	11,129	13.41	335,550,216.03	11.54
01/01/2006 to 30/06/2006	15,996	19.28	549,830,207.31	18.91
01/07/2006 to 31/12/2006	10,454	12.60	415,899,434.73	14.30
01/01/2007 to 04/05/2007	7,705	9.29	342,306,572.50	11.77
Total	82,978	100.00	2,907,642,553.40	100.00
	23.17	Months	Weighted average age	
	101.10	Months	Maximum age	
	1.08	Months	Minimum age	

e) Information regarding selected finance lease contract capital.

The following table gives the distribution of finance lease contract outstanding instalment capital as at June 6, 2007 by EUR 100,000 intervals, and the average, minimum and maximum amount. No details are given of intervals with no contents.

Selected finance lease contract portfolio as of 06.06.2007				
Classification by transaction outstanding instalment capital				
Capital interval (EUR)	Transactions No.	%	Outstanding capital (EUR)	%
0.00 - 99,999.99	78,497	94.600	1,498,534,030.79	51.54
100,000.00 - 199,999.99	2,498	3.010	342,655,421.98	11.78
200,000.00 - 299,999.99	806	0.971	196,438,825.79	6.76
300,000.00 - 399,999.99	366	0.441	127,141,757.27	4.37
400,000.00 - 499,999.99	213	0.257	94,758,527.29	3.26
500,000.00 - 599,999.99	138	0.166	75,084,440.39	2.58
600,000.00 - 699,999.99	101	0.122	65,590,398.75	2.26
700,000.00 - 799,999.99	66	0.080	49,338,032.04	1.70
800,000.00 - 899,999.99	53	0.064	45,092,262.81	1.55
900,000.00 - 999,999.99	38	0.046	36,173,888.08	1.24
1,000,000.00 - 1,099,999.99	30	0.036	31,687,034.86	1.09
1,100,000.00 - 1,199,999.99	20	0.024	22,937,537.35	0.79
1,200,000.00 - 1,299,999.99	11	0.013	13,585,199.62	0.47
1,300,000.00 - 1,399,999.99	22	0.027	29,748,881.96	1.02
1,400,000.00 - 1,499,999.99	15	0.018	21,384,272.71	0.74
1,500,000.00 - 1,599,999.99	12	0.014	18,598,793.87	0.64
1,600,000.00 - 1,699,999.99	13	0.016	21,390,053.71	0.74
1,700,000.00 - 1,799,999.99	6	0.007	10,404,327.49	0.36
1,800,000.00 - 1,899,999.99	11	0.013	20,207,698.16	0.69
1,900,000.00 - 1,999,999.99	6	0.007	11,784,821.47	0.41
2,000,000.00 - 2,099,999.99	3	0.004	6,167,725.91	0.21
2,100,000.00 - 2,199,999.99	4	0.005	8,673,222.59	0.30
2,200,000.00 - 2,299,999.99	3	0.004	6,815,502.10	0.23
2,300,000.00 - 2,399,999.99	2	0.002	4,796,073.27	0.16
2,400,000.00 - 2,499,999.99	2	0.002	4,935,542.67	0.17
2,500,000.00 - 2,599,999.99	2	0.002	5,076,147.35	0.17
2,600,000.00 - 2,699,999.99	7	0.008	18,518,309.56	0.64
2,700,000.00 - 2,799,999.99	3	0.004	8,168,281.94	0.28
2,800,000.00 - 2,899,999.99	1	0.001	2,803,453.53	0.10
2,900,000.00 - 2,999,999.99	2	0.002	5,952,287.18	0.20
3,000,000.00 - 3,099,999.99	4	0.005	12,210,527.49	0.42
3,100,000.00 - 3,199,999.99	2	0.002	6,299,288.60	0.22
3,200,000.00 - 3,299,999.99	2	0.002	6,575,037.16	0.23
3,400,000.00 - 3,499,999.99	3	0.004	10,401,156.83	0.36
3,500,000.00 - 3,599,999.99	1	0.001	3,514,307.38	0.12
3,600,000.00 - 3,699,999.99	2	0.002	7,230,117.31	0.25
3,700,000.00 - 3,799,999.99	1	0.001	3,707,040.19	0.13
3,800,000.00 - 3,899,999.99	2	0.002	7,640,027.14	0.26
3,900,000.00 - 3,999,999.99	3	0.004	11,807,547.64	0.41
4,000,000.00 - 4,099,999.99	2	0.002	8,114,940.55	0.28
4,200,000.00 - 4,299,999.99	1	0.001	4,214,542.18	0.14
4,400,000.00 - 4,499,999.99	1	0.001	4,442,122.95	0.15
5,400,000.00 - 5,499,999.99	1	0.001	5,475,748.34	0.19
5,600,000.00 - 5,699,999.99	1	0.001	5,645,376.15	0.19
5,900,000.00 - 5,999,999.99	1	0.001	5,922,021.00	0.20
Total	82,978	100.00	2,907,642,553.40	100.00
Average principal:			35,041.13	
Minimum principal:			455.88	
Maximum principal:			5,922,021.00	

f) Information regarding selected finance lease contract interest rate benchmark index.

The finance charge of the selected finance lease contracts is a fixed or floating interest rate. The following table gives the distribution according to fixed or floating interest and benchmark indices applicable to floating-rate finance lease contracts for determining the nominal interest rate.

Selected finance lease contract portfolio as of 06.06.2007				
Classification by interest rate benchmark index				
Benchmark Index	Transactions		Outstanding capital	
		%	(EUR)	%
Fixed interest rate	15,882	19.140	254,954,089.45	8.7684
Floating interest rate *	67,096	80.86	2,652,688,463.95	91.23
1-year EURIBOR/MIBOR	14,524	17.50	638,084,557.71	21.95
6-month EURIBOR/MIBOR	40,669	49.01	1,424,507,523.36	49.09
3-month EURIBOR/MIBOR	11,903	14.34	590,096,382.88	20.39
Total	82,978	100.00	2,907,642,553.40	100.00

* The EURIBOR and MIBOR indices have been grouped because their respective values are similar and they are financially comparable for the purpose of the financial transaction structure.

g) Information regarding the next finance charge interest rate reset date for selected floating-rate finance lease contracts.

The following table gives the distribution of the next finance charge interest rate reset date for selected floating-rate finance lease contracts, by monthly intervals.

Selected finance lease contract portfolio as of 06.06.2007				
Classification by next interest rate reset date for floating-rate transactions				
Reset month	Transactions		Outstanding capital	
		%	(EUR)	%
June-2007	105	0.16	2,519,442.58	0.09
July-2007	10,643	15.86	508,128,467.51	19.16
August-2007	11,544	17.21	423,811,180.93	15.98
September-2007	15,417	22.98	604,342,266.06	22.78
October-2007	9,834	14.66	338,767,838.19	12.77
November-2007	7,099	10.58	249,245,045.15	9.40
December-2007	6,696	9.98	280,639,026.92	10.58
January-2008	1,024	1.53	45,365,567.90	1.71
February-2008	867	1.29	33,717,124.90	1.27
March-2008	988	1.47	35,916,140.93	1.35
April-2008	901	1.34	41,108,765.76	1.55
May-2008	990	1.48	47,475,732.31	1.79
June-2008	988	1.47	41,651,864.81	1.57
Total	67,096	100.00	2,652,688,463.95	100.00

h) Information regarding applicable nominal interest rates: selected finance lease contract maximum, minimum and average rates.

The following table gives selected finance lease contract distribution by 0.50% nominal interest rate intervals applicable as at June 6, 2007 and their average, minimum and maximum values. No details are given of intervals with no contents.

Selected finance lease contract portfolio as of 06.06.2007				
Classification by applicable nominal interest rate				
Interest Rate % Interval	Transactions		Outstanding capital	
		%	(EUR)	%
2.50 - 2.99	64	0.08	933,444.11	0.03
3.00 - 3.49	2,362	2.85	23,384,057.55	0.80
3.50 - 3.99	2,593	3.12	34,634,358.73	1.19

Selected finance lease contract portfolio as of 06.06.2007					
Classification by applicable nominal interest rate					
Interest Rate % Interval	Transactions %		Outstanding capital (EUR) %		% Interest Rate*
4.00 - 4.49	7,208	8.69	335,256,673.35	11.53	4.36
4.50 - 4.99	27,206	32.79	1,377,327,661.81	47.37	4.74
5.00 - 5.49	24,706	29.77	784,736,146.38	26.99	5.17
5.50 - 5.99	12,220	14.73	251,081,254.90	8.64	5.64
6.00 - 6.49	4,118	4.96	65,459,663.10	2.25	6.12
6.50 - 6.99	1,979	2.38	29,571,688.09	1.02	6.56
7.00 - 7.49	379	0.46	3,928,575.63	0.14	7.08
7.50 - 7.99	97	0.12	934,244.54	0.03	7.57
8.00 - 8.49	31	0.04	219,585.82	0.01	8.04
8.50 - 8.99	14	0.02	169,645.32	0.01	8.53
12.00 - 12.49	1	0.00	5,554.07	0.00	12.00
Total	82,978	100.00	2,907,642,553.40	100.00	
Weighted average:					4.92
Simple average:					5.03
Minimum:					2.50
Maximum:					12.00

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

i) Information regarding benchmark index cap applicable to the selected finance lease contracts.

Part of the selected finance lease contracts have had a cap set applicable to the benchmark index setting a ceiling for applicable nominal interest rate variability. The caps applicable to the selected finance lease contract benchmark index range between 3.50% and 4.50%.

The following table gives finance lease contract distribution by 0.50% maximum benchmark index intervals applicable for determining the nominal interest rate.

Selected finance lease contract portfolio as of 06.06.2007					
Classification by benchmark index caps applicable to the interest rate*					
Benchmark index cap % Interval	Transactions %		Outstanding capital (EUR) %		% Interest Rate**
No cap applicable	81,881	98.68	2,879,657,130.41	99.04	3.75
3.50 - 3.59	409	0.49	3,640,706.08	0.13	2.86
4.00 - 4.09	648	0.78	22,206,834.83	0.76	2.90
4.50 - 4.59	40	0.05	2,137,882.08	0.07	2.95
Total	82,978	100.00	2,907,642,553.40	100.00	3.94%

* The cap is applicable to the benchmark index, i.e. not including the margin.

**Average nominal interest rate of the interval weighted by the outstanding contract instalment capital.

j) Information regarding selected finance lease contract final maturity date.

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

Selected finance lease contract portfolio as of 06.06.2007						
Classification by final maturity date						
Final Repayment Year	Transactions %		Outstanding capital (EUR) %		Residual life wa* Months Date	
2008	23,072	27.80	245,291,552.07	8.44	13.70	27/07/2008
2009	22,822	27.50	461,431,310.70	15.87	24.95	4/07/2009
2010	16,178	19.50	510,048,452.51	17.54	35.97	5/06/2010

Selected finance lease contract portfolio as of 06.06.2007						
Classification by final maturity date						
Final Repayment Year	Transactions %		Outstanding capital (EUR) %		Residual life wa* Months	Date
2011	12,894	15.54	514,643,391.92	17.70	48.19	12/06/2011
2012	4,692	5.65	253,016,208.19	8.70	58.41	18/04/2012
2013	1,048	1.26	136,388,445.99	4.69	73.16	11/07/2013
2014	572	0.69	123,707,554.76	4.25	84.57	23/06/2014
2015	317	0.38	91,719,207.15	3.15	96.99	6/07/2015
2016	325	0.39	124,875,032.95	4.29	108.31	15/06/2016
2017	213	0.26	81,120,864.93	2.79	120.35	16/06/2017
2018	181	0.22	82,310,486.77	2.83	132.87	2/07/2018
2019	143	0.17	70,447,819.12	2.42	144.59	24/06/2019
2020	201	0.24	79,176,494.22	2.72	156.96	4/07/2020
2021	187	0.23	71,808,875.87	2.47	169.20	12/07/2021
2022	50	0.06	26,967,525.58	0.93	177.21	13/03/2022
2023	6	0.01	3,314,605.81	0.11	190.30	15/04/2023
2024	9	0.01	6,072,207.84	0.21	206.57	22/08/2024
2025	26	0.03	11,297,666.58	0.39	217.80	30/07/2025
2026	38	0.05	11,586,415.88	0.40	229.39	18/07/2026
2027	4	0.00	2,418,434.56	0.08	236.59	22/02/2027
Total	82,978	100.00	2,907,642,553.40	100.00		
Weighted average:					63.10	8/09/2012
Simple average:					32.18	10/02/2010
Minimum:					6.87	1/01/2008
Maximum:					238.16	11/04/2027
* Residual life on the final maturity date (months and date) stands for averages weighted by the outstanding principal of transactions with final maturity in the relevant year.						

k) Information regarding geographical distribution by Autonomous Communities.

The following table gives finance lease contract distribution by Autonomous Communities according to the location of the Obligors' address.

Selected finance lease contract portfolio as of 06.06.2007				
Classification by Autonomous Communities				
	Transactions %		Outstanding capital (EUR) %	
Andalusia	16,506	19.89	448,001,250.27	15.41
Aragón	1,991	2.40	86,134,779.53	2.96
Asturies	1,447	1.74	37,646,070.71	1.29
Balearic Isles	1,493	1.80	47,095,103.87	1.62
Canary Islands	2,080	2.51	53,055,517.92	1.82
Cantabria	783	0.94	25,053,502.60	0.86
Castile La Mancha	3,280	3.95	79,643,581.79	2.74
Castile-León	4,487	5.41	138,689,377.69	4.77
Catalonia	15,692	18.91	743,674,775.77	25.58
Ceuta	16	0.02	1,319,859.58	0.05
Valencian Community	9,824	11.84	338,337,888.50	11.64
Extremadura	2,389	2.88	53,490,471.93	1.84
Galicia	3,679	4.43	104,229,115.03	3.58
La Rioja	608	0.73	23,231,300.35	0.80
Madrid	11,722	14.13	471,295,932.31	16.21
Melilla	1	0.00	3,342.79	0.00
Murcia	2,703	3.26	75,206,825.25	2.59
Navarre	803	0.97	36,945,054.53	1.27
Basque Country	3,474	4.19	144,588,802.98	4.97
Total	82,978	100.00	2,907,642,553.40	100.00

l) Information regarding delays, if any, in collecting overdue instalments of the selected finance contracts and current capital amount, if any, of instalments that are more than 30, 60 and 90 days late.

The following table gives the number of finance lease contracts, the outstanding periodic instalment capital and the overdue capital on selected finance lease contracts in regard to which there was any delay in payment of instalments due as at June 6, 2007.

Arrears in payment of instalments due as of 08.05.2007				
Day Interval	Transactions	Outstanding capital	Overdue capital	
				% o/ total outstanding capital
In good standing	81,403	2,858,755,869.61	0.00	0.00000
1 to 15 days	758	23,406,168.27	462,792.72	0.0159
16 to 30 days	757	23,833,893.07	447,133.55	0.0154
31 to 60 days	60	1,646,622.45	70,227.53	0.0024
Total	82,978	2,907,642,553.40	980,153.80	0.0337

As declared by BBVA in section 2.2.8.2.(12) of the Building Block, none of the Receivables that will finally be assigned to the Fund upon being established shall have any instalment more than one (1) month overdue on the assignment date.

2.2.2.2 Additional Receivables.

After being established, 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 maximum amount of the Available Principal Funds, on each Payment Date within the time-period comprised between the first Payment Date, November 26, 2007, and the Payment Date falling on May 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:

- Where, on the preceding Determination Date, the cumulative Outstanding Balance of Doubtful Receivables, at the amount of the Outstanding Balance as of the classification date of the Doubtful Receivable, since the date on which the Fund was established is in excess of (i) 2.00% of the Outstanding Balance of the Receivables upon the Fund being established, or the reference value (the “Reference Value”) applied to 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 0.286% 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.
- Where, on the preceding Determination Date, the Outstanding Balance of Delinquent Receivables is in excess of 1.20% the Outstanding Balance of the Receivables.
- Where, for two (2) consecutive and preceding Payment Dates, the Outstanding Balance of Non-Doubtful Receivables is less than 90.00% of the Outstanding Principal Balance of the Bond Issue.

- d) Where interest accrued on the Series A1, A2, B or C Bonds is not paid due to a shortfall of Available Funds on the relevant Payment Date.
- e) Where, on the preceding Payment Date, the Cash Reserve amount shall not have been provisioned up to the Required Cash Reserve amount, or where it cannot be provisioned on the relevant Payment Date.
- f) Where the Financial Swap Agreement is terminated and a new replacement financial swap agreement is not put in place within fifteen (15) days.
- g) Where BBVA is declared insolvent, in liquidation or in a position which might result in its credit institution authorisation being revoked.
- h) Where BBVA is replaced as Servicer under the Receivables Servicing Agreement.
- i) Where Spanish tax laws are modified to such an extent that the assignment of Additional Receivables is exceedingly burdensome for BBVA.
- j) Where, 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) Where the annual accounts of BBVA closed as of December 31 of the preceding year contain any proviso relating to the credit rating of the Originator or to the securitised Receivables.

2.2.2.2.2 **Acquisition Amount.**

The maximum amount the Management Company may, for and on behalf of the Fund, 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. The Obligor shall be a legal person or sole trader domiciled in Spain.
2. The Finance Lease Contract payments shall be denominated in euros.
3. The Additional Receivables shall not have matured before, and are not to finally mature on, the date of assignment to the Fund and at least twelve (12) months shall elapse between the date of assignment to the Fund and the date of final maturity of the Receivables.
4. The Additional Receivables shall have been set a fixed or a floating rate with a benchmark index that is not different from 3-, 6- or 12-month EURIBOR.
5. At least one (1) instalment shall have fallen due on the Additional Receivables and shall not be overdue.
6. The Additional Receivables shall have no instalment more than one (1) month overdue.
7. The final maturity date of the Additional Receivables shall not be after April 11, 2029.
8. Finance Lease Contract instalment frequency shall be monthly.

9. The Additional Receivables capital repayment system shall be a system with periodic instalments such as the French method, a variable geometric or arithmetic progression instalments method or an equal, constant instalments method.
10. The Finance Lease Contract shall not contemplate clauses whereby regular finance charge interest payment and capital repayment may be deferred.
11. The outstanding capital of the Receivables shall not be less than EUR five hundred (500).

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. On the assignment date the Outstanding Balance of the Receivables and the Outstanding Balance of Additional Receivables derived from the chattel finance lease contracts shall not be respectively in excess of 75.00% of the total Outstanding Balance of the Receivables and 75.00% of the total Outstanding Balance of Additional Receivables.
2. On the assignment date the Outstanding Balance of fixed-rate Receivables and the Outstanding Balance of fixed-rate Additional Receivables shall not be respectively less than 7.50% of the Outstanding Balance of the Receivables and 7.50% of the Outstanding Balance of Additional Receivables.
3. The average time elapsed since the origination or booking 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, shall not be less than 3 months.
4. On the assignment date and exclusively in relation to Additional Receivables assigned on that date, the average life of the outstanding capital of the Additional Receivables from the assignment date weighted by the Outstanding Balance of each Additional Receivable shall not be in excess of 4.00 years, assuming a CPR of 0%.
5. On the assignment date the average time periods remaining until final maturity date of the Receivables and the Additional Receivables respectively weighted by the Outstanding Balance of each Receivable and the Outstanding Balance of each Additional Receivable shall not be in excess of 6 years.
6. The Outstanding Balance of the Receivables for Obligors from a same Autonomous Community on the assignment date shall not be in excess of 30.00% of the total Outstanding Balance of the Receivables and that the Outstanding Balance of the Receivables for Obligors from the 3 Autonomous Communities with the highest representation (Outstanding Balance) shall not be in excess of 65.00% of the total Outstanding Balance of the Receivables.
7. On the assignment date the average time elapsed from the origination or booking date of the Receivables until the assignment date weighted by the Outstanding Balance of each Receivable shall not be less than 6 months.
8. On the assignment date the Outstanding Balance of the Receivables for Obligors from a same economic sector (the “Economic Sector”) shall not be in excess of 20.00% of the total Outstanding Balance of the Receivables, and the Outstanding Balance of the Receivables for Obligors from the 3 economic sectors with the highest representation (Outstanding Balance) shall not be in excess of 45.00% of the total Outstanding Balance of the Receivables. The Economic Sector shall be determined by the first two numbers in the National Classification of Economic Activities (CNAE) of 1993.
9. On the assignment date the Outstanding Balance of the Receivables for sole traders (self-employed workers) shall not be in excess of 15.00% of the total Outstanding Balance of the Receivables.

10. On the assignment date the Outstanding Balance of the Receivables for a same Obligor shall not be in excess of 0.30% of the total Outstanding Balance of the Receivables and the Outstanding Balance of the Receivables for Obligors with a representation (Outstanding Balance) in excess of 0.10% of the Outstanding Balance of the Receivables shall not be in excess of 8.00% of the Outstanding Balance of the Receivables.

2.2.2.2.4 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 receivables 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.

2.2.3 Legal nature of the pool of assets.

The securitised assets shall consist of the Receivables under the Finance Lease Contracts.

The object of a finance lease contract is enabling immediate assignment or availability of a chattel (chattel finance lease) or real estate (real estate finance lease) using the financing provided by the lessor-lender by acquiring the asset, and it therefore has the finalistic nature of a loan, in exchange for a consideration consisting of the lessee paying periodic instalments consisting of asset cost recovery or repayment capital, an interest finance charge and the applicable indirect tax, all without prejudice to the lessee potentially using the option to purchase the asset, which may be exercised until the contractual relationship ends at the amount equivalent to the latest instalment for the residual value.

The Receivables under the Finance Lease Contracts to be securitised consist of (i) the asset cost recovery or repayment capital, excluding the residual value amount, and (ii) the finance charge of each instalment.

The Receivables shall be directly assigned to the Fund upon being sold by BBVA 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 receivables 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 Receivables 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 receivables selected to be assigned to the Fund upon being established lies between January 1, 2008 and April 11, 2027. The final maturity date of the Receivables to be assigned to the Fund upon acquisitions being subsequently made during the Revolving Period may not extend beyond April 11, 2029.

2.2.5 Amount of the assets.

The maximum amount of the Outstanding Balance of the Receivables pooled in the Fund shall be EUR two billion five hundred million (2,500,000,000.00) (the "**Maximum Receivable Amount**"), equivalent to the face value of the Bond Issue.

2.2.6 Loan to value ratio or level of collateralisation.

Not applicable.

2.2.7 Method of creation of the assets.

The finance lease transactions selected for assignment to the Fund have been granted by BBVA following its usual credit risk analysis and assessment procedures for financing finance lease transactions. The procedures currently in place at BBVA are described below:

1. Introduction.

The catalogue of financial products made available to clients includes finance lease transactions designed to lease, with a purchase option, their fixed asset investment needs.

The following are the main characteristics of most finance leases arranged:

- **Purposes**
In the case of both business banking (Banca Comercial) and corporate banking (Banca de Empresas) a finance lease allows any fixed asset elected by the client and earmarked for the business carried on to be financed with a purchase option. Productive assets may be both chattels and real estate which must be finished and located in Spain.
- **Collaterals**
Personal guarantees or security interests. In both banking areas, it is additionally frequent for personal guarantees to be given by members or the parent company, which factors enhance debt recovery and risk quality. In addition, the contracts require that the finance lessee take out an insurance policy, in both the lessee's and the owner's interest, covering the risk of fire and other damages (in the case of real estate lease contracts) or comprehensive insurance (in the case of chattel lease contracts).
- **Types of assets**
 1. Chattels: Capital goods; transport fleet -air, sea and land-; passenger vehicles; office and IT equipment; surgical and medical material; and all other productive chattels.
 2. Real estate: Offices, business premises, industrial sheds, hotels and any other real estate asset earmarked for the business carried on by the clients (multi-purpose or other real properties).
- **Maximum limit**
The maximum contract limit in both banking areas is the asset purchase amount which must match that of the document (invoice -in the case of chattels- or sale and purchase deed -in the case of real properties-) whereby BBVA acquires ownership of the asset. In the case of real estate assets, the sale and purchase price shall not exceed the appraisal value.
- **Term and repayment**
The minimum term is 2 years for chattel financings and 10 years for real estate financings. Generally, repayment is by means of constant monthly instalments comprising capital and interest, and there are also exceptions based on the specific approach and cash generation in each investment proposal.
- **Terms**
In both banking areas, finance lease may be arranged for both a fixed and a floating rate (Euribor for the set term plus a spread).

Banca de Empresas is the Business Unit set up at BBVA to serve businesses. This unit specialises in managing and serving large, medium-sized and small enterprises. Banca Comercial is the Business Unit set up at BBVA to manage the business from the private customer, retail and small enterprise segments.

Origination channels.

Banca de Empresas has an own distribution network comprising 210 Branches.

Banca Comercial has 3,369 Branches nation-wide, which are specialised to some extent as follows:

- 617 Business Environment Branches

- 324 Rural Environment Branches

The management model is based on a customised integral customer management; customers are all allocated a personal account manager.

2. Lending and arrangement procedures.

2.1 System supporting lending decision making: internal rating.

Rating tools are analysis and assessment systems enabling BBVA to assign a customer a credit rating based on data and standards. This is the basis for:

- Providing risk policies consistent with the rating and monitoring the live risk
- Conferring powers
- Permitting distinct pricing policies

This tool is integrated in the risks procedures and circuits covering all stages of the risks cycle, each of them including a value added system avoiding the need to re-collect information (incremental analysis system) and allows efforts to be adjusted and capacities to be assigned based on risk types:

- Less information in low-profile risks.
- More in-depth information and analysis in complex risks.

Thus, admission standards can be consistently applied and decision-making can be decentralised, trimming response times.

- **Rating methodology**

Rating

The following method is used for rating a customer:

1. Score-based valuing of the business.

Two types of information are considered:

- Quantitative factors: analysis of financial statements
- Qualitative factors: from customer reports

Each factor carries certain points or weights. The sum determines the customer's final score.

2. Obtaining alerted variables.

These are elements that, while not influencing the score obtained by the enterprise, may alert to situations exceeding predefined parameters. Alerts may be given on both scoring variables and other purposely defined quantitative and qualitative variables.

Based on their importance they are classified as:

- Variables to be explained: they do not condition the score obtained and indicate that certain variables take unusual values
- Conditioning variables: given their relevance, their existence condition the customer's score.

3. Assessing alerted variables.

The account manager or analyst at BBVA in charge of the rating shall assess any alerted variables and duly explain the reasons originating the alerts and their justification, if any.

Rating models

The models developed may be sorted into two types:

1. General business model based on size:

- Corporate
- Enterprises
- SMEs

2. Specific to other business segments.

Master scale

One of the prime objectives of a Rating system is rating customers based on their credit quality. This quality is defined by the likelihood of a customer being in arrears. A master scale is used to calculate the default rate: it allows each customer to be assigned a default probability. It is unique for the whole Bank.

The master scale consists of a number of values or grades and each is assigned a default probability (expected default frequency or EDF).

• **SME Rating**

The following variables are involved in SME rating scoring:

Quantitative factors.

- Creditworthiness of the enterprise
 - Real estate net of liens on the balance sheet total
 - Other facilities on balance sheet total
 - Size (total assets)
- Creditworthiness of guarantors
 - Capacity to take on business debts
 - Members' credit rating
- Financial
 - Total investment in the business
 - Investment funding
 - Bank debt
 - Repayment capacity
- Economic
 - Progress of sales
 - Cash-flow on sales
 - Total balance sheet cash-flow

Qualitative factors

The following qualitative factors are captured in obtaining the rating:

- Sector: automatically obtained from the assessment made by the Sector Analysis Area
- Time in the business

The final score obtained is set against BBVA's master scale and each score is allocated an expected default frequency (EDF) reflecting the likelihood of the enterprise being in arrears within one year starting from the last date of the statements analysed. Once the score is obtained, the alerted variables are analysed.

Benchmarking, consistency and alerts

A number of ratios and variables have to be checked for the rating to be completed. These factors are an integral part of the Rating and are attached to the score obtained by the customer. There may be two types: quantitative and qualitative.

General operating diagram

In order to obtain an internal rating a minimum information on the customer has to be available (financial statements, other information and CIRBE), corporate application data must be captured, the automatic system calculation must be obtained, based on an algorithm calculated as described above, and finally an analysis and assessment of the results provided by the tool must be made.

2.2 Lending procedure.

a) Banca Comercial

The account manager receives a proposal from a client who may or may not be a customer of BBVA. The account manager requests such information as is deemed necessary to be able to decide and which shall at a minimum be the information established in the internal risks Empowerment Rule as detailed in paragraph 2.2.4 concerning risks empowerment.

b) Banca de Empresas

The admission procedure begins with the customer's risk application. BBVA Group has implemented a customised management model in the SME business segment. Portfolios are distributed to Branch Management officers (Branch Managers and Account Managers) and their experience and the degree of complexity of customers/transactions are the aspects on which the allocation of groups and the empowerment figure to directly grant risks are made conditional.

Admission of transactions begins with the customer's application. The customer may be known to have a current risk with BBVA or to have been a customer in the past or not to have ever dealt with BBVA.

2.2.2 Required information.

a) Banca Comercial

The following will be the minimum information to be able to decide:

- Balance sheet or, alternatively, declaration of assets or Wealth return
- Operating account for the last fiscal year
- In enterprises in which the risks at BBVA are in excess of €300,000 or €1,200,000 in SCIR total, the balance sheets and operating accounts must be audited. It should usefully be noted that companies must satisfy this requirement when at least two of the following circumstances occur:
 - i. The Assets are in excess of €2,373,997.81.
 - ii. The turnover is in excess of €4,747,995.62
 - iii. The average number of workers employed during the fiscal year shall have been in excess of 50 workers.
- Checking the RAI, internal delinquency at BBVA, ASNEF, etc.
- Customer's complete position.
- Checking the assets and collaterals of the applicant and guarantors.
- For rated customers, rating history.

b) Banca de Empresas

Prior to analysing and approving the transaction, the account manager generally does the following:

Updating or opening a record with the following information:

- Balance sheets, financial statements, audits
- Guarantors' declaration of assets
- Business activity reports and purpose of the transaction
- Searches in registers
- Current positions at BBVA and in the Banking System

Studying the transaction

Based on the information provided by the customer, completed with information available to BBVA proper and other outside sources, a financial plan or base support is prepared including:

- Financial plan: economic and financial position, activity, shareholders, interests, etc.
- Searching for or preparing the rating and business risk conduction (CRE). Progress
- Search in default filters
- Progress of CIR, including guarantors
- Previous experience, if a customer
- Any other data relevant to or revealing for decision-making

2.2.3 Preparing the proposal and approval.

a) Banca Comercial

Proposed transactions shall be entered in a Certificate/Register of transactions/Committees, in chronological order, whether the proposals are authorised, refused in exercising the empowerment or submitted to be studied and decided on to higher levels.

b) Banca de Empresas

After the analysis made and the conclusions arrived at, the Branch draws up a mandatory proposal. If a dismissal is considered, then a reference is made to such refusal.

If the transaction is accepted, the proposal and supporting information passes to the approval process by the Branch's committee, where it has authority over the customer at issue, or is submitted to the Regional Management or the Central Credit Risks Unit.

2.2.4 Empowerment in authorising risks

a) Banca Comercial

The account manager's empowerment figure and the requirements laid down in the internal risks empowerment rule shall determine whether the account manager is able to authorise the transaction. Being empowered to take on risks is a requirement but is not sufficient in order for a person to decide. Powers are conferred personally and based on the empowered person's experience and qualification. The figure to be empowered with shall be determined based on the empowered person's capacity and the characteristics of the market and segment allocated. The empowerment does not cover certain transactions, either because of their type, amount, term, instrumentation, documentation, products or type of client at issue.

In the case of finance lease transactions designed for the purchase of a real property, the maximum amount financed shall be the appraisal value of the property. This rule applied both in Banca Comercial and in Banca de Empresas.

b) Banca de Empresas

Empowerment is implemented under an internal policy. The following is noteworthy among the most relevant aspects influencing the management model:

- The conferment of powers to accept risks is a requirement but is not sufficient in order for a person to decide.
- Powers are conferred personally based on the attorney's experience and qualification.
- It is advisable for powers to be gradually conferred.
- The empowerment figure embodies the maximum limits and risks to be arrived at with a customer or group of customers considered to be an economic group or family unit.
- Empowerment originates in the group's political bodies and is hierarchically conveyed.
- The conferrer shall specify to his or her attorneys the empowerment figure conferred and the extent and capacity in and by which the attorney may in turn subdelegate.

Quantitatively, the general manager, Retail Banking, confers on the Corporate Banking Manager powers for approving risks of up to EUR 8 million, with authority to subdelegate 75% of that figure.

The Corporate Banking Manager has in turn subdelegated to regional managers between EUR 5.2 and EUR 6 million, subject to the restriction that they may in turn subdelegate to Branch managers up to 33% of that figure.

Risks exceeding the Regional Managers' authority because of their amount or other circumstances are decided, on a proposal by the Branches, at the Central Credit Risks Unit.

2.3 Arrangement.

Real estate finance lease contracts, in both Banca Comercial and Banca de Empresas, are arranged in a public deed and the financed asset is entered in the relevant register, whereas chattel finance lease contracts are concluded in an agreement certified by a commissioner for oaths.

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, as Originator, shall make to the Management Company, on the Fund's behalf, in the Deed of Constitution of the Fund in relation to the Originator proper and to the Initial Receivables, and in each public deed of assignment in relation to the Originator proper and to the Additional Receivables assigned under such public deed, upon those assignments being made.

1. In relation to BBVA.

- (1) That BBVA 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 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 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 at the execution of the subsequent public deeds of assignment, the agreements relating to the establishment of the Fund and to fulfil the undertakings made.
- (4) That BBVA has audited annual accounts for the last three years ending on December 31, 2006, 2005 and 2004. The audit report to the year 2006 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 Finance Lease Contracts and to their Receivables assigned to the Fund.

- (1) That both the execution of the Finance Lease Contracts and the assignment of the Receivables to the Fund and all aspects related thereto are and will be at arm's length.
- (2) That in order to be assigned to the Fund upon being established, BBVA shall choose from the selected finance lease contracts (i) those that are in good standing or have no payments more than one (1) month overdue and (ii) having an aggregate outstanding capital amount for each obligor from lowest to highest up to a total capital equal to or slightly less than EUR two billion five hundred million (2,500,000,000).
- (3) That the Receivables exist and are valid and enforceable in accordance with the applicable laws.
- (4) That BBVA is the legal and beneficial owner, without limitation, of all the Receivables, free and clear of any and all liens and claims.
- (5) That the details of the Receivables included in the schedules to the Deed of Constitution and in subsequent public deeds of assignment shall fairly and accurately reflect the status of those Receivables on the assignment date.
- (6) That the Receivables are not secured with any security interest whatsoever having regard to the legal nature of finance lease contracts in general, in which the lessor retains bare legal title to the leased asset, and the Obligor or Obligors shall be liable for fulfilling the Receivables with all their current or future assets. Some of them are also guaranteed by means of a guarantee given by a person other than the Obligor or Obligors.
- (7) That the Receivables are duly supported and originated in a public deed or in an agreement certified by a commissioner for oaths.
- (8) That the Finance Lease Contracts contain no clauses preventing the assignment of their rights or requiring any authorisation or communication for receivables to be assigned.

- (9) That the Finance Lease Contracts contain no additional obligations for BBVA in relation to the leased assets, such as obligations relating to maintenance or conservation thereof.
- (10) That the Obligors under the Receivables are all legal persons and sole traders domiciled in Spain not affiliated to BBVA Group.
- (11) That on the date of assignment to the Fund, it has not come to BBVA's notice that any Obligor has been declared insolvent.
- (12) That the payment obligations under the Finance Lease Contracts are denominated and payable exclusively in euros.
- (13) That all the Obligor's payment obligations under the Receivables are satisfied by directly debiting an account at BBVA.
- (14) That on the date of assignment to the Fund, none of the Receivables have any instalment payments more than one (1) month overdue.
- (15) That BBVA has strictly adhered to the policies for granting finance lease transactions in force from time to time and applicable to the Finance Lease Contracts in entering into the same.
- (16) That none of the Receivables assigned to the Fund derive from lease back contracts (a contract whereby the owner of an asset sells it to another person or entity and the latter in turn thereupon leases the same to the former, moreover granting a purchase option right to be exercised within a certain period of time).
- (17) That the public deeds originating the Finance Lease Contracts have all been duly filed in BBVA archives suitable therefor, and are at the Management Company's disposal, for and on behalf of the Fund, and the Finance Lease Contracts are all clearly identified both in data files and by means of their agreements or public deeds.
- (18) That the outstanding capital balance for repaying or recovering the cost of the assets, excluding the residual value, in each Finance Lease Contract, is equivalent to the capital figure for which each Receivable is assigned to the Fund.
- (19) That the final maturity date of the Receivables is at no event after April 11, 2029.
- (20) That after being created, the Receivables have been serviced and are still being serviced by BBVA in accordance with its set customary procedures.
- (21) That BBVA has no knowledge of the existence of any litigation whatsoever in relation to the Receivables which may detract from their validity or enforceability or may result in the application of Civil Code article 1535.
- (22) That all interest included as a finance charge in the finance lease instalments is set at a fixed or floating rate with a benchmark index that is not different from 3-, 6- or 12-month EURIBOR.
- (23) That on the assignment date, at least one (1) instalment has fallen due on each Receivable and is not overdue.
- (24) That the information on the Finance Lease Contracts and the Receivables contained in the Prospectus is strictly true.
- (25) That nobody has a preferred right over the Fund as holder of the Receivables.
- (26) That BBVA has received from the Obligors no notice whatsoever of full or partial repayment of the Finance Lease Contracts.
- (27) That the Receivables have not expired before, and shall not expire on, the date of assignment to the Fund.

- (28) That the outstanding capital balance of the Receivable is not less than EUR five hundred (500).
- (29) That instalment frequency is monthly or quarterly for the Initial Receivables and monthly for the Additional Receivables.
- (30) That the Receivable capital repayment system is a system with periodic instalments such as the French method, a variable geometric or arithmetic progression instalments method or an equal, constant instalments method.
- (31) That none of the Finance Lease Contracts contemplates clauses whereby regular payment of finance charge interest and capital repayment may be deferred.
- (32) That it is not aware that any Receivable Obligor has any receivable owing from BBVA whereby the Obligor may be entitled to a set-off adversely affecting the rights vested in the Fund upon the Receivables being assigned.

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 cancellation of the Receivables due to early termination of the relevant Finance Lease Contracts, 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 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 the finance charge 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 Receivables 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, leased asset and outstanding capital balance. Once the Management Company has checked that the (Individual and Global) Election Requirements are satisfied and expressly stated to the Originator that the Receivables to be assigned are appropriate, the Originator shall proceed to terminate the assignment of the affected Receivable and assign a new replacement Receivable(s).

Receivables shall be substituted in a public deed, subject to the same formal requirements set 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.

- d) In the event of termination of the assignment 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.

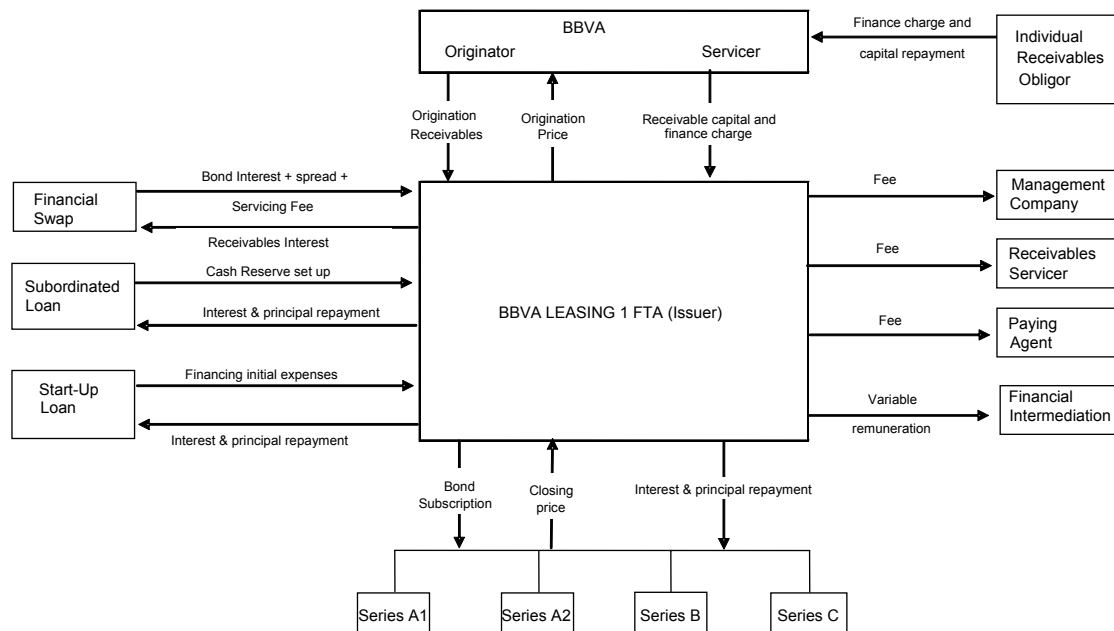
2.4 Where the issuer proposes to issue further securities backed by the same assets, statement to that effect and description of how the holders of that class will be informed.

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	2,502,104,796.66	Bond Issue	2,500,000,000.00
Receivables	2,500,000,000.00	Series A1 Bonds	750,000,000.00
		Series A2 Bonds	1,606,200,000.00
		Series B Bonds	82,500,000.00
		Series C Bonds	61,300,000.00
Set-up and issue and admission expenses*	2,104,796.66	Other long-term liabilities	43,550,000.00
		Start-Up Loan	2,300,000.00.00
		Subordinated Loan	41,250,000.00
Current assets	41.445.203,34	Short-term creditors	to be determined
Treasury Account*	41.445.203,34	Receivables interest accrued **	to be determined
Principal Account	to be determined		
(Initial Receivables adjustment deficiency)			
Accrued interest receivable**	to be determined		
Total assets	2,543,550,000.00	Total liabilities	2,543,550,000.00
MEMORANDUM ACCOUNTS			
Cash Reserve	41,250,000.00		
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 2,104,796.66 as detailed 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 is the originator of the Receivables to be acquired by the Fund, 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) 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), Subordinated Loan, Start-Up Loan, Financial Swap, Receivables Servicing, Bond Paying Agent and Financial Intermediation Agreements.

- (iii) BNP PARIBAS 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, BNP PARIBAS 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.

- (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 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.

- (v) SOCIÉTÉ GÉNÉRALE 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, SOCIÉTÉ GÉNÉRALE 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.

- (vi) BANCAJA, CALYON, DANSKE BANK and HSBC shall be Bond Issue Underwriters and Placement Agents.

- (vii) CUATRECASAS, an independent law firm, has provided legal advice for establishing the Fund and issuing the Bonds and reviewed their tax implications.

- (viii) Deloitte has audited the selected receivables of BBVA.

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.

In the Deed of Constitution the Management Company, on the Fund's behalf, and BBVA shall, perfect the agreement assigning Receivables to the Fund as follows:

- (i) Assignment to the Fund by BBVA of Initial Receivables to be listed in the Deed of Constitution.
- (ii) Establishment of the obligation by BBVA to assign to the Fund in a public deed 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 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 public deed executed by the Management Company, for and on behalf of the Fund, and BBVA on each assignment date.

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

3.3.1.2.1 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.

3.3.1.2.2 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) 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 Additional Receivables 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 upon accepting assignment, the Management Company shall:

- (i) Check that the Additional Receivables listed on the assignment offer meet Individual Requirements 2 to 11 and the Global Requirements based on the characteristics notified by the Originator, without this entailing checking compliance with the other characteristics of the Receivables given in section 2.2.8.2 of this Building Block, to be reaffirmed by the Originator in the public deed of acquisition 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.
4. On each new acquisition of Additional Receivables, the Management Company shall deliver to the CNMV, on the following Business Day:
 - (i) A certified copy of the public deed of assignment 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, that the Additional Receivables satisfy all the set (Individual and Global) Election Requirements to be assigned to the Fund.

3.3.1.3 Notice to Obligors.

The assignment by BBVA to the Fund of the Receivables shall not be notified to the Obligors or third-party guarantors or insurers with whom the Obligors may have taken out insurance for the leased assets. 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 however 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. Nevertheless, 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.

3.3.2 Receivables assignment terms.

1. The Receivables will be fully and unconditionally assigned for the entire term remaining until maturity of each Receivable.
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 assigned instalment capital and finance charge, late-payment interest or any other amount owing to them by the Obligors under the Receivables, and will not be liable for the enforceability of personal security collateral thereto. 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 Receivable shall be assigned for all the outstanding asset cost recovery or repayment capital, excluding the residual value amount, as of the assignment date and for the finance charge on each Receivable assigned.

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

- (i) To receive all Finance Lease Contract capital repayment due and collected, excluding the residual value amount.
- (ii) To receive all Finance Lease Contract capital finance charge amounts due and collected.
- (iii) To receive all Finance Lease Contract late-payment interest amounts due and collected.
- (iv) To receive any other amount received by the Originator to pay for the Receivables and up to their amount, in the form of any ancillary rights, collaterals or compensations under the Finance Lease Transactions payable to the Originator under the same.

In addition, the Fund shall be entitled to receive with priority over the Originator, in the event of termination of any Finance Lease Contract upon default by the Obligor, the amount either determined by a court decision or resulting from payment in kind or recovery and sale and/or new disposal of the leased assets, with the exception of amounts that must be attributed to direct taxation, fees or any disbursement payable to the Originator which shall have priority in the application of the amounts recovered with respect to the Receivables assigned to the Fund

Therefore, in the event of termination of any Finance Lease Contract upon default by the Obligor, the residual value amount shall be subordinated to total satisfaction of the Receivables assigned to the Fund.

The above-mentioned rights will all accrue for the Fund from the date of assignment of the Receivables. Finance charge interest will in addition include interest accrued and not due on each Finance Lease Contract as of the assignment date and overdue interest, if any, on that same date.

Receivable 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, or those received by the Originator to pay the Obligors' obligations or upon recovery and sale of the leased assets, and are hence directly affected by the evolution, delays, prepayments or any other incident relating to the Receivables.
6. The Fund shall bear any and all expenses or costs paid by the Originator in connection with recovery actions relating to the Receivables assigned in the event of a breach of obligations by the Obligors, including bringing the relevant action against the same.
7. In the event of renegotiation of the Receivables or their interest or due dates, consented to by the Management Company, for and on behalf of the Fund, the change in the terms shall affect the Fund.

3.3.3 Receivables sale or assignment price.

The sale or assignment price of the Receivables shall be at par. The aggregate amount payable by the Fund for assignment of the Receivables shall be an amount equivalent to the sum of (i) the face value of the assigned capital of each Receivable, and (ii) finance charge interest accrued and not due, and overdue interest, if any, on each Receivable as of 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 portion consisting of the face value of the assigned capital of the Receivables, 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 made 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 to proceed to debit the Treasury Account opened on behalf of the Fund. BBVA shall receive no interest on the deferment of payment from the date of establishment of the Fund until the Closing Date.
 - b) Payment of the face value of the Additional Receivables shall be fully made on the relevant Payment Date on which the assignment occurs, for same day value, upon BBVA debiting the Treasury Account opened on behalf of the Fund.
2. The portion consisting of interest accrued on each Receivable, subparagraph (ii) of paragraph one of this section, shall be paid by the Fund on each collection date matching the first instalment on each Receivable 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 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, for same day value, or the following business day if that is not a business day. 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 receivables selected as of June 6, 2007, as detailed in section 2.2.2.e) of this Building Block, is 4.92%, which is above the 4.41% 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 and floating interest with benchmark indices and reset periods 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 Finance Lease Contract 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 Series 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:
Mitigates the interest rate risk occurring in the Fund because the Receivables have fixed and floating interest with benchmark indices and reset and settlement periods differing from the floating interest established for the Bonds based on 3-month Euribor with quarterly accrual and settlement periods, and the risk derived from potential Receivable interest rate renegotiation which may even result in their being novated to a fixed rate. In addition, a 0.65% excess margin is included covering the Receivables servicing fee amount.
- (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 forty-one million two hundred and fifty thousand (41,250,000.00) ("**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 out of 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 forty-one million two hundred and fifty thousand (41,250,000.00).
 - (ii) The higher of:
 - a) 3.30% of the Outstanding Principal Balance of the Bond Issue.
 - b) EUR twenty million six hundred and twenty-five thousand (20,625,000.00).
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 into an agreement whereby BBVA shall grant to the Fund a commercial subordinated loan amounting to EUR forty-one million two hundred and fifty thousand (41,250,000.00) (the “**Subordinated Loan Agreement**”). The Subordinated Loan amount shall be delivered on the Closing Date and 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 to Early Liquidation subject to the Liquidation Priority of Payments.

Outstanding Subordinated Loan principal shall earn 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 November 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 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. 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 into a commercial subordinated loan agreement amounting to EUR two million three hundred thousand (2,300,000.00.00) (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.

Start-Up Loan principal will earn 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 November 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, November 26, 2007, and the following until the Payment Date falling on February 26, 2010, inclusive.
- (ii) The portion of Start-Up Loan principal not used shall be repaid on the first Payment Date, November 26, 2007.

All Start-Up Loan amounts due and not paid to BBVA 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. 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 issuing 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, out of 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 Class A (Series A1 and A2) 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 Class A (Series A1 and A2) 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 capital repaid and interest collected;
- (iii) any other Receivable amounts due to the Fund;
- (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 and Principal Account 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 (the fourth (4th) Business Day preceding 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. The first interest accrual period shall comprise the days elapsed between the date of establishment of the Fund and the first Determination Date, November 20, 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 F1 or P-1 respectively by Fitch and Moody's, the Management Company shall within not more than thirty (30) days from the time of the occurrence of any such circumstances put in place, after notifying the Rating Agencies, 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 F1 and P-1 respectively by Fitch and Moody's, and subject to prior notice being given to the Rating Agencies, 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 F1 or P-1.

- b) Transferring the Fund's Treasury Account to an institution with short-term, unsecured and unsubordinated debt obligations rated at least as high as F1 and P-1 respectively by Fitch and Moody's, and 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*), in an amount sufficient to guarantee the commitments established in the Guaranteed Interest Rate Account (Treasury Account) Agreement.
- d) Moreover, if those options should not be possible on the terms provided for above, 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 F1 (for periods of less than 30 days or F1+ for longer periods) and P-1, 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 F1 and P-1 respectively by Fitch and Moody's, the Management Company may subsequently transfer the balances back to BBVA under the Guaranteed Interest Rate Account (Treasury Account) Agreement.

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 this Agreement, be downgraded below F1 or P-1 respectively by Fitch and Moody's, the Management Company shall within not more than thirty (30) days from the time of the occurrence of any such circumstances put in place, after notifying the Rating Agencies, 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 F1 and P-1 respectively by Fitch and Moody's, and subject to prior notice being given to the Rating Agencies, 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 F1 or P-1.

- b) Transferring the Fund's Principal Account to an institution with short-term, unsecured and unsubordinated debt obligations rated at least as high as F1 and P-1 respectively by Fitch and Moody's, and 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*), in an amount sufficient to guarantee the commitments established in the Guaranteed Interest Rate Account (Principal Account) Agreement.
- d) Moreover, if those options should not be possible on the terms provided for above, 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 F1 (for periods of less than 30 days or F1+ for longer periods) and P-1, 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 F1 and P-1 respectively by Fitch and Moody's, the Management Company may subsequently transfer the balances back to BBVA under the Guaranteed Interest Rate Account (Principal Account) Agreement.

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 Obligors. The Servicer shall use every effort in order for payments to be made by the Obligors to be collected in accordance with the terms and conditions established in the Finance Lease Contracts.

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, for same day value, or the following business day if that is not a business day. 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 rating of the Servicer's short-term, unsecured and unsubordinated debt obligations should be downgraded below F2 or P-1 respectively by Fitch and Moody's, or 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 the event that the Servicer's short-term, unsecured and unsubordinated debt obligations should be rated F2 by Fitch, the Receivable amounts received by the Servicer shall be paid to the Fund crediting the Treasury Account no later than the second day after the date 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 the event that the rating of the Servicer's long-term, unsecured and unsubordinated debt obligations should be downgraded below Baa3 by Moody's, or in the event that the Servicer's long-term, unsecured and unsubordinated debt obligations cease to be rated by Moody's, the Receivable amounts received by the Servicer shall be paid to the Fund crediting the Treasury Account on the first day after the date 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 addition, should the rating of the Servicer's short-term, unsecured and unsubordinated debt obligations be downgraded below F2 by Fitch,

the Servicer shall make a cash deposit in favour of the Fund at a sum in line with Fitch's criteria described in its report "*Commingle Risk in Structured Finance Transactions: Servicer and Account Bank Criteria*" dated June 9, 2004.

The Management Company may issue the same instructions in the event that the Servicer's short-term, unsecured and unsubordinated debt obligations should not be rated by Fitch or Moody's.

The Servicer may at no event pay any amount whatsoever to the Fund not previously received from the Obligors 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 upon Early Liquidation of the Fund, 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:

- a) Receivable capital 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 returns received on amounts credited to the Treasury Account.
- d) The returns received on amounts credited to the Principal Account.
- e) The Cash Reserve amount on 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 payment of the Receivables.

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 to the Servicer of the fee established in the Servicing Agreement.
3. 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.
4. Payment of interest due on the Class A (Series A1 and A2) Bonds.
5. Payment of interest due on the Series B 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, at the amount of the Outstanding Balance as of the date of classification of the Doubtful Receivable, since the Fund was established is in excess of 6.50% of the Outstanding Balance of the Receivables upon the Fund being established and provided that the Class A (Series A1 and A2) Bonds have not been or are not to be fully amortised on the relevant Payment Date.

6. Payment of interest due on the Series C Bonds unless this payment is deferred to 9th place in the priority of payments.

This payment shall be deferred to 9th place when on the Determination Date preceding the relevant Payment Date the cumulative Outstanding Balance of Doubtful Receivables, at the amount of the Outstanding Balance as of the date of classification of the Doubtful Receivable, since the Fund was established is in excess of 5.00% of the Outstanding Balance of the Receivables upon the Fund being established and provided that the Class A (Series A1 and A2) and the Series B Bonds have not been or are not to be fully amortised on the relevant Payment Date.

7. 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.

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.

8. Payment of interest due on the Series B Bonds when this payment is deferred from 5th place in the priority of payments as established therein.
9. Payment of interest due on the Series C Bonds when this payment is deferred from 6th place in the priority of payments as established therein.
10. Withholding of an amount sufficient for the Required Cash Reserve amount to be maintained.
11. Payment of the settlement payment amount payable by the Fund under the Financial Swap Agreement other than in the events provided for in 3rd place above.
12. Payment of Subordinated Loan interest due.
13. Repayment of Subordinated Loan principal to the extent repaid.
14. Payment of Start-Up Loan interest due.
15. Repayment of Start-Up Loan principal to the extent repaid.
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.
 - 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 four hundred and sixty-five thousand (465,000.00). Because most of those expenses are directly related to the Outstanding Principal Balance of Series A1, A2, B and C 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.

- (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 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 seventh (7th) 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.

2. Distribution of Principal Available Funds.

The Principal Available Funds shall be applied on each Payment Date as is respectively set out in sections 4.9.3.1.4 and 4.9.3.1.6 of the Securities Note

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 upon 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⁽¹⁾.
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 to the Servicer of the fee established in the Servicing Agreement.
4. 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.
5. Payment of interest due on the Class A (Series A1 and A2) Bonds.
6. Repayment of Class A (Series A1 and A2) Bond principal.
7. Payment of interest due on the Series B Bonds.
8. Repayment of Series B Bond principal.
9. Payment of interest due on the Series C Bonds.
10. Repayment of Series C Bond principal.
11. 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.
12. 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.

13. Payment of Subordinated Loan interest due.
14. Repayment of Subordinated Loan principal.
15. Payment of Start-Up Loan interest due.
16. Repayment of Start-Up Loan principal.
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.

- (1) Reserve set up as a security mechanism in order to allow payments to be made by the Fund in connection with the Fund termination expenses described in section 4.4 of the Registration Document.

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, November 20, 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 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, 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, November 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. 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 February 26, May 26, August 26 and November 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 November 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 November 20, 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 November 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 following the settlement date falling on the 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 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 on the Receivables and paid into the Fund 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 result of adding (i) 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, and (ii) the amount on the relevant settlement date of the fee accrued under the Servicing Agreement or under a new servicing agreement in the event of substitution.

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) 0.65%.

6. Maturity Date.

This shall be the earlier of the dates on which any of events (i) to (iv) of 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) Fitch Criteria

If either the long-term, unsecured and unsubordinated debt obligations of Party B (or its successor) or any credit support provider from time to time in respect of Party B (or its successor) cease to be rated at least as high as A (or its equivalent) by Fitch or the short-term

debt obligations of Party B (or its successor) or any credit support provider from time to time in respect of Party B cease to be rated at least as high as F1 (or its equivalent) by Fitch (both Fitch's "Required Ratings") and, as a result of such cessation, the then current rating of the Bonds is downgraded or placed under review for possible downgrade by Fitch (an "Initial Fitch Rating Event") then Party B will, on a reasonable efforts basis within 30 days of the occurrence of such Initial Fitch Rating Event, at its own cost, either:

- (A) put in place a collateral agreement in favour of Party A in an amount making Party A receive confirmation from Fitch that with such collateral the Bond rating would be unaffected;
- (B) transfer all of its rights and obligations with respect to the Financial Swap Agreement to a replacement third party satisfactory to Party A and that confirmation is received from Fitch that with such collateral the Bond rating would be unaffected;
- (C) obtain a third party credit support document guaranteeing its rights and obligations with respect to the Financial Swap Agreement satisfactory to Party A and that confirmation is received from Fitch that with such collateral the Bond rating would be unaffected; or
- (D) take such other action as Party B may agree with Fitch as will result in the rating of the Bonds following the taking of such action being maintained at the Fitch Rating.

If any of (i)(B), (i)(C) or (i) (D) above are satisfied at any time, all collateral (or the equivalent thereof, as appropriate) transferred by Party B pursuant to (i)(A) will be retransferred to Party B and Party B will not be required to transfer any additional collateral.

(ii) Fitch Criteria (continued)

If either the long-term, unsecured and unsubordinated debt obligations of Party B (or its successor) or any credit support provider from time to time in respect of Party B (or its successor) cease to be rated at least as high as BBB+ (or its equivalent) by Fitch or the short-term debt obligations of Party B (or its successor) or any credit support provider from time to time in respect of Party B (or its successor) cease to be rated at least as high as F2 (or its equivalent) by Fitch and, as a result of such cessation, the then current rating of the Bonds is downgraded or placed under review for possible downgrade by Fitch (a "First Subsequent Fitch Rating Event") then Party B will, within 30 days of the occurrence of such First Subsequent Fitch Rating Event, either:

- (A) put in place a collateral agreement to Party A based on the signature date of the Financial Swap Agreement as described in paragraph (i)(A) above and provide any collateral required to be provided thereunder, provided that in either case the mark-to-market calculations and the correct and timely posting of collateral thereunder are verified weekly by an independent third party (with the costs of such independent verification being borne by Party B); or
- (B) on a reasonable efforts basis, with preference over option (A) above and at its own cost, attempt either to:
 - 1. transfer all of its rights and obligations with respect to the Financial Swap Agreement to a replacement third party satisfactory to Party A (whose consent, not to be unreasonably withheld, will be given if Fitch confirms that such transfer would maintain the rating of the Bonds by Fitch at, or restore the rating of the Bonds by Fitch to, the level it would have been at immediately prior to such First Subsequent Fitch Rating Event);
 - 2. obtain a third party credit support document guaranteeing its rights and obligations with respect to the Financial Swap Agreement satisfactory to Party A (whose consent, not to be unreasonably withheld, will be given if Fitch confirms that such guarantee would maintain the rating of the Bonds at, or restore the rating of the Bonds to, the level it would have been at immediately prior to such First Subsequent Fitch Rating Event); or

3. take such other action as Party B may agree with Fitch as will result in the rating of the Bonds following the taking of such action being maintained at, or restored to, the level it would have been at immediately prior to such First Subsequent Fitch Rating Event.

If any of paragraphs (ii)(B)(1), (2) or (3) above are satisfied at any time, all collateral (or the equivalent thereof, as appropriate) transferred by Party B pursuant to a collateral agreement put in place in accordance with paragraph (i) (A) above or paragraph (ii) (A) will be retransferred to Party B and Party B will not be required to transfer any additional collateral.

The market value for Fitch's purposes shall be calculated in line with Fitch's criteria set out in its report "Counterparty Risk in Structured Finance: Swap Criteria", dated September 13, 2004, or Fitch document or report hereafter taking its stead, proposing a formula for estimating the Swap market value, within fifteen (15) days after the loss of the A rating by Party B.

(iii) Fitch Criteria (continued)

If either the long-term, unsecured and unsubordinated debt obligations of Party B (or its successor) or any credit support provider from time to time in respect of Party B (or its successor) cease to be rated at least as high as BBB- (or its equivalent) by Fitch or the short-term debt obligations of Party B (or its successor) or any credit support provider from time to time in respect of Party B (or its successor) cease to be rated at least as high as F3 (or its equivalent) by Fitch and, as a result of such cessation, the then current rating of the Bonds is downgraded or placed under review for possible downgrade by Fitch (a "Second Subsequent Fitch Rating Event") then Party B will, on a reasonable efforts basis within 30 days of the occurrence of such Second Subsequent Fitch Rating Event, at its own cost, attempt either to:

- (A) transfer all of its rights and obligations with respect to the Financial Swap Agreement to a replacement third party satisfactory to Party A (whose consent, not to be unreasonably withheld, will be given if Fitch confirms that such transfer would maintain the rating of the Bonds by Fitch at, or restore the rating of the Bonds by Fitch to, the level it would have been at immediately prior to such Second Subsequent Fitch Rating Event);
- (B) obtain a third party credit support document guaranteeing its rights and obligations with respect to the Financial Swap Agreement satisfactory to Party A (whose consent, not to be unreasonably withheld, will be given if Fitch confirms that such guarantee would maintain the rating of the Bonds at, or restore the rating of the Bonds to, the level it would have been at immediately prior to such Second Subsequent Fitch Rating Event); or
- (C) take such other action as Party B may agree with Fitch as will result in the rating of the Bonds following the taking of such action being maintained at, or restored to, the level it would have been at immediately prior to such Second Subsequent Fitch Rating Event.

All and any costs, expenses and taxes incurred in connection with the compliance with the foregoing obligations shall be borne by Party B.

(iv) Moody's Criteria

Party B shall irrevocably agree as follows under the Financial Swap Agreement:

- (i) If at any time during the life of the Bond Issue neither Party B nor any of its Credit Support Providers has the First Required Rating Threshold ("First Rating Default"), then Party B shall within thirty (30) Business Days of the occurrence of that circumstance, 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.
- (ii) If at any time during the life of the Bond Issue neither Party B nor any of its Credit Support Providers has the Second Required Rating Threshold ("Second Rating Default"), then Party B shall, on a best efforts basis and as soon as possible (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).

While 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, provided that there is no detriment to the rating assigned to the Bonds.

Party B's obligations under (iv) (i) and (iv) (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 (iv) (i) and (iv) (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.

An entity shall have the "First Required Rating Threshold" (A) in the event that the short-term, unsecured and unsubordinated debt obligations of that entity are rated P-1 by Moody's and its long-term, unsecured and unsubordinated debt obligations are rated at least as high as A2 by Moody's, and (B) in the event that the short-term, unsecured and unsubordinated debt obligations of that entity are not rated by Moody's, if its long-term, unsecured and unsubordinated debt obligations are rated at least as high as A1 by Moody's.

An entity shall have the "Second Required Rating Threshold" (A) in the event that the short-term, unsecured and unsubordinated debt obligations of that entity are rated P-2 by Moody's and its long-term, unsecured and unsubordinated debt obligations are rated at least as high as A3 by Moody's, y (B) in the event that the short-term, unsecured and unsubordinated debt

obligations of that entity are not rated by Moody's, if its long-term, unsecured and unsubordinated debt obligations are rated at least as high as A3 by Moody's.

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.

3.4.7.2 Bond Issue Paying Agent.

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 to the Fund by 3pm (CET) 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 subscribed for, as the case may be, 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 subscribed for, as the case may be, 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 F1 or P-1 respectively by Fitch and Moody's, 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 F1 and P-1 respectively by Fitch and Moody's, 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 served on 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 Paying Agent substitution costs, expenses and taxes incurred 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.

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

The originator and assignor of the securitised Receivables is BANCO BILBAO VIZCAYA ARGENTARIA S.A.

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

Significant economic activities of BBVA.

BBVA, a financial Group, is mainly in the Banking business though it has interests in the field of insurance, unit trust and pension fund management, stock broking, real estate development, global custody, asset management and broking in major treasury, capital and currency markets.

The following are the relevant consolidated data of BBVA Group for the first quarter of the years 2007 and 2006 and how they compare between them, and for the year ended and audited as at December 31, 2006. 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.

	31.03.2007	31.03.2006 ⁽¹⁾	Δ% ⁽²⁾	31.12.2006
BALANCE SHEET (EUR million)				
Total assets	446,848	392,656	13.8	411,916
Customer credit (gross)	271,488	227,560	19.3	262,969
Balance-sheet customer resources	319,564	261,912	22.0	283,645
Other customer resources	143,235	143,155	0.1	142,064
Total customer resources	462,800	405,067	14.3	425,709
Net assets	22,345	17,417	28.3	22,318
Equity	18,876	13,562	39.2	18,210
PROFIT & LOSS ACCOUNT (EUR million)				
Intermediation margin	2,233	1,950	14.5	8,374
Basic margin	3,564	3,248	9.7	13,667
Ordinary margin	4,957	3,659	2.3	15,701
Operating margin	3,196	1,936	21.4	8,883
Pre-tax profit	2,714	1,526	22.4	7,030
Profit attributed to the Group	1,950	1,020	23.0	4,736
DATA PER SHARE AND MARKET VALUE				
Price	18.38	17.22	6.7	18.24
Market value (EUR million)	65,285	58,390	11.8	64,788
Profit attributed to the Group	0.55	0.30	17.4	1.39
Book value	5.31	4.00	32.9	5.13
PER ⁽²⁾	11.7	12.3		13.7
PBVR	3.5	4.3		3.6

	31.03.2007	31.03.2006 ⁽¹⁾	Δ% ⁽²⁾	31.12.2006
RELEVANT RATIOS (%)				
Operating margin/ATM	3.03	2.00		2.24
ROE	34.7	34.1		37.6
ROA	1.42	1.13		1.26
RORWA	2.35	1.85		2.12
Efficiency ratio	32.8	42.4		39.6
Efficiency ratio with depreciation	35.2	45.9		42.6
Delinquency rate	0.84	0.90		0.83
Coverage rate	263.4	261.7		272.8
CAPITAL RATIOS (BIS REGULATIONS) (%)				
Total	11.6	11.5		12.0
Core capital	6.2	5.6		6.2
TIER I	7.7	7.3		7.8
ADDITIONAL INFORMATION				
Number of shares (million)	3,552	3,391		3,552
Number of shareholders	878,899	940,542		864,226
Number of employees	100,427	94,951		98,553
, Spain	30,785	31,323		30,582
, America ⁽³⁾	67,858	61,677		66,146
, Rest of the World	1,784	1,951		1,825
Number of branches	7,508	7,382		7,499
, Spain	3,632	3,622		3,635
, America ⁽³⁾	3,734	3,627		3,742
, Rest of the World	142	133		122

General note: the details of this Quarterly Report have not been audited. The consolidated quarterly accounts of the Bank and BBVA Group companies have been prepared in accordance with International Financial Reporting Standards adopted by the European Union and taking into account Bank of Spain Circular 4/2004.

(1) Excluding BNL, Repsol and Andorra capital gains and extraordinary provisions for early retirements and corporation tax in the second and fourth quarters of 2006.

(2) The percentage variations in the profit and loss account and earnings per share, without the singular operating results for 2007.

(3) Includes those of banks, pension managers and insurers in BBVA Group in all American countries in which it is present.

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 liquidation of the Fund, including the decision to proceed to 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 and 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, 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 Finance Lease Contracts included in the offer for assigning Additional Receivables made by BBVA satisfy the (Individual and Global) Election Requirements established for acquiring Additional Receivables in accordance with their characteristics notified by BBVA, and notifying BBVA 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 public deed of assignment with BBVA and subsequently sending it to the CNMV, along with the relevant statement that those Additional Receivables satisfy the set (Individual and Global) Election 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 notified by the Originator to the Management Company, and that Receivable amount revenues 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 to 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 and the Principal Account 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 A1, A2, 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 respectively higher or lower than the maximum and minimum amounts 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, 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 custody, servicing and management of the Receivables, and relations between BBVA 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 Receivables.

BBVA (the “**Servicer**” in that Agreement) shall accept the appointment received from the Management Company and thereby agree as follows:

- (i) To service and manage the Receivables 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 Receivables, devoting the same time and efforts to them as it would devote and use to service its own finance leases 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 Receivables 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 Receivables, 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 Receivables.

1. Custody of agreements, public deeds, documents and files.

The Servicer shall keep all Finance Lease Contract agreements, public deeds, 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 for enforcement, 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, public deeds, documents and records. In addition, whenever it is required to do so by the Management Company, it shall provide within two (2) Business Days of that request and free of charge, a copy or photocopy of any of such loan agreements, public deeds and documents.

2. Collection management.

The Servicer shall continue managing collection of all Finance Lease Contract amounts payable by the Obligors, including both capital and interest and any other item. The Servicer shall use its best efforts in order for payments due by Obligors to be collected in accordance with the Finance Lease Contract terms and conditions.

Finance Lease Contract amounts received by the Servicer due 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, for same day value, or the following business day, 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 rating of the Servicer's short-term, unsecured and unsubordinated debt obligations should be downgraded below F2 or P-1 respectively by Fitch and Moody's, 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 the event that the Servicer's short-term, unsecured and unsubordinated debt obligations should be rated F2 by Fitch, the Receivable amounts received by the Servicer shall be paid to the Fund crediting the Treasury Account no later than the second day after the date 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 the event that the rating of the Servicer's long-term, unsecured and unsubordinated debt obligations should be downgraded below Baa3 by Moody's, or in the event that the Servicer's long-term, unsecured and unsubordinated debt obligations cease to be rated by Moody's, the Receivable amounts received by the Servicer shall be paid to the Fund crediting the Treasury Account on the first day after the date 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 addition, should the rating of the Servicer's short-term, unsecured and unsubordinated debt obligations be downgraded below F2 by Fitch, the Servicer shall make a cash deposit in favour of the Fund at a sum in line with Fitch's criteria described in its report "*Commingling Risk in Structured Finance Transactions: Servicer and Account Bank Criteria*" dated June 9, 2004 or documents taking its stead.

The Management Company may issue the same instructions in the event that the Servicer's short-term, unsecured and unsubordinated debt obligations should not be rated by Fitch or Moody's.

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

3. Fixing the interest rate.

In the case of floating-rate Receivables, the Servicer shall continue setting the interest rates applicable in each interest period as established in the respective Finance Lease Contracts, submitting such communications and notices as may be established therein.

4. Information.

The Servicer shall regularly communicate to the Management Company the information concerning the individual characteristics of each Receivable, fulfilment by the Obligor of their obligations under the same, delinquency status and changes in the characteristics of those Receivables and actions in the event of late payment, legal actions and auction of assets, the foregoing subject to the procedures and with the frequency established in the Servicing Agreement.

In addition, the Servicer shall prepare and hand to the Management Company such additional information concerning the Finance Lease Contracts 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.

5. Subrogation.

The Servicer shall be authorised to permit substitutions in the Obligor's position under the Finance Lease Contracts exclusively where the characteristics of the new Obligor observe lending policies for finance lease transactions, and further provided that the expenses derived from that change are fully borne by the Obligor.

6. Authorities and actions in relation to Finance Lease Contract renegotiation procedures.

a) Finance Lease Contract interest rate may be renegotiated subject to the following rules and limitations:

1. The Servicer may under no circumstances 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 Finance Lease Contract. The Servicer shall, without encouraging interest rate renegotiation, act in relation to such renegotiation bearing in mind at all times the Fund's interests.

2. Subject to the provisions of paragraph 3 below, the Servicer may renegotiate the interest rate clause of the Finance Lease Contracts on terms that are deemed to be at arm's length and that do not differ from those applied by the actual Servicer in renegotiating or granting its floating- and fixed-rate finance lease contracts. In this connection, arm's length interest rate shall be deemed to be the rate offered by the Servicer in the Spanish market for finance lease contracts to companies in an amount and on other terms substantially similar to the Finance Lease Contract.

The Management Company may, on the Fund's behalf, at any time during the term of the Servicing Agreement, cancel, suspend or modify the Servicer's authorisation to renegotiate the interest rate.

3. Renegotiation of the interest rate applicable to a Finance Lease Contract may at no event occur in the event that (i) the change is to a floating interest rate with a benchmark index for determination other than the Euribor or Mibor rate or mortgage market reference rates or benchmark indices, established in section 3 of rule six bis of Bank of Spain Circular no. 8/1990, September 7, and (ii) the average margin or spread weighted by the outstanding capital is not in excess of 50 basis points above the Euribor or Mibor benchmark rates or index. For the purposes prescribed in this section, the provisions of section 4 below shall govern in the case of Finance Lease Contracts with benchmark indices other than the Euribor or Mibor benchmark rates or indices or which have a fixed rate in regard to consistency with reference to margin over a Euribor or Mibor benchmark index.
4. For the purposes of paragraph 3 above:
 - (i) The margin or spread of a floating-rate Finance Lease Contract with a benchmark index other than Euribor or Mibor rates or indices shall be considered to be the result of increasing or reducing the margin applicable to the Finance Lease Contract by the difference between the simple averages of the values of the last three (3) months, published by the Bank of Spain, of (a) the Finance Lease Contract benchmark index and (b) one-year EURIBOR index (one-year Interbank reference).
 - (ii) The novated fixed-rate Finance Lease Contract margin shall be deemed to be the difference between the fixed rate applicable to the Finance Lease Contract and the EURIBOR BASIS fixed rate on Reuters' ISDAFIX2 screen, or any other replacement screen, at 11:00AM CET on the effective date of the new fixed rate for the term of the average life of the Finance Lease Contract based on its new repayment schedule. In the absence of a EURIBOR BASIS fixed rate, the latter shall be calculated by a straight-line interpolation between EURIBOR BASIS fixed rates for the lowest and highest terms closest to the average life of the Finance Lease Contract.

Calculation of the average life of a fixed-rate Finance Lease Contract: average of the time periods from the date until each Finance Lease Contract settlement date, using for weighting purposes the weights the principal to be repaid on each settlement date have, in accordance with the applicable repayment system, on the outstanding capital amount, in accordance with the following expression:

$$V = \frac{\sum (P \times d)}{T} \times \frac{1}{365}$$

Where:

- V = Average life of the fixed-rate Finance Lease Contract expressed in years.
 P = Principal to be repaid on each settlement date under the applicable repayment system.
 d = Number of days elapsed between the date and the relevant settlement date.
 T = Outstanding capital on the date.

b) Extending the period of maturity.

The final maturity or final repayment date of the Receivables 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 Receivables 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 finance lease instalment capital assigned to the Fund on the Receivables 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 Receivable may be extended provided that the following requirements are met:
 - a) That Receivable 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 April 11, 2029.
 - c) That the average life of all the Receivables weighted by the outstanding capital of each Receivable 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 Finance Lease Contract 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 public deeds pertaining to a novation of the terms of the Receivables will be kept safely by the Servicer, in accordance with the provisions of paragraph 1 of this section.

7. Action against the Obligors in the event of default on the Receivables.

Actions in the event of late payment.

The Servicer shall use the same efforts and the same procedure for claiming overdue amounts on the Receivables applied to the rest of its portfolio loans, credits or other financing agreements.

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 finance leases 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 Receivables and against guarantors, if any. Such an action shall be brought using the appropriate court enforcement procedures.

For the above purposes and in relation to the Receivables, 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 shall grant in the Deed of Constitution as full and extensive a power of attorney as may be required at Law to BBVA 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 Receivable and guarantors, if any, to pay the debt and take legal action against the same, in addition to other powers 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 Receivable 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, and with respect to the actions available to the Originator to recover or realise the asset:

- (i) In the case of chattel finance leases, subject to the specific provisions of each contract:
 - a) In the event of default by the Obligor, the Originator may, as financial lessor, enforce the obligations under contracts governed by Chattels Hire Purchase Act 28/1998, July 13, as worded by section five of final provision seven of Civil Procedure Act 1/2000, January 7, by exercising the relevant actions in ordinary declaratory proceedings, monitory proceedings or enforcement proceedings, in accordance with the Civil Procedure Act.
 - b) In the event of the Obligor or lessee being decreed to be insolvent, under article 90.1.4 of the Bankruptcy Act instalments falling due before the insolvency decree and not paid shall be privileged, and that privilege shall extend exclusively to the proceeds of the realisation of the leased asset, having regard to the methods provided for by article 155 of the Bankruptcy Act and which the Originator avails of as lessor to realise the leased asset.
- (ii) In the case of real estate finance leases, subject to the specific provisions of each contract:
 - a) In addition to the executive action for payment of instalments also available to the Fund as assignee thereof, the Originator as lessor may choose to bring a possessory action to recover title to the leased asset.
 - b) In the event of the Obligor or lessee being decreed to be insolvent, under article 90.1.4 of the Bankruptcy Act instalments falling due before the insolvency decree and not paid shall be privileged, and that privilege shall extend exclusively to the proceeds of the realisation of the leased asset, having regard to the methods provided for by article 155 of the Bankruptcy Act and which the Originator avails of as lessor to realise the leased asset.

In this connection, BBVA 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 Receivables 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 Receivables and in particular the documents required for the Management Company to take legal actions, as the case may be.

8. Set-off.

In the event that any of the Obligors under the Receivables 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 Receivables 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 payment is made, calculated on the terms applicable to the relevant Receivable.

9. 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.

10. Insurance in respect of the chattel and/or real estate given under a finance lease.

The Servicer shall not take or fail to take any action resulting in cancellation of any insurance policy in respect of the chattel and/or real estate given under a finance lease 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 chattel and/or real estate and 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.

In the event of a claim, the Servicer shall coordinate actions for collecting compensations derived from the insurance policies in respect of the chattel and/or real estate given under a finance lease on the terms and conditions of the actual policies, paying to the Fund the amounts received to which the Fund is entitled.

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 acquired by the Fund terminate, once all the Receivables have been repaid, or when the liquidation of the Fund concludes after it terminates, without prejudice to a possible early revocation of its appointment under the Servicing Agreement.

In the event of insolvency of the Servicer or administration by the Bank of Spain, breach by the Servicer of the obligations imposed on the Servicer under the Servicing Agreement or in the event of the Servicer's credit rating falling or being lost to an extent that may be detrimental to or place the financial structure of the Fund or Bondholders' rights and interests at risk, the Management Company shall, in addition to demanding the Servicer to fulfil the obligations laid down in the Servicing Agreement, proceed to put in place, where this is legally possible, inter alia and after notifying the Rating Agencies, any of the following actions in order for the rating assigned to the Bonds by the Rating Agencies not to be adversely affected: (i) demanding the Servicer to subcontract or subdelegate to another institution the performance of the obligations and undertakings made in the Servicing Agreement; (ii) having another institution with a sufficient credit rating and quality secure all or part of the Servicer's obligations; and (iii) terminating the Servicing Agreement, in which case the Management Company shall previously designate a new Servicer having a sufficient credit quality and accepting the obligations contained in the Servicing Agreement or, as the case may be, in a new servicing agreement. Any additional expense or cost derived from those previous actions shall be covered by the Servicer and at no event by the Fund or the Management Company. In the event of insolvency of the Servicer, only (iii) above shall be valid. Any additional expense

or cost derived from the aforesaid actions shall be covered by the Servicer and at no event by the Fund or the Management Company.

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 may demand the Servicer to notify Obligors and guarantors, if any, and the insurers with whom the Obligors may have entered into damage insurance contracts attached to the Receivables, 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 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.

Upon early termination of the Servicing Agreement, the outgoing Servicer shall provide the new Servicer, 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 Receivables, 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 Receivables, 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 Receivable capital repayment and interest and other amounts paid by the Obligors due to the Fund does not result from default by the Obligors and is attributable to the Servicer.

Upon the Receivables 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 Receivables, 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 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. 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 Receivable 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.

3.8 Name, address and brief description of any swap, credit, liquidity or account counterparties.

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) Subordinated Loan:
Subordinated Loan Agreement
Description in section 3.4.3.1 of this Building Block.
- (iv) Start-Up Loan:
Start-Up Loan Agreement
Description in section 3.4.3.2 of this Building Block.
- (v) Financial Swap:
Financial Swap Agreement
Description in section 3.4.7.1 of this Building Block.
- (vi) Financial Intermediation:
Financial Intermediation Agreement
Description in section 3.4.6.4 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 ratios of such Outstanding Principal Balances to the initial face amount of each Bond.
 - iv) Obligors' Receivable capital 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 capital 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 capital 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.

In relation to new assignments of Additional Receivables:

1. Sending to the CNMV each public deed of assignment for Additional Receivables, and the relevant statement that those Additional Receivables satisfy the set (Individual and Global) Election 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 Early Liquidation of the Fund and 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 June 19, 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 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.

“BANCAJA” shall mean CAJA DE AHORROS DE VALENCIA, CASTELLÓN Y ALICANTE, BANCAJA.

“BBVA” shall mean BANCO BILBAO VIZCAYA ARGENTARIA S.A.

“BNP PARIBAS” shall mean BNP PARIBAS SUCURSAL EN ESPAÑA.

“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, BNP PARIBAS, RBS and SOCIÉTÉ GÉNÉRALE as Lead Managers and Underwriters and Placement Agents and BANCAJA, CALYON, DANSKE BANK and HSBC 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 two billion five hundred million (2,500,000,000.00), consisting of twenty-five thousand (25,000) Bonds comprised of four Series (Series A1, Series A2, 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” shall mean the Class A (Series A1 and A2) 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 calendar (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”.

“Class A” shall mean the Class A Bonds (comprising Series A1 and A2) issued by the Fund.

“Closing Date” shall mean June 29, 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.

“CUATRECASAS” shall mean Cuatrecasas Abogados, S.R.L.

“DANSKE BANK” shall mean DANSKE BANK S/A.

“Deed of Constitution” shall mean the public deed recording the establishment of the Fund, assignment by BBVA to the Fund of the Initial Receivables, and issue by the Fund of the Asset-Backed Bonds.

“Delinquent Receivables” shall mean Receivables that are delinquent on a given date with 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 fourth (4th) 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, November 20, 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 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 as provided for 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 Early Liquidation of the Fund on a Payment Date.

“Early Liquidation of the Fund” shall mean liquidation of the Fund and thereby 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), accurate to three decimal places.

“Final Maturity Date” shall mean the final Bond amortisation date, i.e. May 26, 2031 or the following Business Day if that is not a Business Day.

“Finance Lease Contracts” shall mean the finance lease contracts entered into by BBVA with non-financial legal persons and sole traders domiciled in Spain to finance and assign the use and enjoyment of chattels and/or real estate designed and/or earmarked for economic, professional, industrial or business activities of every description, the rights thereunder being partly assigned to the Fund.

“Financial Intermediation Agreement” shall mean the financial intermediation agreement entered into between the Management Company, for and on behalf of the Fund, and BBVA.

“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.

“Fitch” shall mean both Fitch Ratings España, S.A. and Fitch Ratings Limited, the holding company to which Fitch Ratings España, S.A. is affiliated.

“Fund” shall mean BBVA LEASING 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 forty-one million two hundred and fifty thousand (41,250,000.00).

“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.

“Lead Managers” shall mean BBVA, BNP PARIBAS, RBS and SOCIÉTÉ GÉNÉRALE.

“Liquidation Available Funds” shall mean, in relation to the Liquidation Priority of Payments, on the Final Maturity Date or upon 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 upon Early Liquidation of 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 two billion five hundred million (2,500,000,000.00).

“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 financial lessees under the Finance Lease Contracts.

“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, originator of the Receivables.

“Outstanding Balance of the Receivables” shall mean the sum of outstanding capital and overdue capital not paid into the Fund for each and every Receivable on a given date.

“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 four Series A1, A2, 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 February 26, May 26, August 26 and November 26 in each year or the following Business Day if any of those is not a Business Day. The first Payment Date shall be November 26, 2007.

“Principal Account” 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 seventh (7th) 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 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.

“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.

“Rating Agencies” shall mean Fitch Ratings España, S.A. and Moody’s Investors Service España, S.A.

“RBS” shall mean THE ROYAL BANK OF SCOTLAND PLC.

“Receivables Servicing Agreement” shall mean the Receivables custody, servicing and management agreement entered into between the Management Company, acting for and on behalf of the Fund, and BBVA, as Servicer.

“Receivable” shall mean the receivable to be acquired by the Fund from BBVA derived from a Finance Lease Contract owned by BBVA and shown on its assets, and consisting of (i) the asset cost recovery or repayment capital, excluding the residual value amount, and (ii) the finance charge or interest of each instalment.

“Receivables” shall mean the initial receivables assigned by BBVA to the Fund upon being established and the Additional Receivables subsequently assigned during the Revolving Period.

“Reference Rate” shall mean, other than for the first Interest Accrual Period, three- (3-) month Euribor fixed at 11am (CET) 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 five- (5-) month Euribor, fixed at 11am (CET) on the second Business Day preceding the Closing Date, or, upon the failure or impossibility to obtain this Euribor rate, the substitute rates for which provision is made in section 4.8.1.3 of the Securities Note.

“Required Cash Reserve” shall mean, on each Payment Date, the lower of the following amounts: (i) EUR forty-one million two hundred and fifty thousand (41,250,000.00) and (ii) the higher of a) 3.30% of the Outstanding Principal Balance of the Bond Issue and b) a sum of EUR twenty million six hundred and twenty-five thousand (20,625,000.00). 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, November 26, 2007, and the Payment Date falling on May 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.

“Royal Decree-Law 5/2005” shall mean Royal Decree-Law 5/2005, March 11, on urgent measures for boosting productivity and improving public contracting.

“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 A1 Bonds” shall mean the Series A1 Bonds issued by the Fund having a total face amount of EUR seven hundred and fifty million (750,000,000.00) comprising seven thousand five hundred (7,500) Bonds having a unit face value of EUR one hundred thousand (100,000).

“Series A1” shall mean the Series A1 Bonds issued by the Fund.

“Series A2 Bonds” shall mean the Series A2 Bonds issued by the Fund having a total face amount of EUR one billion six hundred and six million two hundred thousand (1,606,200,000.00) comprising sixteen thousand and sixty-two (16,062) Bonds having a unit face value of EUR one hundred thousand (100,000).

“Series A2” shall mean the Series A2 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 eighty-two million five hundred thousand (82,500,000.00) comprising eight hundred and twenty-five (825) 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 sixty-one million three hundred thousand (61,300,000.00) comprising six hundred and thirteen (613) 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, servicing and management of the Receivables under the Receivables Servicing Agreement, i.e. BBVA (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, for a sum of EUR two million three hundred thousand (2,300,000.00.00).

“Start-Up Loan” shall mean the loan granted by BBVA 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 for a sum of EUR forty-one million two hundred and fifty thousand (41,250,000.00).

“Subordinated Loan” shall mean the loan granted by BBVA 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) on June 27, 2007 and 5pm (CET) on June 28, 2007.

“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, BNP PARIBAS, RBS, SOCIÉTÉ GÉNÉRALE, BANCAJA, CALYON, DANSKE BANK and HSBC.