STANDARD & POOR'S

STRUCTURED FINANCE

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ABS Of Consumer Loans Presale Report

BBVA Consumo 1 Fondo de Titulización de Activos

€1.5 Billion Floating-Rate Asset-Backed Notes

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This presale report is based on information as of April 20, 2006. The credit ratings shown are preliminary. This report does not constitute a recommendation to buy, hold, or sell securities. Subsequent information may result in the assignment of final credit ratings that differ from the preliminary credit ratings. For further ratings information, call Client Support Europe on (44) 20-7176-7176. Members of the media may contact the Press Office Hotline on (44) 20-7176-3605 or via media_europe@standardandpoors.com. Local media contact numbers are: Paris (33) 1-4420-6657; Frankfurt (49) 69-33-999-225; Stockholm (46) 8-440-5914; or Moscow (7) 495-783-4017. Investors are invited to call the SF Investor Hotline on (44) 20-7176-3223.

Class	Prelim. rating*	Prelim. amount (Mil. €)**	Available credit support (%)	Interest	Legal final maturity
A	AAA	1,447.5	4.95	Three-month EURIBOR plus a margin	Jan. 20, 2020
B	AA	28.5	3.05	Three-month EURIBOR plus a margin	Jan. 20, 2020
C	A	24.0	1.45	Three-month EURIBOR plus a margin	Jan. 20, 2020

**The rating on each class of securities is preliminary as of April 20, 2006 and subject to change at any time. Final credit ratings are expected to be assigned on the closing date subject to a satisfactory review of the transaction documents and legal opinion, and completion of a corporate overview. Standard & Poor's ratings address timely interest and ultimate principal.*
***This table is based on data as of April 10, 2006.*

Transaction Participants	
Originator	Banco Bilbao Vizcaya Argentaria, S.A. (BBVA)
Arrangers	Banco Bilbao Vizcaya Argentaria, S.A.; JPMorgan Securities Ltd.; Société Générale España; and Europea de Titulización SGFT, S.A.
Seller and servicer	Banco Bilbao Vizcaya Argentaria, S.A.
Fund manager	Europea de Titulización S.A., Sociedad Gestora de Fondos de Titulización
Subordinated credit facility provider	Banco Bilbao Vizcaya Argentaria, S.A.
Interest swap counterparty	Banco Bilbao Vizcaya Argentaria, S.A.
GIC provider	Banco Bilbao Vizcaya Argentaria, S.A.
Transaction account provider	Banco Bilbao Vizcaya Argentaria, S.A.
Collection account provider	Banco Bilbao Vizcaya Argentaria, S.A.

Transaction Key Features	
Expected closing date	May 11, 2006
Collateral	Portfolio of unsecured consumer loans granted to Spanish residents
Principal outstanding (Mil. €)	1860.2
Country of origination	Spain
Concentration	Andalucia (19.26%), Catalonia (15.63%), Madrid (13.94%), and Valencia (11.10%)
Average loan size balance (€)	8277.85
Number of loans at closing	224,722
Loan size range (€)	500–58,638
Weighted-average seasoning (months)	21.6
Weighted-average asset remaining term (years)	5.0
Weighted-average interest rate (%)	7.08
Redemption profile	Fully amortizing
Excess spread at closing	3.25% guaranteed by swap
Revolving period	From July 20, 2006 to April 20, 2008

Supporting Ratings	
Institution/role	Ratings
Banco Bilbao Vizcaya Argentaria, S.A. as subordinated credit facility provider, interest swap counterparty, GIC provider, transaction account provider, and collection account provider	AA-/Stable/A-1+

Transaction Summary

Preliminary ratings have been assigned to the €1.5 billion floating-rate asset-backed notes to be issued by BBVA Consumo 1 Fondo de Titulización de Activos (FTA), an SPE. This is a securitization of Spanish unsecured consumer loans (excluding auto loans). Table 1 contains a summary of key features of the notes.

Table 1: Note Summary	
Settlement	Euroclear and Iberclear
Governing law	Spanish
Note amount	€100,000
Business day convention	Actual/360, TARGET, and Madrid business days
Listing	AIAF Mercado de Renta Fija, Madrid, Spain
Clean-up call	When the aggregate principal amount of outstanding loans is less than 10% of the aggregate issue amount, subject to certain conditions
Legal maturity date	Jan. 20, 2020

The originator of the loans is Banco Bilbao Vizcaya Argentaria, S.A. (BBVA), one of the primary lenders in the Spanish financial arena. Specifically, the portfolio to be securitized consists of unsecured loans, either performing or in arrears up to 30 days, made to individuals resident in Spain. The average loan size is €8277.85.

The portfolio to be securitized accounts for 31.5% of BBVA's total consumer loan portfolio (excluding other types of financing offered by the BBVA group) and was originated between January 1999 and December 2005.

The loans were originated by BBVA, which has a multi-channel consumer loan origination strategy. Loans are originated via two channels:

- Branch network: There are 3,578 BBVA branches nationwide in Spain and these are the main selling points for consumer loans (approximately 97% of total consumer loan origination).
- Prescription centers network: The network is made up of 44 broker centers that centralize the loans originated by third parties such as retail stores (approximately 3% of total consumer loan origination).

BBVA has a telephone credit line called "El Creditón" and an online feature called "Clic-e internet" that attract new business. Although these do not generate any loans, they refer interested parties to the branch network.

Notable Features

This is BBVA's third unsecured consumer loans transaction following two recent consumer loan transactions: namely, BBVA Autos 1 Fondo de Titulización de Activos and BBVA Autos 2 Fondo de Titulización de Activos.

In this transaction, the collateral is made up of general consumer loans, not specifically auto loans. BBVA is active in the securitization market and BBVA Consumo 1 is BBVA's 12th securitization. It closely tracks the recent BBVA Autos 2 transaction that closed in December 2005.

The key features of this transaction include:

- The swap counterparty will pay the servicing fee; and
- There is a two-year revolving period during which any principal collections will be used to purchase new loans, subject to eligibility criteria.

Strengths, Concerns, And Mitigating Factors

Strengths

- BBVA is one of the leading lenders in the Spanish loan market and a strong and experienced servicer.
- This is a relatively highly seasoned prime portfolio (approximately 22-month weighted-average), with no balloon loans and with all loans repaying annuity-style via direct debit.
- The pool is diversified and granular with 224,722 loans and an average loan size of €8277.85. There is limited geographic concentration risk as no single region in Spain accounts for more than 20% of the collateral.
- The weighted-average interest rate is relatively high at 7.08%.
- Between January 1999 and December 2005, Standard & Poor's received quarterly cumulative default, cumulative recovery, and prepayment data on the collateral to be securitized.
- Principal collections can be used to pay interest on all classes. However, in some circumstances payment of class B and C note interest will be subordinated to a lower position in the priority of payments.
- The payment structure and the credit structure (subordination, excess spread, and cash reserve) of the transaction is considered adequate for the ratings assigned.
- The transaction will be able to achieve a high level of recoveries as most borrowers are existing customers of BBVA. If a borrower defaults, monies can be recovered swiftly by capturing them in the borrower's bank accounts.

Concerns

- There is a two-year revolving period, which can potentially alter the credit quality and characteristics of the portfolio.
- The cash reserve is amortizing, which results in a potential reduction of credit enhancement when the structure may need it. For example, if the pool experiences high prepayments, there may be a risk of adverse selection, so that loans of a lesser credit quality will make up more of the pool than at closing.
- At closing, some of the loans may be up to 30 days in arrears.
- The loans pay a fixed rate of interest but the notes pay a floating rate of interest.
- BBVA is a deposit-taking institution and all borrowers hold an account at BBVA. This gives rise to potential set-off issues if BBVA becomes insolvent.
- Collections from the securitized portfolio are collected into the same account as non-securitized loans.
- Prepayments on unsecured consumer loans can be high, e.g., if there is a positive change in the borrower's financial situation or if there is increased competition that could lead to a higher number of consumers refinancing their existing loans.

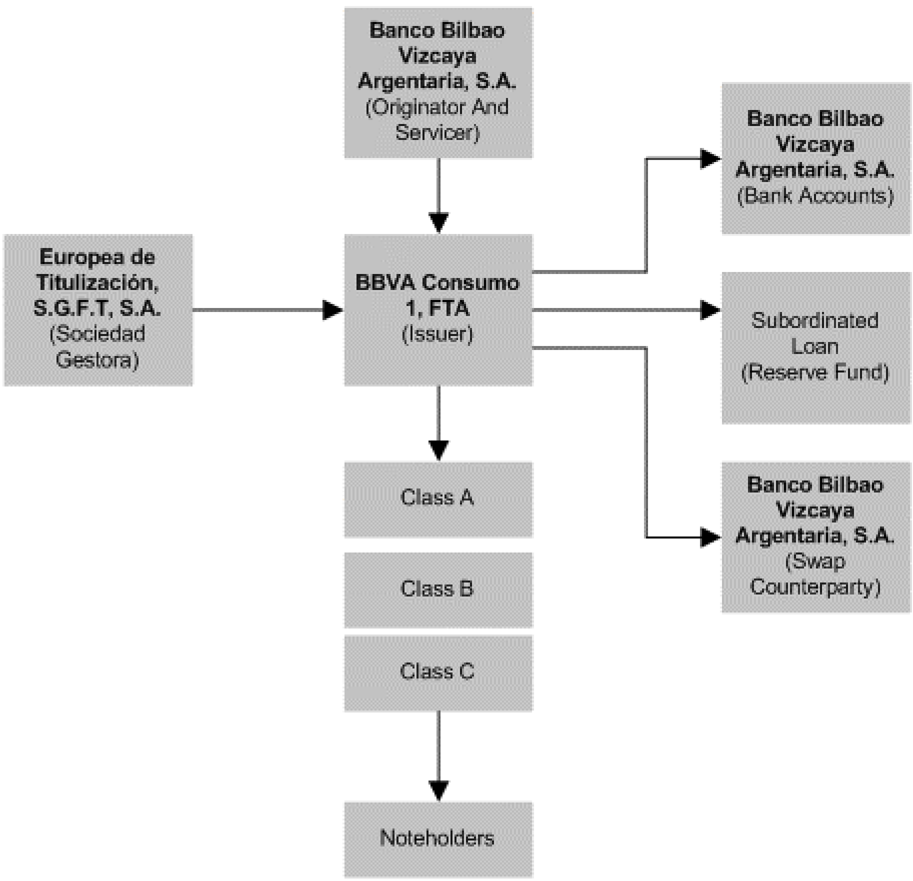
Mitigating factors

- The eligibility criteria will ensure that the characteristics of the portfolio remain within established parameters during the revolving period. The individual loan and portfolio-wide eligibility criteria are quite protective and prevent pool quality deterioration during the revolving period *(*see "*Transaction Structure*"*).*
- The cash reserve will not amortize for the first two years of the transaction. It will not reduce when arrears are in excess of 1% or if the cash reserve is not at its required level on the previous interest payment date. Standard & Poor's has taken into account this structural feature in its cash flow analysis.
- Of the provisional pool, 5.19% is in arrears up to 30 days, which is relatively low, and these are considered to be "technical" arrears. Of the provisional pool, 93.25% is performing.
- The issuer and BBVA will enter into an interest rate swap agreement to hedge against any interest rate mismatch.
- There are structural features in the transaction that mitigate set-off risk and there are no employee loans in the portfolio.
- Collections from the securitized portfolio are collected into BBVA's account and transferred to a segregated account in the name of the issuer at BBVA on a weekly basis. Furthermore, commingling has been stressed in the cash flow analysis.
- Prepayments have been factored in the cash flow analysis and stressed up to 30%.

Transaction Structure

On the closing date, the issuer will purchase a portfolio of unsecured consumer loan receivables with an outstanding balance of €1.5 billion. It will issue three classes of notes to the capital markets (see chart 1). All of the notes will pay interest at the end of every quarter at three-month EURIBOR plus a spread specific to each class of notes at a rate yet to be determined.

Chart 1
BBVA Consumo 1, FTA Structure



Revolving period and early amortization

There is a revolving period, which will begin on July 20, 2006 and end on April 20, 2008, inclusive. During this time, all principal proceeds will be used to purchase new assets for the pool. The revolving period will terminate early if:

- Cumulative delinquencies (loans in arrears of more than 90 days) are greater than 2.2% of the outstanding balance of the assets;
- The cumulative defaults (loans which are 12 months past due) since closing exceed a target derived from the straight line interpolation between 0% and 3% of the original collateral balance;
- The reserve fund is not at its required amount;
- There is a termination under the swap and no replacement, guarantor, or alternative solution can be found within 15 business days;
- BBVA becomes insolvent; or
- BBVA is substituted as servicer.

If any of the above events occur, the revolving period would be terminated and the issuer would use all the principal collections to redeem the notes on a sequential basis.

Eligibility criteria

During the revolving period, the issuer can purchase additional underlying loans. These underlying loans are subject to individual and pool eligibility criteria tests. On an individual loan basis, the main eligibility criteria are as follows:

- The borrower must be an individual and a Spanish resident;
- The maturity of the underlying loan must not fall after Dec. 31, 2017;
- A minimum of one installment must have been paid and there must be no pending arrears;
- Each loan must have a minimum remaining life of 12 months;
- The obligor must not be an employee of BBVA;
- The loan size must be between €500 and €60,000; and
- All of the loans must be paid by direct debit.

On a portfolio basis, the eligibility criteria are as follows:

- The weighted-average seasoning of the pool must be equal to or greater than six months;
- The weighted-average seasoning of the additional pool must be equal or greater to three months;
- The weighted-average interest of the pool must be equal to or greater than 5%;
- The weighted-average life of the additional pool must be less than 3.85 years (assuming a CPR of 0%);
- The weighted-average life of the pool must be less than seven years; and
- Maximum concentration in a single Spanish autonomous community must not exceed 25% and in the three largest it must not exceed 60% (see chart 2 for existing concentrations).

Collateral Description

Key features of the provisional collateral pool are described in table 2.

Table 2: Provisional Pool Data As At April 10, 2006	
Number of receivables	224,722.00
Aggregate principal balance (Mil. €)	1,860.20
Average principal balance (€)	8,277.85
Weighted-average seasoning (months)	21.60
Weighted-average interest rate (%)	7.08
Range of interest rates (%)	4.00 to 12.00

The provisional pool comprises unsecured loans made to individuals resident in Spain. The loans are originated and serviced by BBVA. All loans in the provisional pool (and to be included in the final pool) are fully amortizing, monthly-installment loans.

All loans pay a fixed rate of interest, with the majority paying between 6.5% and 8.0%. The weighted-average interest rate is 7.08%. Under this transaction, a minimum weighted-average interest rate of 5.0% is a condition of the loan purchases. Charts 2 to 6 show certain characteristics of the collateral pool.

Chart 2

Distribution Of Consumer Loans By Region

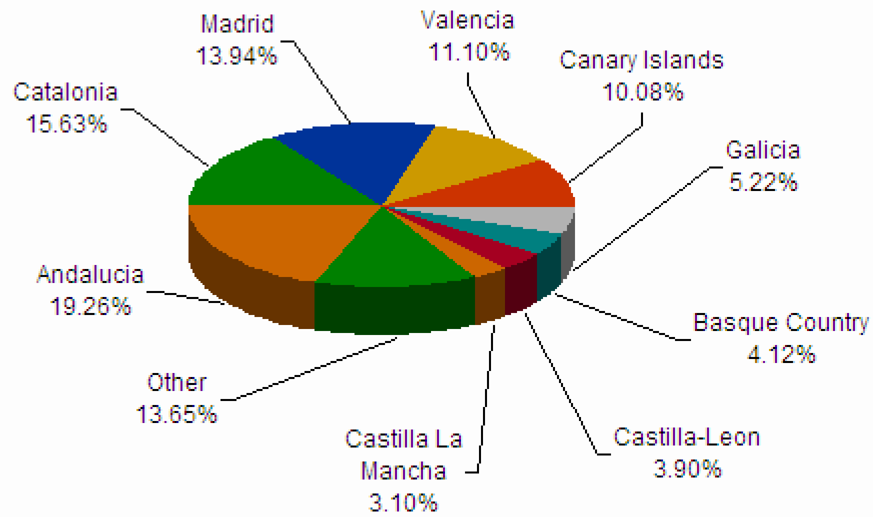


Chart 3

Distribution Of Consumer Loans By Purpose

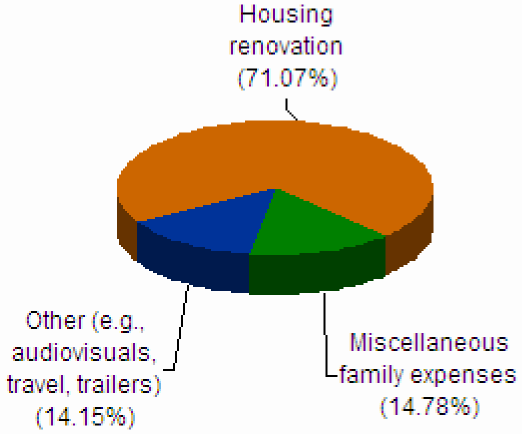
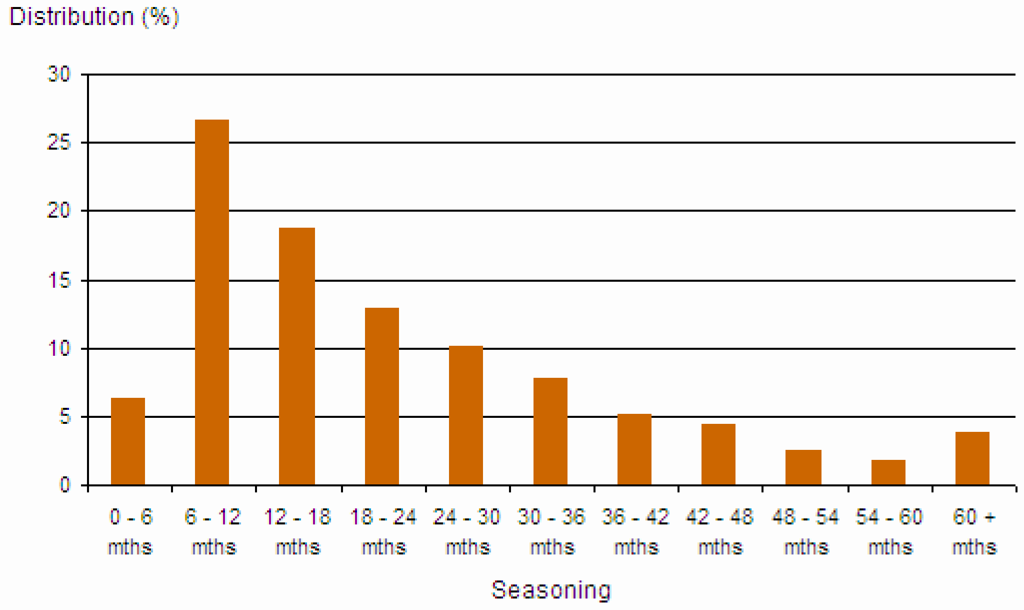


Chart 4

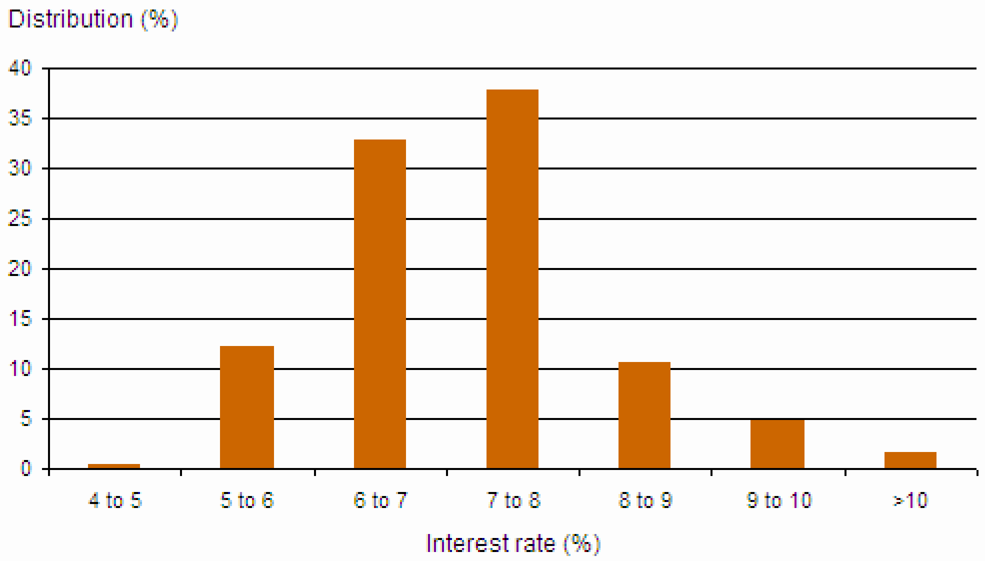
Distribution Of Consumer Loans By Seasoning



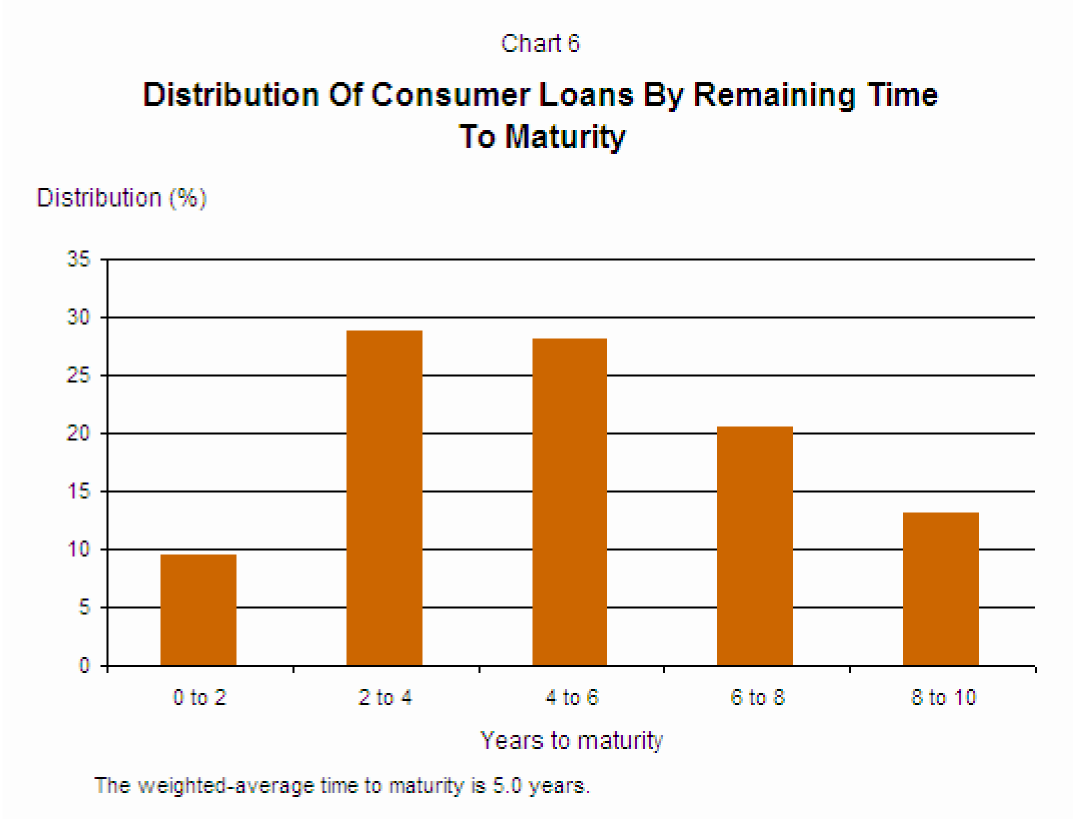
The weighted-average seasoning is 21.6 months.

Chart 5

Distribution Of Consumer Loans By Interest Rates



The weighted-average interest rate is equal to 7.08%.



Credit Structure

Interest rates

The loans pay monthly based on an interest rate that is fixed from the point of their origination. The notes will pay based on three-month EURIBOR plus a margin to be determined.

Cash collection and transaction accounts

All borrowers will pay monthly into the collection account held at BBVA. All collected amounts belonging to the Fondo will be transferred daily with a seven-day delay into an account in the name of the Fondo at BBVA called the treasury account ("*Cuenta de Tesorería"*). There will also be a GIC account ("*Cuenta de Principales*") held at BBVA in the name of the Fondo, which will house the available principal deposit amounts that are not used to purchase additional consumer loans during the revolving period (see *"Downgrade Language"*).

Subordinated loan

BBVA will provide a subordinated loan to fund the reserve fund. The amounts standing to the reserve fund will be held at the treasury account held in the name of the Fondo at BBVA. The reserve fund can be drawn on interest payment dates to cover senior fees and expenses of the Fondo, and interest and principal on all classes of notes.

At closing, the subordinated loan funding the reserve fund will be equal to 1.45% of the note balance, and on each interest payment date, it will be equal to the lower of:

- 1.45% of the initial note balance; and
- The greater of: (i) 2.900% of the outstanding note balance, and (ii) 0.725% of the initial note balance (i.e., €10.875 million).

There will not be a reduction in the amount of the subordinated loan before a period of two years, if arrears are greater than 1% of the outstanding balance of the performing loans, and if the reserve fund, if formed, is not at its required level.

Initial expenses loan

BBVA will provide an initial expenses subordinated loan on the closing date that will fund the initial expenses that arise to constitute the fund and to issue and list the notes.

Interest swap agreement

Due to the fixed rate payable on the underlying loans and the floating rate payable on the notes, BBVA will provide an interest rate swap to mitigate any interest rate mismatch risk.

Under the terms of the swap, the Fondo will pay all interest received on the portfolio to the swap counterparty and will receive: (i) the three-month EURIBOR rate, plus the weighted-average spread of the notes plus 3.25% on the notional amount which is equal to the balance of the performing loans and loans in arrears up to 90 days, (ii) during the revolving period an amount covering the difference between the coupon paid on the notes and the interest yielded by the principal account (to cover negative carry), and (iii) the portfolio's administration and servicing fee.

Given that the swap counterparty will also be paying the servicing fee, if BBVA is no longer swap counterparty, a replacement must be found that will enter into the swap on the same terms, and any cost of replacement must be borne by BBVA.

Priority of payments

Funds available on each interest payment date will include principal and interest from the portfolio, amounts standing to the credit of the Fondo's accounts, the cash reserve, net amounts from the swap, and any other amounts belonging to the Fondo. These amounts will be applied in the following order, to:

- Senior fees and expenses;
- Swap amounts (excluding termination costs if the swap counterparty is the defaulting party);
- Interest on the class A notes;
- Interest on the class B notes, unless deferred;
- Interest on the class C notes, unless deferred;
- Amortization amount of the notes;
- Payment of the class B note interest if deferred;
- Payment of the class C note interest if deferred; and
- Residual payments back to the seller.

Deferral of the class B note interest to a lower place in the priority of payments will occur if the cumulative gross default ratio is greater than 12.5%. The same applies to the class C note interest if the cumulative gross default ratio is greater than 10.0%.

The notes redeem by an amount equal to the outstanding balance of the respective classes of notes and the outstanding balance of the non-defaulted assets.

During the revolving period, the amortization amount will be used to purchase at par additional assets.

Amortization of the notes

Subsequent to the revolving period ending in April 20, 2008 inclusive, the notes will amortize sequentially.

Clean-up call

As is usual in Spanish RMBS transactions, the fund manager (Europea de Titulización, EdT) may, after having notified the CNMV (The Spanish capital markets regulatory body) and the rating agencies, terminate the transaction from the payment date in which the aggregate principal amount of outstanding loans is lower than 10% of the aggregate issue amount.

Redemption of the notes

The notes will redeem in full on the final interest payment date in January 2020.

Downgrade Language

Transaction account and GIC account provider

If the short-term rating on BBVA as GIC (*Cuenta de Principales)* and transaction account (*Cuenta de Tesorería*) provider falls below 'A-1' then the following actions must be taken within 30 days:

- Obtain a joint and several first demand guarantee in favor of the issuer from an entity with a short-term debt rating of at least 'A-1'; or
- Transfer the funds of the cash account to an institution whose short-term rating is at least 'A-1'.

If neither of these options is possible, it must obtain from the financial agent or a third party, collateral security in favor of the fund on financial assets. The collateral security must have a credit quality of not less than that of Spanish state government debt, in an amount sufficient to guarantee the commitments established in the financial services agreement, subject to confirmation by Standard & Poor's.

If none of the above measures is achieved, the trustee must replace the financial agent with another credit entity whose short-term debt must have a credit rating of at least 'A-1'.

If the amounts held at the GIC account with BBVA exceed 20% of the outstanding balance of the notes, the excess must be deposited in an account for excess funds held at an entity rated 'A-1+'.

Swap counterparty

If BBVA as swap counterparty is downgraded below 'A-1', it has 30 days to either find a substitute with a short-term rating of at least 'A-1', to find a guarantor with a short-term rating of at least 'A-1', or post collateral complying with Standard & Poor's requirements.

If the long-term rating on the swap counterparty is lowered below 'BBB-', it has to be substituted by a new counterparty with a short-term rating of at least 'A-1' within five business days. Any replacement costs will be paid by BBVA.

Standard & Poor's Stress Test

The analysis of the underlying portfolio was carried out in accordance with Standard & Poor's criteria for analyzing consumer-loan assets. Standard & Poor's was presented with quarterly cumulative default, cumulative recovery, and prepayment data on the collateral pool over a period of six years (from January 1999 to December 2005).

Defaults and recoveries

For each type of asset, Standard & Poor's analyzed historical gross defaults using the consumer asset-backed default modeling methodology to come to base-case assumptions, and applied rating-specific multiples to these base-case levels (see the article "*Default Modeling for European Consumer Asset-Backed Securitizations*" in *"Criteria Referenced*").

Credit was given to seasoning in the default determination, as there is an eligibility criterion in the transaction requiring that the weighted-average seasoning of the portfolio must be at least six months. Standard & Poor's has applied rating-specific haircuts to historical recovery data for unsecured loans.

Prepayments

Prepayments have been stressed up to 30% and down to 0.5%.

Criteria Referenced

- "*European Legal Criteria for Structured Finance Transactions*" (published on March 23, 2005).
- "*Global Interest Rate and Currency Swaps: Calculating the Collateral Required Amount*" (published on Feb. 26, 2004).
- "*Standard & Poor's Global Interest Rate and Swap Counterparty Rating Criteria Expanded*" (published on Dec. 17, 2003).
- "*European Consumer Finance Criteria*" (published in March 2000).
- "*Default Modeling for European Consumer Asset-Backed Securitizations*" (published in June 2003).

Related Articles

- "*Ratings Transitions 2005: Activity More Muted, But Upgrades Still Dominate In European Structured Finance*" (published on Jan. 11, 2006).
- "*Lightening The Burden Of European ABS Surveillance*" (published on Sept. 7, 2005).
- "*RMBS And Cédulas Should Boost Spanish Securitization Market Further In 2005*" (published July 28, 2005).
- "*European Auto ABS Performance Report*" (published quarterly).
- "*2005 Outlook: European Securitization Shows its Adaptability*" (published on Jan. 17, 2005).

All criteria and related articles are available on RatingsDirect, Standard & Poor's Web-based credit analysis system, at www.ratingsdirect.com. The criteria can also be found on Standard & Poor's Web site at www.standardandpoors.com.