OFFERING CIRCULAR **October 19, 2004**

BBVA AUTOS 1

FONDO DE TITULIZACIÓN DE ACTIVOS

ISSUE OF ASSET-BACKED BONDS

EUR 1,000,000,000

Series A	**EUR 950,000,000**	**Aaa/AAA**
Series B	**EUR 23,000,000**	**Aa3/AA**
Series C	**EUR 27,000,000**	**A1/A**

Backed by credit rights assigned by

BBVA

Lead Managers

BBVA JPMorgan

Underwriters and Placement Agents

BBVA **JPMorgan**

Caixa Catalunya **Calyon**

Dresdner Bank **Fortis Bank**

Natexis Banques Populaires **Société Générale**

Paying Agent

BBVA

Fund constituted and managed by

Europea de Titulización
Sociedad Gestora de Fondos de Titulización

Offering Circular entered in the Registers of the Comisión Nacional del Mercado de Valores

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Appendices II-VII mentioned in the Spanish Offering Circular have not been translated and are not included in this translation. These Appendices are available in Spanish upon request from the Management Company, and can be found in the Spanish version of the Offering Circular.

CHAPTER 0

SUMMARY OF THE OFFERING CIRCULAR

This full Offering Circular has been entered in the Official Registers of the Comisión Nacional del Mercado de Valores (*National Securities Market Commission*) ("CNMV") on October 19, 2004. Registration of the Offering Circular by the CNMV does not imply recommending subscription for or purchase of the Bonds referred to therein, nor indeed any statement whatsoever as to the solvency of the Fund or yield of the Bonds.

0.1 Name and nature of the Asset Securitisation Fund.

The name of the Fund is "**BBVA AUTOS 1 FONDO DE TITULIZACIÓN DE ACTIVOS**" (the "**Fund**"). The Management Company will constitute the Fund before the Bond Subscription Period begins in a public deed in pursuance of the provisions of Royal Decree 926/1998, May 14, regulating asset securitisation funds and securitisation fund management companies ("**Royal Decree 926/1998**"), 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, and other applicable laws and regulations.

The Fund shall be a separate fund devoid of legal personality, with open-end revolving assets and closed-end liabilities. Its assets shall comprise the Initial Credit Rights pooled therein upon being constituted, and, revolving upon the ordinary or early amortisation of the assets, such Additional Credit Rights as may later be acquired, and the start-up expenses (constitution and issue), and its liabilities shall comprise the Bonds issued and the Start-Up Loan, and the net worth of the Fund shall be nil. Additionally, the Fund arranges the Financial Swap and the Subordinated Credit to be reported in memorandum accounts.

0.2 Representation of the Fund: Management Company.

EUROPEA DE TITULIZACIÓN, S.A., SOCIEDAD GESTORA DE FONDOS DE TITULIZACIÓN, is the Management Company that will constitute the Fund and will be responsible for managing and representing the same. It is also the Management Company's duty, as the manager of third-party funds, to represent and defend the interests of the holders of the Bonds issued by the Fund and of all its other ordinary creditors.

The Management Company is responsible for the facts and figures contained in the Offering Circular, without prejudice to the responsibility of the other undertakings involved.

0.3 Bonds issued by the Fund.

Bond Issue: Face value of EUR 1,000,000,000.00 consisting of 10,000 Asset-Backed Bonds (the "**Bonds**") having a face value of EUR 100,000.00, represented by means of book entries and comprised of three Bond Series:

- ? **Series A:** EUR 950,000,000.00, consisting of 9,500 Bonds
- ? **Series B:** EUR 23,000,000.00, consisting of 230 Bonds
- ? **Series C:** EUR 27,000,000.00, consisting of 270 Bonds

Credit risk ratings: provisional ratings have been assigned by the Rating Agencies Moody's Investors Service España, S.A. ("**Moody's**") and Standard & Poor's España, S.A. ("**S&P**").

	Moody's Ratings	**S&P Ratings**
? **Series A**	**Aaa**	**AAA**
? **Series B**	**Aa3**	**AA**
? **Series C**	**A1**	**A**

Secondary market where listing of the Bonds for trading will be applied for: AIAF FIXED-INCOME MARKET (*AIAF MERCADO DE RENTA FIJA*) ("**AIAF**").

Institution in charge of the Bond accounting record: SOCIEDAD DE GESTIÓN DE LOS SISTEMAS DE REGISTRO, COMPENSACIÓN Y LIQUIDACIÓN DE VALORES S.A. (either "**Systems Company**" or "**Iberclear**").

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

0.3.1 **Issue Price:** 100 percent of the face value of each Bond (EUR 100,000.00), clear of taxes and subscription costs for the subscriber through the Fund.

0.3.2 **Nominal Interest Rate:** variable quarterly**,** shall be the result of adding: (i) the Reference Rate and (ii) the following margins for each of the Series, in accordance with the provisions of section II.10.1 of the Offering Circular.

- **Series A:** margin ranging between 0.12% and 0.16%, both inclusive.
- **Series B:** margin ranging between 0.18% and 0.30%, both inclusive.
- **Series C:** margin ranging between 0.28% and 0.40%, both inclusive.

The margin applicable to each of the Series, expressed as a percentage, shall be determined with one accord among the Lead Managers within the range established for each Series by 10am (CET time) on the day on which the Subscription Period begins (October 26, 2004). Failing an agreement, the Management Company shall fix the specific margin for the Series in respect of which no margin was agreed, as follows:

- **Series A:** 0.14% margin.
- **Series B:** 0.25% margin.
- **Series C:** 0.35% margin.

Reference Rate: three- (3-) month Euribor rate, fixed at 11am (CET time) on the Interest Rate Fixing Date (second Business Day preceding each Payment Date), or, upon the failure or impossibility to obtain the same, the substitute rates for which provision is made in section II.10.1.3 of the Offering Circular.

Exceptionally, the Reference Rate for the first Interest Accrual Period shall be the rate resulting from the straight-line interpolation, taking into account the number of days in the first Interest Accrual Period, between the one- (1-) month Euribor rate and the two- (2-) month Euribor rate, fixed at 11am (CET time) on the second Business Day preceding the Closing Date, or, upon the failure or impossibility to obtain these Euribor rates, the substitute rates for which provision is made in section II.10.1.3 of the Offering Circular.

Principal repayment and interest Payment Dates: March 20, June 20, September 20 and December 20 or the following Business Day if any of those is not a Business Day. The first interest Payment Date shall be December 20, 2004.

0.3.3 **Amortisation of the Bonds.**

Redemption Price: 100 percent of the face value of each Bond.

Amortisation of Series A Bonds.
Series A Bond principal shall be amortised by partial amortisation on each of the Payment Dates after Bond amortisation begins until their total face amount has been fully amortised, in an amount equal to the Available Principal Funds applied on each Payment Date to amortising Series A, in accordance with the rules for Distribution of Available Principal Funds, pro rated between the Bonds in Series A proper by reducing the face amount of each Series A Bond.

The first partial amortisation of the Series A Bonds shall take place on the Payment Date falling on December 20, 2006 or on a previous Payment Date in the event of early termination of the Credit Right Revolving Period.

The final amortisation of the Series A Bonds shall occur on the Final Maturity Date (June 20, 2016 or the following Business Day if that is not a Business Day), notwithstanding the partial amortisations for which provision is made and the fact that the Management Company may, for and on behalf of the Fund, proceed to the Early Amortisation of the Bond Issue before the Final Maturity Date.

Amortisation of Series B Bonds.
Series B Bond principal shall be amortised by partial amortisation on each of the Payment Dates after Bond amortisation begins until their total face amount has been fully amortised, in an amount equal to the Available Principal Funds applied on each Payment Date to amortising Series B, in accordance with the rules for Distribution of Available Principal Funds, pro rated between the Bonds in Series B proper by reducing the face amount of each Series B Bond.

The first amortisation of the Series B Bonds shall occur once the Series A Bonds have been fully amortised.

The final amortisation of the Series B Bonds shall occur on the Final Maturity Date (June 20, 2016 or the following Business Day if that is not a Business Day), notwithstanding the partial amortisations for which provision is made and the fact that the Management Company may, for and on behalf of the Fund, proceed to the Early Amortisation of the Bond Issue before the Final Maturity Date.

Amortisation of Series C Bonds.
Series C Bond principal shall be amortised by partial amortisation on each of the Payment Dates after Bond amortisation begins until their total face amount has been fully amortised, in an amount equal to the Available Principal Funds applied on each Payment Date to amortising Series C, in accordance with the rules for Distribution of Available Principal Funds, pro rated between the Bonds in Series C proper by reducing the face amount of each Series C Bond.

The first amortisation of the Series C Bonds shall occur once the Series A and the Series B Bonds have been fully amortised.

The final amortisation of the Series C Bonds shall occur on the Final Maturity Date (June 20, 2016 or the following Business Day if that is not a Business Day), notwithstanding the partial amortisations for which provision is made and the fact that the Management Company may, for and on behalf of the Fund, proceed to the Early Amortisation of the Bond Issue before the Final Maturity Date.

0.3.4 Bond subscription and placement procedure.

Lead Managers: **BBVA and JPMORGAN.**

Underwriters and Placement Agents: **BBVA, JPMORGAN, CAIXA CATALUNYA, CALYON, DRESDNER KLEINWORT WASSERSTEIN, FORTIS BANK, NATEXIS BANQUES POPULAIRES and SOCIÉTÉ GÉNÉRALE.**

Investors to whom the Bonds are offered: the placement of the Bond Issue is exclusively targeted at institutional investors as described in section II.18.1 of the Offering Circular.

Subscription Period: shall commence at 1pm (CET time) on October 26, 2004 and end at 3pm (CET time) on the same day.

Closing Date: by 1pm (CET time) on October 29, 2004.

0.3.5 Jurisdiction in the event of litigation.

The constitution of the Fund, the assignment of the Credit Rights, the Bond issue and the agreements for transactions hedging financial risks and the rendering of services to be entered into by the Management Company on behalf of the Fund shall be subject to Spanish Law.

All matters, disagreements, actions and claims deriving from the Management Company's constitution, administration and legal representation of BBVA AUTOS 1 FONDO DE TITULIZACIÓN DE ACTIVOS, and the Bond Issue by the same, shall be submitted to the competent Spanish Courts and Tribunals.

0.4 Assets pooled in the Fund.

The Fund shall pool Credit Rights owned by and shown on the assets of BBVA derived from loans granted to individuals resident in Spain for financing the acquisition of new motor cars.

The Deed of Constitution shall perfect the assignment by BBVA to the Fund, represented by the Management Company, of an as yet indeterminate number of Initial Credit Rights whose total principal or capital shall be equal to or slightly in excess of EUR one billion 1,000,000,000.00. Subsequently, on each Payment Date in the Revolving Period, the assignment by BBVA to the Fund, represented by the Management Company, of the Additional Credit Rights shall be perfected in a public deed.

The Initial Credit Rights shall be taken from a selection comprised of 159,289 loans, the outstanding principal of which amounted as of September 22, 2004 to EUR 1,264,143,989.68. The detailed characteristics of the loans selected are described in section IV.4 of the Offering Circular.

0.5 Risk hedging and service transactions arranged for on behalf of the Fund.

The Management Company shall, for and on behalf of the Fund, concurrently upon executing the Deed of Constitution, proceed to formally enter into the agreements established hereinafter:

(i) Guaranteed Interest Rate Account (Treasury Account) Agreement.

(ii) Guaranteed Interest Rate Account (Principal Account) Agreement.

(iii) Subordinated Credit Agreement amounting to EUR 20,000,000.00.

(iv) Start-Up Loan Agreement amounting to EUR 1,250,000.00 to be drawn down on the Closing Date.

(v) Financial Swap Agreement.

(vi) Credit Right Servicing Agreement.

(vii) Bond Issue Management, Underwriting and Placement Agreement.

(viii) Bond Paying Agent Agreement.

(ix) Financial Intermediation Agreement.

0.6 Fund Priority of Payments from the first Payment Date until the last Payment Date or liquidation of the Fund, inclusive.

On each Payment Date, the Management Company shall proceed successively to apply the Available Funds and the Available Principal Funds in accordance with the priority of payments established hereinafter for each of them.

0.6.1 Available Funds: source and application.

1. **Source:** the Available Funds on each Payment Date to meet the payment or withholding obligations listed in section 2 below shall be the following amounts credited to the Treasury Account:

    a) Credit Right principal repayment income received between the preceding Payment Date, exclusive, and the relevant Payment Date, inclusive.

    b) Ordinary and late-payment interest income received on the Credit Rights between the preceding Payment Date, exclusive, and the relevant Payment Date, inclusive.

    c) The return received on the amounts credited to the Treasury Account and the Principal Account.

    d) Drawdowns on the Subordinated Credit, designed only to meet the payment or withholding obligations numbered 1 to 11, both inclusive, listed in section 2 below.

    e) If it is ever set up, the amount with which the Cash Reserve is provisioned on the Determination Date preceding the relevant Payment Date.

f) Net amounts, if any, received by the Fund under the Financial Swap Agreement and the amount making up the settlement payment payable by the Fund counterparty (Party B) in the event of termination of that Agreement.

g) Any other amounts received by the Fund between the preceding Payment Date, exclusive, and the relevant Payment Date, inclusive, including those resulting from the sale or utilisation of assets awarded to the Fund and from the sale of the Credit Rights and remaining assets of the Fund.

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 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 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 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 payable, as the case may be, 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 latter is the party affected by objective ex post facto circumstances, payment of the amount to be settled by the Fund comprising the settlement payment.

4. Payment of interest due on the Series A 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 where any of the following circumstances occurs on the Determination Date preceding the Payment Date:

   (i) that the amount resulting from decreasing the Outstanding Principal Balance of Series A by the following amounts: a) the Available Funds remaining after deducting the amounts applied to the payment obligations listed in 1st to 5th place, b) the Principal Account balance, and c) the Outstanding Balance of Non-Doubtful Credit Rights on the relevant Payment Date, is above zero; or,

   (ii) that it is the Fund liquidation date or last Payment Date.

6. Payment of interest due on the Series C Bonds unless this payment is deferred to 10th place in the priority of payments.

   This payment shall be deferred to 10th place where any of the following circumstances occurs on the Determination Date preceding the Payment Date:

   (i) that the amount resulting from decreasing the Outstanding Principal Balance of Series A and Series B by the following amounts: a) the Available Funds remaining after deducting the amounts applied to the payment obligations listed in 1st to 6th place, b) the Principal Account balance, and c) the Outstanding Balance of Non-Doubtful Credit Rights on the relevant Payment Date, is above zero; or,

   (ii) that it is the Fund liquidation date or last Payment Date.

7. Withholding for the First Principal Fund the following amounts:

   a) On any Payment Date other than the Fund liquidation date or the last Payment Date, an amount equal to the positive difference between:

   (i) the Outstanding Principal Balance of Series A on the Determination Date preceding the relevant Payment Date; and

(ii) the sum of: a) the Outstanding Balance of Non-Doubtful Credit Rights on the relevant Payment Date, and b) the Principal Account balance on the Determination Date preceding the relevant Payment Date.

b) On the Fund liquidation date or last Payment Date, the positive difference, on the Determination Date preceding this date, between the Outstanding Principal Balance of Series A and the Principal Account balance.

The amount actually applied in this priority on the relevant Payment Date shall be included among the Available Principal Funds and be applied in accordance with the rules for Distribution of Available Principal Funds established in the following section.

8. Payment of interest due on the Series B Bonds when it is deferred from 5th place in the priority of payments as established therein.

9. Withholding for the Second Principal Fund the following amounts:

a) On any Payment Date other than the Fund liquidation date or the last Payment Date, an amount equal to the lower of the following amounts:

1. The Outstanding Principal Balance of Series B on the Determination Date preceding the relevant Payment Date.

2. The positive difference between:

(i) the sum of the Outstanding Principal Balance of Series A and of Series B on the Determination Date preceding the relevant Payment Date; and

(ii) the sum of: a) the Outstanding Balance of Non-Doubtful Credit Rights on the relevant Payment Date, and b) the Principal Account balance on the Determination Date preceding the relevant Payment Date.

b) On the Fund liquidation date or last Payment Date, the positive difference, on the Determination Date preceding this date, between (i) the Outstanding Principal Balance of Series B and (ii) the positive difference between the Principal Account balance and the Outstanding Principal Balance of Series A.

The amount actually applied in this priority on the relevant Payment Date shall be included among the Available Principal Funds and be applied in accordance with the rules for Distribution of Available Principal Funds established in the following section.

10. Payment of interest due on the Series C Bonds when it is deferred from 6th place in the priority of payments as established therein.

11. Withholding for the Third Principal Fund the following amounts:

a) On any Payment Date other than the Fund liquidation date or the last Payment Date, an amount equal to the lower of the following amounts:

1. The Outstanding Principal Balance of Series C on the Determination Date preceding the relevant Payment Date.

2. The positive difference between:

(i) the Outstanding Principal Balance of the Bond Issue on the Determination Date preceding the relevant Payment Date; and

(ii) the sum of: a) the Outstanding Balance of Non-Doubtful Credit Rights on the relevant Payment Date, and b) the Principal Account balance on the Determination Date preceding the relevant Payment Date.

b) On the Fund liquidation date or last Payment Date, the positive difference, on the Determination Date preceding this date, between (i) the Outstanding Principal Balance of Series C and (ii) the positive difference between the Principal Account balance and the sum of the Outstanding Principal Balance of Series A and of Series B.

The amount actually applied in this priority on the relevant Payment Date shall be included among the Available Principal Funds and be applied in accordance with the rules for Distribution of Available Principal Funds established in the following section.

12. a) Repayment of Subordinated Credit principal drawn down.

    This application shall not occur in the event that (i) the Subordinated Credit has been fully drawn down to set up the Cash Reserve, when it shall be substituted by application b) below, or (ii) on the Fund liquidation date or last Payment Date and shall in both cases be deferred to 16th place in the priority of payments.

    b) Withholding of an amount sufficient for the Required Cash Reserve to be maintained, substituting application a) above. This application shall not occur on the last Payment Date or Fund liquidation date.

13. Payment of interest due on the Subordinated Credit.

    This application shall not occur in the event that the Subordinated Credit has been fully drawn down to set up the Cash Reserve or on the Fund liquidation date or last Payment Date, when it shall be deferred to 15th place.

14. Payment of the amount payable by the Fund comprising the settlement payment under the Financial Swap Agreement other than in the events provided for in 3rd place above.

15. Payment of interest due on the Subordinated Credit when it is deferred from 13th place in the priority of payments as established therein.

16. Repayment of Subordinated Credit principal drawn down when it is deferred from 12th place in the priority of payments as established therein and in the amount of the repayment thereof.

17. Payment of interest due on the Start-Up Loan.

18. Repayment of Start-Up Loan principal in the amortised amount.

19. Payment of the variable remuneration established in the Financial Intermediation Agreement.

When accounts for different items exist in a same priority of payments and the remaining 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.

0.6.2 Available Principal Funds: source and distribution.

1. **Source:** On each Payment Date, the Available Principal Funds shall be the sum of the following amounts:

   a) The withholding amounts applied on the Available Funds to the First Principal Fund, the Second Principal Fund and the Third Principal Fund on the relevant Payment Date.

   b) Until the Payment Date immediately after termination of the Revolving Period, inclusive, the Principal Account balance on the Determination Date preceding the relevant Payment Date.

2. **Distribution of Available Principal Funds:** The Available Principal Funds shall be applied on each Payment Date in accordance with the following rules:

   1. During the Credit Right Revolving Period, payment of the assignment price comprising the face value of the capital of the Additional Credit Rights assigned to the Fund on the relevant Payment Date.

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

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

0.7 Liquidation and termination of the Fund.

Termination of the Fund.

The Fund shall terminate in the following events:

(i) Upon the Credit Rights pooled therein being fully amortised.

(ii) Upon the Bonds issued being fully amortised.

(iii) Upon the Early Liquidation procedure ending, subject to the requirements and procedures contained in section III.7.1 of the Offering Circular.

(iv) At all events, upon the Fund being finally liquidated on the Final Maturity Date (June 20, 2016 or the following Business Day if that is not a Business Day).

(v) Upon the Fund constitution terminating in the event that Moody's or S&P should not confirm any of the assigned provisional ratings as final ratings by the start of the Subscription Period.

0.8 Risks inherent in the Bonds.

a) Risk of default on the Credit Rights.

The holders of the Bonds issued by the Fund shall bear the risk of default on the Credit Rights pooled therein.

b) Credit Right prepayment risk.

There will be a prepayment of the Credit Rights pooled in the Fund when the Obligors prepay principal pending repayment.

When the Credit Right Revolving Period terminates, that prepayment risk shall pass quarterly on each Payment Date to the Bondholders by the partial amortisation of the Bonds.

c) Limited Hedging.

A high level of delinquency of the Credit Rights might reduce or indeed eliminate the limited hedging against Credit Right portfolio losses that the Bonds have as a result of the existence of the credit enhancement transactions described in sections III.2.3 and V.3 of this Offering Circular. Moreover, the degree of subordination in payment of interest and repayment of principal of the Series C Bonds with respect to the Series A Bonds and the Series B Bonds and of the latter with respect to the Series A Bonds, derived from the Fund Priority of Payments, is a mechanism for distinctly hedging the different Series.

d) 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.

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.

e) Yield.

Credit Right repayment performance is influenced by a number of economic and social factors such as market interest rates, the Obligors' employment and economic status and the general level of economic activity, preventing their predictability.

Calculation of the internal rate of return, average life and duration of the Bonds is subject, inter alia, to assumed Credit Right prepayment and delinquency rates that may not be fulfilled, and to future market interest rates, given the floating nature of the nominal interest rate of each Series.

f) Late-payment interest.

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

0.9 No right of action.

The Bondholders and the remaining creditors of the Fund shall have no recourse whatsoever against Obligors who may have defaulted on their Credit Right payment obligations. Any such rights shall lie with the Management Company, representing the Fund.

The Bondholders and the remaining creditors of the Fund shall have no recourse whatsoever against the Fund or against the Management Company, or against BBVA, in the event of non-payment of amounts due by the Fund resulting from the existence of default or early amortisation or prepayment of the Credit Rights, a breach 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.

The Bondholders and the remaining creditors of the Fund shall have no recourse against the Management Company other than as derived from a breach of its duties.

CHAPTER I

PERSONS TAKING RESPONSIBILITY FOR AND BODIES SUPERVISING THE CONTENTS OF THE OFFERING CIRCULAR

I.1 Persons taking responsibility for the contents of the Offering Circular.

I.1.1 Individuals taking responsibility for the contents of the Offering Circular on behalf of the Management Company.

Mr Mario Masiá Vicente, of full age, who holds Spanish Tax Identification number 50,796,768-A, acting for and on behalf of EUROPEA DE TITULIZACIÓN S.A. SOCIEDAD GESTORA DE FONDOS DE TITULIZACIÓN (the "**Management Company**"), sponsoring BBVA AUTOS 1 FONDO DE TITULIZACIÓN DE ACTIVOS (the "**Fund**"), takes responsibility for the contents of this Offering Circular.

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 constituting the Fund pursuant to authorities conferred by the Board of Director's Executive Committee at its meeting held on April 26, 2004.

EUROPEA DE TITULIZACIÓN S.A. SOCIEDAD GESTORA DE FONDOS DE TITULIZACIÓN has its registered office at Madrid, Calle Lagasca, number 120, and VAT Reg. no. A-80514466.

I.1.2 Declaration by the above-mentioned individual(s) on the information contained in the Offering Circular.

Mr Mario Masiá Vicente declares that the facts and figures contained in this Offering Circular are truthful and that no relevant detail has been omitted nor has misleading information been included.

I.2 Supervisory Bodies.

The constitution of the Fund and issue of the Asset-Backed Bonds (hereinafter also the "**Bonds**") are subject to the condition precedent of the registration in the Official Registers of the Comisión Nacional del Mercado de Valores (the "**CNMV**") of this Offering Circular and other supporting documents, in accordance with the provisions of article 5.1.e) of Royal Decree 926/1998.

This full Offering Circular regarding the constitution of the Fund and issue of the Bonds has been entered in the Official Registers of the CNMV on October 19, 2004.

Registration of this Offering Circular by the CNMV does not imply recommending subscription for or purchase of the securities referred to therein, nor indeed any statement whatsoever as to the solvency of the Fund or yield of the issued or offered securities.

I.3 Audit report on the assets securitised through the Fund.

Appendix V to this Offering Circular contains the audit report on a selection of BBVA portfolio loans which shall mostly be assigned to the Fund, making up the Initial Credit Rights assigned to the Fund upon being constituted. That Report was drawn up by the firm Deloitte & Touche España, S.L. ("**Deloitte**"), entered in the Official Register of Auditors (ROAC) under number S0692 and having its registered office in Madrid, Raimundo Fernández Villaverde, number 65. The designation of Deloitte as auditor was approved by BBVA, in accordance with the provisions of audit laws in auditor conflict matters.

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

CHAPTER II

INFORMATION REGARDING THE SECURITIES ISSUED BY THE FUND

II.1 Information on prerequisites and resolutions necessary.

II.1.1 Issue resolutions and statutory requirements.

a) Corporate resolutions.

Resolution to assign the credit rights:

The Standing Executive Committee of BANCO BILBAO VIZCAYA ARGENTARIA S.A. ("**BBVA**") resolved, at a meeting held on May 3, 2004, that the assignment of loans and credits without mortgage security granted by BBVA for financing the purchase by individuals of new motor cars to an open-end Asset Securitisation Fund set up ad hoc for a total maximum amount of EUR 1,000,000,000 be authorised. Moreover in order for the outstanding balance of the securitised loans to remain at EUR 1 billion for the first twenty-four months of existence of the Fund, that the assignment of additional loans or credits be authorised.

Attached as Appendix II to this Offering Circular is a photocopy of the transcript of the resolutions of the Standing Executive Committee of BBVA.

Resolution to set up the Fund:

At its meeting of April 26, 2004 the Executive Committee of the Board of Directors of EUROPEA DE TITULIZACIÓN S.A. SOCIEDAD GESTORA DE FONDOS DE TITULIZACIÓN resolved that:

i) BBVA AUTOS 1 FONDO DE TITULIZACIÓN DE ACTIVOS be set up in accordance with the legal system for which provision is made in Royal Decree 926/1998 and in Act 19/1992.

ii) The Credit Rights assigned by BBVA be pooled in the Fund.

iii) The Bonds be issued by the Fund.

Attached as Appendix III is a photocopy of a transcript of the resolutions of the Executive Committee of the Management Company's Board of Directors.

b) Registration by the CNMV.

The constitution of the Fund and the issue of the Bonds are subject to the prior requirement of registration of an Offering Circular by the CNMV.

This Offering Circular regarding the constitution of the Fund and issue of the Bonds has been entered by the CNMV in its Official Registers on October 19, 2004.

c) Execution of the Fund public deed of constitution.

Upon the CNMV registering this Offering Circular and without the Bond Subscription Period having yet begun, the Management Company and BBVA, the originator of the Credit Rights to be acquired by the Fund, shall proceed to execute a public deed whereby BBVA AUTOS 1 FONDO DE TITULIZACIÓN DE ACTIVOS will be constituted, the Credit Rights will be assigned, and the Bond Issue will be made (the "**Deed of Constitution**"), on the terms provided in article 6 of Royal Decree 926/1998.

The Deed of Constitution shall be submitted to the CNMV to be entered in the public registers before the Bond Subscription Period begins.

II.1.2 Information on prerequisites and resolutions for the Bonds to be listed on an organised secondary market.

The Bonds issued by the Fund shall be exclusively represented by means of book entries and the Fund Deed of Constitution shall have the effects provided in article 6 of the Securities Market Act. The Management Company shall, for and on behalf of the Fund, forthwith upon the execution of the Deed of Constitution, apply for the Bonds to be included in Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. (either "**Systems Company**" or "**Iberclear**"), and, once the Bonds have been paid up, for this Bond Issue to be listed on AIAF Fixed-Income Market ("**AIAF**"), which is a recognised official secondary securities market pursuant to Transitional Provision six of Securities Market Act Reform Act 37/1998, November 16, in order for the Bonds to be traded, cleared and settled in accordance with the operating rules which may be established now or henceforth by Iberclear and AIAF.

II.2 Prior administrative authorisations for the Bond Issue.

No prior administrative authorisation other than registration of the Offering Circular by the CNMV is required. The CNMV has made no warning or consideration whatsoever concerning the constitution of the Fund and the Bond Issue.

Registration of the Offering Circular by the CNMV does not imply recommending subscription for the Bonds, nor indeed any statement whatsoever as to the solvency of the Fund or yield of the Bond Issue.

II.3 Assessment of the risk inherent in the Bonds.

The assessment of the credit risk of the Bonds has been undertaken by the rating agencies Moody's Investors Service España, S.A. and Standard & Poor's España, S.A., which rating agencies (jointly the **Rating Agencies**") are recognised by the CNMV, for the purposes of the provisions of article 2.3.b) of Royal Decree 926/1998.

Moody's Investors Service España, S.A. is an affiliated Spanish company operating in accordance with the methodology, standards and quality control of Moody's Investors Service Limited (each of them '**Moody's**" without distinction).

On October 15, 2004, Moody's Investors Service España, S.A. assigned the following provisional ratings to each of the Bond Series, and expects to assign the same final ratings by the start of the Bond Subscription Period.

Bond Series	Moody's Ratings
Series A	**Aaa**
Series B	**Aa3**
Series C	**A1**

Standard & Poor's España, S.A. is an affiliated Spanish company operating in accordance with the methodology, standards and quality control of Standard & Poor's Rating Services (each of them "**S&P**" without distinction).

On October 13, 2004, Standard & Poor's España, S.A. assigned the following provisional ratings to each of the Bond Series, and expects to assign the same final ratings by the start of the Bond Subscription Period.

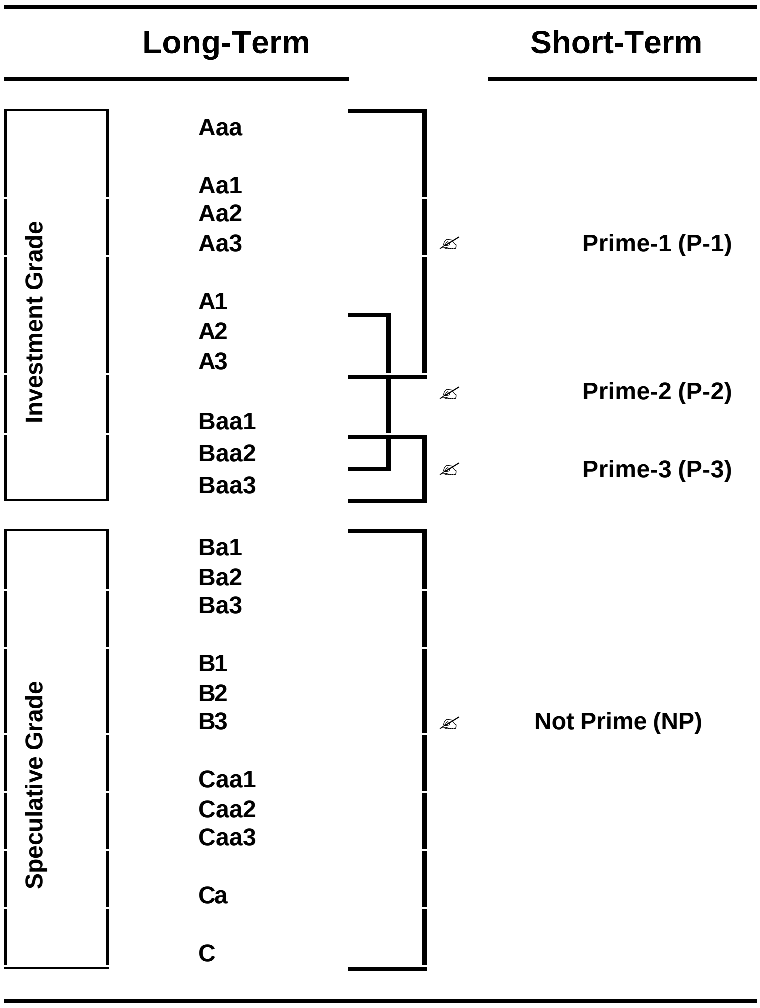
Bond Series	S&P Ratings
Series A	**AAA**
Series B	**AA**
Series C	**A**

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 III.4.2.c) of this Offering Circular. Furthermore, this circumstance would result in the Fund constitution, the assignment of the Initial Credit Rights and the Bond Issue being terminated.

Appendix IV to this Offering Circular contains a copy of the letters notifying the provisional ratings assigned by Moody's and S&P.

Ratings given by Moody's.

The following are Moody's rating scales for long- and short-term debt issues:



The following is the meaning ascribed by Moody's to the long- and short-term ratings used in this Offering Circular and the intermediates between them.

Long-Term

Aaa Bonds which are rated "Aaa" are judged to be of the best quality. They carry the smallest degree of investment risk and are generally referred to as "gilt-edged". Interest payments are protected by a large or by an exceptionally stable margin and the principal is secure.

Aa Bonds which are rated "Aa" are judged to be of high quality by all standards. Together with the Aaa group they comprise what are generally known as high-grade bonds. They are rated lower than the best bonds because margins of protection may not be as large as in Aaa securities or fluctuation of protective elements may be of greater amplitude or there may be other elements present which make the long-term risk appear somewhat larger than the Aaa securities.

A Bonds which are rated “A” possess many favourable investment attributes and are to be considered as upper-medium-grade obligations. Factors giving security to principal and interest payments are considered adequate, but elements may be present which suggest a susceptibility to impairment some time in the future.

Baa Bonds which are rated “Baa” are considered as medium-grade obligations. Interest payments and principal security appear adequate for the present but certain protective elements may be lacking or may be characteristically unreliable over any great length of time. Such bonds lack outstanding investment characteristics and in fact have speculative characteristics as well.

Ba Bonds which are rated “Ba” are judged to have speculative elements; their future cannot be considered as well-assured. Often the protection of interest and principal payments may be very moderate, and thereby not well safeguarded during both good and bad times over the future.

Moody’s applies numerical modifiers 1, 2, and 3 in each long-term rating category from Aa through Caa, inclusive. Modifier 1 indicates that the security ranks in the higher end of its rating category; modifier 2 indicates a mid-range ranking; and modifier 3 indicates a ranking in the lower end.

Short-Term

P-1 Superior ability to repay short-term debt obligations.

Ratings given by S&P.

The following are S&P’s rating scales for long- and short-term debt issues:

	Long-Term	Short-Term
Investment grade	AAA	
	AA+	
	AA	A –1+
	AA-	
	A+	
	A	A –1
	A-	
	BBB+	A -2
	BBB	A -3
	BBB-	
Speculative grade	BB+	
	BB	B
	BB-	
	B+	
	B	
	B-	C
	CCC+	
	CCC	
	CCC-	
	CC	
	C	D
	D	

The following is the meaning ascribed by S&P to the long- and short-term ratings used in this Offering Circular.

Long-Term

AAA An obligor rated "AAA" has extremely strong capacity to meet its financial commitments. "AAA" is the highest rating assigned by S&P.

AA An obligor rated "AA" has very strong capacity to meet its financial commitments. It differs from the highest rated obligors only in small degree.

A An obligor rated "A" has strong capacity to meet its financial commitments but is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligors with higher-rated categories.

BBB An obligor rated "BBB" has adequate capacity to meet its financial commitments. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitments.

BB An obligor rated "BB" is less vulnerable in the near term. However, it faces major ongoing uncertainties and exposure to adverse business, financial, or economic conditions.

Ratings from "AA" to "CCC", inclusive, may be modified by the addition of a plus or minus sign to show relative standing within the major rating categories.

Short-Term

A-1 An obligor rated "A-1" has strong capacity to meet its financial commitments. It is rated in the highest category by S&P. Within this category, certain obligors are designated with a plus sign (+). This indicates that the obligor's capacity to meet its financial commitments is extremely strong.

Rating considerations.

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

The ratings assigned to each of the Bond Series by S&P measure the Fund's ability to meet payments of interest as they fall due on each set Payment Date and repayment of the principal throughout the life of the transaction and, in any event, before the Final Maturity Date.

The rating takes into account the structure of the Bond Issue, the legal aspects thereof and of the issuing Fund, the characteristics of the loans selected to be assigned to the Fund and the regularity and continuity of the operating flows.

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

The ratings assigned, and any revision or suspension of the ratings:

(i) are assigned by the Rating Agencies based on manifold information received with respect to which they give no assurance, nor even as to their accuracy or wholeness, wherefore the Rating Agencies may in no event be deemed to be responsible therefor; and

(ii) 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.

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 III.4.2 of this Offering Circular.

In carrying on the rating process, the Rating Agencies rely on the accuracy and wholeness of the information provided by BBVA, the Management Company, the Lead Managers, the auditors, lawyers and other experts.

Undertakings by the Management Company.

The Management Company, on behalf of the Fund, agrees to report regularly to the Rating Agencies as to the status of the Fund and the performance of the Credit Rights in order that they can monitor the rating of the Bonds. It shall also report when reasonably required to do so and in any event whenever there is a change in the conditions of the Fund, in the agreements entered into by the Fund through its Management Company or in the parties concerned.

II.4 Nature and denomination of the Bonds offered.

The amount of the issue of asset-backed bonds (the "**Bond Issue**" and the "**Bonds**") totals a face value of EUR one billion (1,000,000,000.00) and consists of ten thousand (10,000) Bonds pooled in three Bond Series (Series A, Series B and Series C) as detailed in section II.6 below.

II.4.1 Legal system of the Bonds, specifying the procedures guaranteeing the certainty and effectiveness of the rights of their first and subsequent holders.

The constitution of and the Bond Issue by the Fund are carried out pursuant to Royal Decree 926/1998 and Act 19/1992 failing a provision in Royal Decree 926/1998 and to the extent applicable, and pursuant to Act 3/1994, April 14, adapting Spanish law in regard to credit institutions to the Second Banking Co-ordination Directive and introducing other changes relating to the financial system ("**Act 3/1994**").

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.

As provided in section II.5 of this Chapter, the Bonds shall be represented by means of book entries. The Bondholders will be identified as such when entered in the accounting record kept by Iberclear, and the relevant member may issue certificates of title when so requested by the Bondholder and at the Bondholder's expense; the provisions of Title I, Chapter I, section four of the Book Entries and Stock Exchange Transaction Clearing and Settlement Royal Decree 116/1992, February 14, ("**Royal Decree 116/1992**") will apply in this connection.

The Bonds may be freely transferred by any means admissible at Law and in accordance with the rules of the market on which they are traded. A transfer in the accounts 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. In this sense, no claim may be lodged against a third party acquiring the Bonds represented by book entries for valuable consideration from whoever has capacity to transfer the same, according to the book entries, unless he acted in bad faith or with gross negligence at the time of the acquisition.

The Bondholders are bound in respect of interest payment and principal repayment of the Bonds in each Series by the Fund Priority of Payments.

II.4.2 Servicing implications in each of the Bond Series of the compulsory connection between the schedule of principal and interest payments on those Bonds and the cash flows of the assets securitised through the Fund.

In order to cover timing differences between the scheduled flows of repayment of principal and interest on the Credit Rights and on the Bonds in each Series, the Management Company, on behalf of the Fund, shall enter with BBVA into (i) a Guaranteed Interest Rate Account (Treasury Account) Agreement whereby the amounts received by the Fund from the Credit Rights, as both repayment of principal and interest, as well as the amounts referred to in section V.3.1 of the Offering Circular, will be invested until the following Payment Date, (ii) a Guaranteed Interest Rate Account (Principal Account) Agreement with whereby the remaining Available Principal Fund amounts not applied shall be invested and accumulated on each Payment Date in the Revolving Period until the following Payment Date, and (iii) a Financial Swap Agreement. Furthermore, the Fund has other financial hedging transactions covering up to a limit the risk of shortfall of the Fund's resources to service the Bonds and which have been deemed sufficient by the Rating Agencies to assign each Bond Series the rating referred to in section II.3 of this Offering Circular.

II.4.3 Other implications and risks that might, due to the legal and economic nature of the assets pooled in the Fund, affect servicing of the Bonds.

a) Risk of default on the Credit Rights.

The holders of the Bonds issued by the Fund shall bear the risk of default on the Credit Rights pooled therein.

BBVA shall, pursuant to article 348 of the Commercial Code, be liable to the Fund exclusively for the existence and lawfulness of the Credit Rights on the terms and conditions declared in the Deed of Constitution, and for the personality with which the assignment is made, but shall have no liability whatsoever for the Obligors' default of principal, interest or any other amount they may owe under the Credit Rights. 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 Credit Rights, other than the undertakings set out in section IV.1.6 of this Offering Circular in connection with the substitution of the Credit Rights where any of these failed to conform upon assignment to the Fund to the representations contained in section IV.1.2 of this Offering Circular, or the specific characteristics of the Credit Rights notified by BBVA to the Management Company.

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) Credit Right prepayment risk.

There will be a prepayment of the Credit Rights pooled in the Fund when the Credit Right Obligors prepay principal pending repayment, on the terms set in each of the credit agreements.

Upon the Revolving Period of the Credit Rights terminating, that prepayment risk shall pass quarterly on each Payment Date to the Bondholders by the partial amortisation of the Bonds, in accordance with the provisions of section II.11.3.1 of this Offering Circular.

c) Limited Hedging.

An investment in the Bonds may be affected, among other circumstances, by a downturn in general economic conditions adversely affecting payments of the Credit Rights backing the Bond Issue of the Fund. A high level of delinquency of the Credit Rights might reduce or indeed eliminate the limited hedging against Credit Right portfolio losses that the Bonds have as a result of the existence of the credit enhancement transactions described in sections III.2.3 and V.3 of this Offering Circular. Moreover, the degree of subordination in payment of interest and repayment of principal between the Bonds in the different Series derived from their position in the application of the Available Funds and from the rules for Distribution of Available Principal Funds in the Fund Priority of Payments, is a mechanism for distinctly hedging the different Series.

d) 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.

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 established in section III.7.1 of this Offering Circular.

e) Yield.

Credit Right repayment performance is influenced by a number of economic and social factors such as market interest rates, the Obligors' employment and economic status and the general level of economic activity, preventing their predictability.

Calculation of the internal rate of return, average life and duration of the Bonds contained in the Offering Circular is subject, inter alia, to assumed Credit Right prepayment and delinquency rates that may not be fulfilled, and to future market interest rates, given the floating nature of the nominal interest rate of each Series.

f) Late-payment interest.

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

II.5 Form of representation and name and place of business of the institution in charge of the accounting record.

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 this connection, and for the record, the Deed of Constitution shall have the effects prescribed by article 6 of the Securities Market Act.

Iberclear 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. Such designation shall be entered in the Official Registers of the CNMV.

Bondholders shall be identified as such when entered in the accounting record kept by the members of Iberclear or any other replacement institution.

Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A., has its place of business at Calle Pedro Teixeira, no. 8, Madrid.

II.6 Amount of the Bond Issue.

The amount of the Bond Issue totals a face value of EUR one billion (1,000,000,000.00) and consists of ten thousand (10,000) Bonds denominated in euros and comprised of three Bond Series distributed as follows:

i) Series A having a total face amount of EUR nine hundred and fifty million (950,000,000.00) comprising nine thousand five hundred (9,500) Bonds having a unit face value of EUR one hundred thousand (100,000), represented by means of book entries (either "**Series A**" or the "**Series A Bonds**").

ii) Series B having a total face amount of EUR twenty-three million (23,000,000.00) comprising two hundred and thirty (230) Bonds having a unit face value of EUR one hundred thousand (100,000), represented by means of book entries (either "**Series B**" or the "**Series B Bonds**").

iii) Series C having a total face amount of EUR twenty-seven million (27,000,000.00) comprising two hundred and seventy (270) 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**").

Payment of interest and repayment of principal on the Series B and C Bonds is deferred with respect to the Series A Bonds, as provided in the Fund Priority of Payments.

Payment of interest and repayment of principal on the Series C Bonds is deferred with respect to the Series A and B Bonds, as provided in the Fund Priority of Payments.

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

II.7 Face and actual amounts of each Bond.

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

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

II.8 Fees and related expenses of every description that must be borne by the investors upon subscribing for the Bonds.

The Fund, as Bond issuer, shall neither shift to nor charge the investor any expense item whatsoever for subscribing for the Bonds. The issue price detailed in section II.7 above is clear of taxes and subscription costs for the subscriber through the Fund.

II.9 Fees borne by the holders of the Bonds.

The expenses of including the Bond Issue in the accounting record of Iberclear shall be borne by the Fund and may not be shifted to the Bondholders. Iberclear charges no fee whatsoever for maintaining a balance.

In accordance with the laws in force for the time being, the members of Iberclear may nevertheless establish such fees and expenses to be charged to the Bondholder, for managing securities, as they may freely determine, and duly notified to the Bank of Spain or the CNMV, being their supervisory bodies.

II.10 Interest rate clause.

II.10.1 Bond nominal interest rate.

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

The yearly nominal interest rate (the "**Nominal Interest Rate**") for each of the Series shall be payable by Interest Accrual Periods in arrears on each Payment Date on the Outstanding Principal Balance of the Bonds in each Series, provided that the Fund has sufficient liquidity in the Priority of Payments.

The withholdings, contributions and taxes established or to be established in the future on the principal, interest or return of the Bonds, shall be borne exclusively by the Bondholders, and their amount shall be deducted, as the case may be, by the Management Company, for and on behalf of the Fund, as provided by law.

II.10.1.1 Interest Accrual.

For interest accrual purposes, the duration of each Bond Series shall be divided into successive interest accrual periods ("**Interest Accrual Periods**") comprising the exact number of days elapsed between every two consecutive Payment Dates, each Interest Accrual Period including the beginning Payment Date but not including the ending Payment Date. Exceptionally, the duration of the first Interest Accrual Period shall be equivalent to the exact number of days elapsed between the Closing Date, inclusive, and the first Payment Date, to wit December 20, 2004, 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.

II.10.1.2 Nominal Interest Rate.

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

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

(ii) a margin for each Series as follows:

? **Series A:** margin ranging between 0.12% and 0.16%, both inclusive.

? **Series B:** margin ranging between 0.18% and 0.30%, both inclusive.

? **Series C:** margin ranging between 0.28% and 0.40%, both inclusive.

The margin applicable to each of the Series, expressed as a percentage, shall be determined with one accord among the Lead Managers within the range established for each Series by 10am (CET time) on the day of the Subscription Period (October 26, 2004).

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

? **Series A:** 0.14% margin.

? **Series B:** 0.25% margin.

? **Series C:** 0.35% margin.

The final margins applicable to each of the Series fixed 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 Offering Circular. The final margin applicable to each of the 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 percentage point or rounded up to the nearest point where the differences of rounding up or down to the nearest thousandths are identical.

II.10.1.3 Reference Rate and determining the same.

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

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

Exceptionally, the Reference Rate for the first Interest Accrual Period shall be the result of a straight-line interpolation between the one- (1-) month Euribor rate and the two- (2-) month Euribor rate, fixed at 11am (CET time) on the second Business Day preceding the Closing Date, bearing in mind the number of days in the first Interest Accrual Period. The Reference Rate for the first Interest Accrual Period shall be calculated in accordance with the following formula:

$$IR = [((D-30)/30) \times E2] + [(1-((D-30)/30)) \times E1]$$

Where:
IR = Reference Rate for the first Interest Accrual Period.
D = Number of days in the first Interest Accrual Period.
E1 = One- (1-) month Euribor rate.
E2 = Two- (2-) month Euribor rate.

The Euribor rate is currently the term interbank deposit offered rate in euros calculated as the daily average of the quotations supplied for thirteen maturity periods by a panel consisting of 57 Banks, from among the most active banks in the Euro zone. The rate is quoted based on a count of the actual days to maturity and a 360-day year, and is fixed at 11am (CET time), accurate to three decimal places.

The Euribor rate definitions approved by the FBE and the Financial Markets Association (ACI) supplementing the current Euribor rate definition shall be considered introduced for the purpose of the Euribor Reference Rate without having to amend the present terms of the Reference Rate or have the Management Company notify the 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 deposit transactions in euros with a three- (3-) month maturity 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 the headquarters of each of them made by the Paying Agent after and around 11am (CET time) on the Interest Rate Fixing Date.

Exceptionally, the substitute Reference Rate for the first Interest Accrual Period shall be the rate resulting from the straight-line interpolation between the interest rate resulting from finding the simple arithmetic mean of the interbank offered interest rates for non-transferable deposit transactions in euros with a one- (1-) month maturity and the interest rate resulting from finding the simple arithmetic mean of the interbank offered interest rates for non-transferable deposit transactions in euros with a two- (2-) month maturity, both in an amount equivalent to the face amount of the Bond Issue, declared by the banks in accordance with the provisions of paragraph one above, following a simultaneous request to the headquarters of each of them made by the Paying Agent after and around 11am (CET time) 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.

In the event that it should be impossible to apply the above substitute Reference Rate, due to the failure by any or several of the banks to provide written quotations as provided for in paragraph one 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.

On each of the Interest Rate Fixing Dates, 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.

II.10.1.4 Interest Rate Fixing Date.

The Nominal Interest Rate applicable to each of the Bond Series for every Interest Accrual Period shall be determined by the Management Company, for and on behalf of the Fund, as provided in sections II.10.1.2 and II.10.1.3 above, on the second Business Day before each Payment Date (the "**Interest Rate Fixing Date**") and will apply for the following Interest Accrual Period.

Exceptionally, the Management Company shall determine the Nominal Interest Rate of the Bonds in each of the Series for the first Interest Accrual Period as provided in sections II.10.1.2 and II.10.1.3 above, on the second Business Day preceding the Closing Date, and shall notify the same in writing on the same day to the Lead Managers and 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, the AIAF and Iberclear.

The Nominal Interest Rates determined for each of the Bond Series for successive Interest Accrual Periods shall be communicated to the Bondholders within the time period and in the manner for which provision is made in sections III.4.2.a) and c).

II.10.1.5 Formula for calculating the interest.

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

$$I \; ? \; P \; ? \frac{R}{100} \; ? \frac{d}{360}$$

Where:
I = Interest payable on a given Payment Date.
P = Outstanding Principal Balance of the Bonds in the Series at the beginning of the Interest Accrual Period for that Payment Date.
R = Nominal interest rate of the Series expressed as a yearly percentage.
d = Number of days actually corresponding to each Interest Accrual Period.

a) Example for fixing the Nominal Interest Rate.

As established in this section and for a better understanding by the subscriber of the system for fixing the Nominal Interest Rate and the amount of the interest to be received for each Bond in each Series on the first Payment Date, the manner of calculating the same for the following event is shown below:

	Amounts in EUR	**Series A Bonds**	**Series B Bonds**	**Series C Bonds**
1	Outstanding Principal Balance per Bond	100,000.00	100,000.00	100,000.00
2	Interest Accrual Period days	52	52	52
3	1- to 2-month interpolated Euribor rate*	2.0945	2.0945	2.0945
4	Margin **	0.140	0.240	0.340
5	Nominal interest rate: rounded to the nearest thousandth of a percentage point.	2.234	2.334	2.434
6	Calculation of interest amount payable per Bond (1)x(2)x(5)/36000	322.69	337.13	351.58

* 1-month Euribor 2.082% and 2-month Euribor 2.099%, as of October 12, 2004
** Average margin within the range established for each Series in accordance with section II.10.1.2.

b) Informative table on the evolution of the reference rate to be used.

For merely illustrative purposes, below are details of the three- (3-) month Euribor rates published on certain dates over the last two years, which, other than the first one, would have applied on the second Business Day preceding day 20 of each month, on the EURIBOR01 electronic page supplied by Reuters, and the Nominal Interest Rate that would have applied to each of the Bond Series, in the event that the applicable margins should be the average margins in the range established for each Series, in accordance with section II.10.1.2 (0.14% for Series A, 0.24% for Series B and 0.34% for Series C):

Dates	3-month Euribor	Series A Bonds	Series B Bonds	Series C Bonds
12 October 2004	2.146	2.286	2.386	2.486
16 September 2004	2.116	2.256	2.356	2.456
18 August 2004	2.114	2.254	2.354	2.454
16 July 2004	2.115	2.255	2.355	2.455
17 June 2004	2.122	2.262	2.362	2.462
18 May 2004	2.091	2.231	2.331	2.431
16 April 2004	2.053	2.193	2.293	2.393
18 March 2004	2.040	2.180	2.280	2.380
18 February 2004	2.055	2.195	2.295	2.395
16 January 2004	2.076	2.216	2.316	2.416
18 December 2003	2.141	2.281	2.381	2.481

Dates	3-month Euribor	Series A Bonds	Series B Bonds	Series C Bonds
18 November 2003	2.153	2.293	2.393	2.493
16 October 2003	2.140	2.280	2.380	2.480
18 September 2003	2.150	2.290	2.390	2.490
18 August 2003	2.137	2.277	2.377	2.477
17 July 2003	2.130	2.270	2.370	2.470
18 June 2003	2.141	2.281	2.381	2.481
16 May 2003	2.408	2.548	2.648	2.748
17 April 2003	2.556	2.696	2.796	2.896
18 March 2003	2.576	2.716	2.816	2.916
18 February 2003	2.689	2.829	2.929	3.029
16 January 2003	2.828	2.968	3.068	3.168
18 December 2002	2.940	3.080	3.180	3.280
18 November 2002	3.100	3.240	3.340	3.440

II.10.2 Dates, place, institutions and procedure for paying interest.

Interest on the Bonds in each of the Series will be paid until they are finally amortised by Interest Accrual Periods in arrears on March 20, June 20, September 20 or December 20, or the following Business Day if any of those is not a Business Day (each of those dates, a "**Payment Date**"), on the terms established in section II.10.1. of this Offering Circular.

In the event that any of March 20, June 20, September 20 and December 20 should not be a Business Day, the Payment Date shall be the following Business Day, and interest for the then-current Interest Accrual Period will accrue until said first Business Day, not inclusive.

The first interest Payment Date for the Bonds in each of the Series shall be December 20, 2004, and interest will accrue at the applicable nominal interest rate between the Closing Date, inclusive, and December 20, 2004, exclusive.

For the purposes of the Bond Issue, business days ("**Business Days**") shall be deemed to be all days other than a:

? Saturday,
? Sunday,
? public holiday in the capital 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 the Bondholders in each of the Series and the amount, if any, of interest accrued and not paid, shall be notified to the Bondholders as described in section III.4.2 of this Offering Circular, at least one (1) calendar day in advance of each Payment Date.

Interest accrued on the Bonds shall be paid on each Payment Date provided that the Fund has sufficient liquidity to do so in the Priority of Payments.

In the event that on a Payment Date the Fund should be unable to make full or partial payment of the interest accrued by the Bonds in any of the Series, in the Priority of Payments, the amounts that the Bondholders should not have received shall be accumulated on the following Payment Date to the 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.

Deferred interest amounts shall accrue for the holders an interest equivalent to that applied to the Bonds in their respective Series during the Interest Accrual Period(s) until the Payment Date on which they are paid, without late-payment interest and without this entailing an increase in the Outstanding Principal Balance of the Bonds.

The Fund, through its Management Company, may not defer Bond interest payment beyond the Final Maturity Date, June 20, 2016, 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.

II.10.3 Simple confirmation of the priority of the interest payment of the Bonds in the Fund priority of payments.

Payment of interest accrued by the Series A Bonds is fourth (4^{th}) in the application of Available Funds in the Priority of Payments established in section V.4.2.1.2 of this Offering Circular.

Payment of interest accrued by the Series B Bonds is fifth (5^{th}) in the application of Available Funds in the Priority of Payments established in said section V.4.2.1.2 of this Offering Circular, other than in the event provided for in that same section for the same to be deferred, in which case it shall be eighth (8^{th}).

Payment of interest accrued by the Series C Bonds is sixth (6^{th}) in the application of Available Funds in the Priority of Payments established in said section V.4.2.1.2 of this Offering Circular, other than in the event provided for in that same section for the same to be deferred, in which case it shall be tenth (10^{th}).

II.11 Amortisation of the Bonds.

II.11.1 Bond redemption price.

The redemption price of the Bonds in each of the Series shall be EUR one hundred thousand (100,000) per Bond, equivalent to 100 percent of their face value, payable as established in section II.11.2 of this Chapter.

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.

II.11.2 Specific characteristics of the Amortisation of each of the Bond Series.

II.11.2.1 Amortisation of Series A Bonds.

Series A Bond principal shall be amortised by partial amortisation on each of the Payment Dates after Bond amortisation begins until their total face amount has been fully amortised, in an amount equal to the Available Principal Funds applied on each Payment Date to amortising Series A, in accordance with the rules for Distribution of Available Principal Funds contained in sections II.11.3.1.4 and V.4.2.2.2 of this Offering Circular, pro rated between the Bonds in Series A proper by reducing the face amount of each Series A Bond. The first partial amortisation of the Series A Bonds shall take place on the first Payment Date (December 20, 2004).

The first partial amortisation of the Series A Bonds shall take place on the Payment Date falling on December 20, 2006 or on a previous Payment Date in the event of early termination of the Credit Right Revolving Period.

The final amortisation of the Series A Bonds shall occur on the Final Maturity Date (June 20, 2016 or the following Business Day if that is not a Business Day), notwithstanding the partial amortisations 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 II.11.3.2 of this Offering Circular, proceed to the Early Amortisation of the Bond Issue before the Final Maturity Date.

II.11.2.2 Amortisation of Series B Bonds.

Series B Bond principal shall be amortised by partial amortisation on each of the Payment Dates after Bond amortisation begins until their total face amount has been fully amortised, in an amount equal to the Available Principal Funds applied on each Payment Date to amortising Series B, in accordance with the rules for Distribution of Available Principal Funds contained in sections II.11.3.1.4 and V.4.2.2.2 of this Offering Circular, pro rated 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 Series A Bonds have been fully amortised.

The final amortisation of the Series B Bonds shall occur on the Final Maturity Date (June 20, 2016 or the following Business Day if that is not a Business Day), notwithstanding the partial amortisations 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 II.11.3.2 of this Offering Circular, proceed to the Early Amortisation of the Bond Issue before the Final Maturity Date.

II.11.2.3 Amortisation of Series C Bonds.

Series C Bond principal shall be amortised by partial amortisation on each of the Payment Dates after Bond amortisation begins until their total face amount has been fully amortised, in an amount equal to the Available Principal Funds applied on each Payment Date to amortising Series C, in accordance with the rules for Distribution of Available Principal Funds contained in sections II.11.3.1.4 and V.4.2.2.2 of this Offering Circular, pro rated between the Bonds in Series C proper by reducing the face amount of each Series C Bond.

The first amortisation of Series C Bonds shall occur once the Series A and the Series B Bonds have been fully amortised.

Notwithstanding the provisions of the previous paragraphs of this section, the final amortisation of the Series C Bonds shall occur on the Final Maturity Date (June 20, 2016 or the following Business Day if that is not a Business Day), notwithstanding the partial amortisations 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 II.11.3.2 of this Offering Circular, proceed to the Early Amortisation of the Bond Issue before the Final Maturity Date.

II.11.3 Common characteristics applicable for amortising the Bonds in each of the Bond Series.

II.11.3.1 Partial amortisation.

Irrespective of the Final Maturity Date and without prejudice to the Early Amortisation of the Bond Issue in the event of Early Liquidation of the Fund, the Fund shall, through its Management Company, proceed to make partial amortisations of the Bonds in each Series on the Payment Dates in accordance with the specific amortisation terms for each of the Series as established in section II.11.2 of this Offering Circular and on the terms described hereinafter in this section common to the three Bond Series.

II.11.3.1.1 Determination Dates.

These will be the dates falling on the third Business Day preceding each of the Payment Dates on which the Management Company on behalf of the Fund will make all necessary calculations to distribute or withhold the Available Funds and the Available Principal Funds which the Fund shall dispose of on the relevant Payment Date, in the Priority of Payments.

II.11.3.1.2 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 each of the three Series making up the Bond Issue.

II.11.3.1.3 Available Principal Funds on each Payment Date and Principal Deficiency.

On each Payment Date, the available principal funds ("**Available Principal Funds**") shall be the sum of the following amounts:

a) The withholding amounts applied on the Available Funds to the First Principal Fund, the Second Principal Fund and the Third Principal Fund on the relevant Payment Date.

b) Until the Payment Date immediately after termination of the Revolving Period, inclusive, the Principal Account balance on the Determination Date preceding the relevant Payment Date.

The Principal Deficiency on a Payment Date shall be the positive difference, if any, between (i) the positive difference existing between the Outstanding Principal Balance of the Bond Issue on the Determination Date preceding the relevant Payment Date and the Outstanding Balance of Non-Doubtful Credit Rights, and (ii) the Available Principal Funds.

II.11.3.1.4 Distribution of Available Principal Funds.

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

1. During the Credit Right Revolving Period, payment of the assignment price comprising the face value of the capital of the Additional Credit Rights assigned to the Fund on the relevant Payment Date.

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

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

II.11.3.2 Early Amortisation of the Bond Issue.

Without prejudice to the Fund's obligation, through its Management Company, to amortise the Bonds in each Series on the Final Maturity Date or the partial amortisations on each Payment Date, as established in the preceding paragraphs, the Management Company shall be authorised to proceed to an Early Liquidation of the Fund and hence an early amortisation ("**Early Amortisation**"), on a Payment Date, of the entire Bond Issue in the Early Liquidation Events and subject to the requirements established in section III.7.1 of this Offering Circular.

II.11.3.3 Final Maturity Date.

The Final Maturity Date and consequently the final amortisation of the Bonds is June 20, 2016 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 II.11.3.1 and II.11.3.2 of this Offering Circular, proceeding to amortise all or some of the Series in the Bond Issue before the Final Maturity Date.

II.11.4 Simple confirmation of the priority of withholdings of amounts for the First Principal Fund, the Second Principal Fund and the Third Principal Fund, designed for Bond principal repayments, in the Fund priority of payments.

The withholdings of amounts for the First Principal Fund, the Second Principal Fund and the Third Principal Fund which shall be allocated, after the Revolving Period terminates, to repaying Series A, B and C Bond principal, are respectively seventh (7th), ninth (9th) and eleventh (11th) in the application of Available Funds in the Priority of Payments established in section V.4.2.1.2 of this Offering Circular.

Repayment of Series A, B and C Bond principal shall take place in accordance with the rules for Distribution of Available Principal Funds in the application of Available Principal Funds established in section II.11.3.1.4 and in section V.4.2.2.2 of this Offering Circular.

II.12 Servicing table for each Series in the Bond Issue, including both interest payments and principal repayments.

The Bond Issue will be serviced through BBVA as the Paying Agent. Payment of interest and amortisations shall be notified to the Bondholders in the events and in such advance as may be provided for each case in section III.4.2 of this Offering Circular. Interest and amortisations shall be paid to the Bondholders by the relevant members of Iberclear and to the latter in turn by Iberclear, the institution responsible for the accounting record.

a) Servicing tables for each Series in the Bond Issue.

The main characteristic of the Bonds in this Issue is that their periodic amortisation depends on the aggregate performance of the Credit Rights.

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) The acquisition by the Fund of Additional Credit Rights during the Revolving Period for replacing the decrease in the amount of the Credit Rights.

ii) The repayment schedule and system of each of the Credit Rights established in the relevant contracts.

iii) Obligors' capacity to prepay the Credit Rights in whole or in part and the aggregate repayment pace throughout the life of the Fund.

iv) The changes in the interest rates of the Credit Rights, which shall result in the amount repaid on every instalment differing.

v) The Obligors' delinquency in payment of Credit Right instalments.

In this sense, Credit Right prepayments by Obligors, subject to continual changes, and estimated in this Offering Circular 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.

The following assumptions have been made for the above-mentioned factors in calculating the details in the tables contained in this section:

? Credit Right interest rate: 7.62% weighted average interest rate as of September 22, 2004 of the portfolio of selected loans which has been used for calculating the repayment instalments and interest of each of the selected loans;
? Credit Right delinquency: 0.10% of the Outstanding Balance of the Credit Rights, with 100% recoveries within 12 months of becoming delinquent;
? Credit Right defaults rated as bad debts: 0%;
? that the Credit Right prepayment rate remains constant throughout the life of the Bonds;
? that the Bond Closing Date is October 29, 2004;
? that there is no Principal Deficiency, and
? that the Credit Right Revolving Period shall end on September 20, 2006, and during the same Additional Credit Rights shall be acquired on each of the Payment Dates and in the aggregate Acquisition Amount available on each such dates; and
? that the weighted average final maturity of the additional Credit Rights acquired during the Revolving Period is 5 years.

Finally, the actual adjusted life of 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:

	Series A Bonds	**Series B Bonds**	**Series C Bonds**
Nominal Interest Rate	2.234%	2.334%	2.434%

For successive Interest Accrual Periods, the floating interest rate of the Bonds is assumed to be constant as follows for each Series:

	Series A Bonds	**Series B Bonds**	**Series C Bonds**
Nominal Interest Rate	2.286%	2.386%	2.486%

Assuming that the Management Company shall proceed to the Early Liquidation of the Fund and Early Amortisation of the Bond Issue as provided in section III.7.1 of this Offering Circular when the Outstanding Balance of the Credit Rights is less than 10% of their initial amount upon the Fund being constituted, the average life, return (IRR), duration and final maturity of the Bonds for different CPRs shall be as follows:

% CPR:	6%	9%	12%	15%	18%
	Series A Bonds				
Average life (years)	3.62	3.51	3.40	3.29	3.19
IRR	2.336%	2.336%	2.336%	2.336%	2.336%
Duration	3.39	3.30	3.19	3.10	3.00
Final maturity	21 06 2010	21 06 2010	22 03 2010	21 12 2009	21 09 2009
(in years)	5.65	5.65	5.40	5.15	4.90
	Series B Bonds				
Average life (years)	5.65	5.65	5.40	5.15	4.90
IRR	2.440%	2.440%	2.440%	2.440%	2.440%
Duration	5.17	5.17	4.96	4.74	4.52
Final maturity	21 06 2010	21 06 2010	22 03 2010	21 12 2009	21 09 2009
(in years)	5.65	5.65	5.40	5.15	4.90
	Series C Bonds				
Average life (years)	5.65	5.65	5.40	5.15	4.90
IRR	2.543%	2.543%	2.543%	2.543%	2.543%
Duration	5.14	5.14	4.92	4.71	4.50
Final maturity	21 06 2010	21 06 2010	22 03 2010	21 12 2009	21 09 2009
(in years)	5.65	5.65	5.40	5.15	4.90

These figures have been calculated using the following formula:

Average life of the Bonds: *for each of the Series, average of the time periods between the Closing Date and each of the Payment Dates, using for weighting purposes the weights the principal to be repaid on each Payment Date has on the total face amount of the Series, in accordance with the following expression:*

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

Where:

- *V =* *Average life in each Bond Series issued expressed in years.*
- *P =* *Principal to be repaid in each Bond Series on each Payment Date, in accordance with the amount to be amortised in each Bond Series, as described in sections II.11.3.1 and II.11.3.2 of this Offering Circular.*
- *d =* *Number of days elapsed between the Closing Date and the Payment Date at issue.*
- *T =* *Total face amount in EUR in each Bond Series.*

Internal rate of return (IRR): *for each of the Series, interest rate equalling the restatement at present value of the total amortisation and interest amounts received on each Payment Date with the face value of the Bond.*

$$N = \sum_{i=1}^{n} A_i (1 + r)^{-(nd/365)}$$

Where:

- *N =* *face value of the Bond in each Series.*
- *r =* *IRR expressed as an annual rate, per unit.*
- *A_i =* *(A_l ....A_n). Total amortisation and interest amounts to be received by investors.*
- *nd =* *Number of days comprised between the Closing Date of the issue and each of the n Payment Dates, not inclusive, during the life of the Bond.*

Duration of the Bonds (adjusted Macaulay formula): *for each of the Series, measure of Bond price sensitivity with respect to changes in yield.*

$$D = \frac{\sum_{j=1}^{n} (a_j \cdot VA_j)}{PE} \cdot \frac{1}{(1+i)}$$

Where:

D = Duration in each Bond Series expressed in years.
a_j = Time elapsed (in years) between the Closing Date and each of the n Payment Dates at issue.
VA_j= Present value of each of the amounts comprising principal and gross interest, payable on each of the n Payment Dates discounted at the actual interest rate (IRR) in every Series.
PE= Issue price in every Bond Series.
i = Actual interest rate (IRR) in every Series, per unit.

Final Maturity: *for each of the Series, date on which the Bonds are expected to be finally amortised, assuming that the Early Liquidation of the Fund and Early Amortisation of the Bond Issue option will be exercised when the Outstanding Balance of the Credit Rights is less than 10% of the initial Outstanding Balance.*

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

- The CPRs are assumed to be constant respectively at 12.00% and 15.00% throughout the life of the Bond Issue and, as noted, actual prepayment rates change continually.

- The Outstanding Principal Balance of the Bonds on each Payment Date and hence the interest payable on each such dates shall depend on the actual prepayment and delinquency and default rate of the Credit Rights.

- The Bond nominal interest rates are assumed to be constant for each Series, from the second Interest Accrual Period, whereas the interest rate of all the Series is known to be variable.

- 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 proceed to the Early Liquidation of the Fund and thereby the Early Amortisation of the Bond Issue when the Outstanding Balance of the Credit Rights is less than 10% of their initial Outstanding Balance upon the Fund being constituted, as provided in section III.7.1 of this Offering Circular.

FLOWS FOR EVERY BOND WITHOUT WITHHOLDING FOR THE HOLDER

(AMOUNTS IN EUR)

CPR = 12%

	Series A Bonds			Series B Bonds			Series C Bonds		
Payment Date	**Principal Repayment**	**Interest (gross)**	**Total flow**	**Principal Repayment**	**Interest (gross)**	**Total flow**	**Principal Repayment**	**Interest (gross)**	**Total flow**
29 Oct 2004									
20 Dec 2004	0.00	322.69	322.69	0.00	337.13	337.13	0.00	351.58	351.58
21 Mar 2005	0.00	577.85	577.85	0.00	603.13	603.13	0.00	628.41	628.41
20 Jun 2005	0.00	577.85	577.85	0.00	603.13	603.13	0.00	628.41	628.41
20 Sep 2005	0.00	584.20	584.20	0.00	609.76	609.76	0.00	635.31	635.31
20 Dec 2005	0.00	577.85	577.85	0.00	603.13	603.13	0.00	628.41	628.41
20 Mar 2006	0.00	571.50	571.50	0.00	596.50	596.50	0.00	621.50	621.50
20 Jun 2006	0.00	584.20	584.20	0.00	609.76	609.76	0.00	635.31	635.31
20 Sep 2006	0.00	584.20	584.20	0.00	609.76	609.76	0.00	635.31	635.31
20 Dec 2006	12,662.58	577.85	13,240.43	0.00	603.13	603.13	0.00	628.41	628.41
20 Mar 2007	11,484.14	499.13	11,983.27	0.00	596.50	596.50	0.00	621.50	621.50
20 Jun 2007	10,415.45	443.13	10,858.58	0.00	609.76	609.76	0.00	635.31	635.31
20 Sep 2007	9,365.98	382.29	9,748.27	0.00	609.76	609.76	0.00	635.31	635.31
20 Dec 2007	8,407.63	324.01	8,731.64	0.00	603.13	603.13	0.00	628.41	628.41
20 Mar 2008	7,556.37	275.43	7,831.80	0.00	603.13	603.13	0.00	628.41	628.41
20 Jun 2008	6,749.03	234.31	6,983.34	0.00	609.76	609.76	0.00	635.31	635.31
22 Sep 2008	5,958.64	199.12	6,157.76	0.00	623.01	623.01	0.00	649.12	649.12
22 Dec 2008	5,253.29	158.33	5,411.62	0.00	603.13	603.13	0.00	628.41	628.41
20 Mar 2009	4,713.93	123.76	4,837.69	0.00	583.24	583.24	0.00	607.69	607.69
22 Jun 2009	4,159.76	104.06	4,263.82	0.00	623.01	623.01	0.00	649.12	649.12
21 Sep 2009	3,671.83	76.70	3,748.53	0.00	603.13	603.13	0.00	628.41	628.41
21 Dec 2009	3,233.71	55.48	3,289.19	0.00	603.13	603.13	0.00	628.41	628.41
22 Mar 2010	6,367.66	36.80	6,404.46	100,000.00	603.13	100,603.13	100,000.00	628.41	100,628.41
	100,000.00	**7,870.74**	**107,870.74**	**100,000.00**	**13,049.25**	**113,049.25**	**100,000.00**	**13,596.47**	**113,596.47**

FLOWS FOR EVERY BOND WITHOUT WITHHOLDING FOR THE HOLDER
(AMOUNTS IN EUR)
CPR = 15%

	Series A Bonds			Series B Bonds			Series C Bonds		
Payment Date	**Principal Repayment**	**Interest (gross)**	**Total flow**	**Principal Repayment**	**Interest (gross)**	**Total flow**	**Principal Repayment**	**Interest (gross)**	**Total flow**
29 Oct 2004									
20 Dec 2004	0.00	322.69	322.69	0.00	337.13	337.13	0.00	351.58	351.58
21 Mar 2005	0.00	577.85	577.85	0.00	603.13	603.13	0.00	628.41	628.41
20 Jun 2005	0.00	577.85	577.85	0.00	603.13	603.13	0.00	628.41	628.41
20 Sep 2005	0.00	584.20	584.20	0.00	609.76	609.76	0.00	635.31	635.31
20 Dec 2005	0.00	577.85	577.85	0.00	603.13	603.13	0.00	628.41	628.41
20 Mar 2006	0.00	571.50	571.50	0.00	596.50	596.50	0.00	621.50	621.50
20 Jun 2006	0.00	584.20	584.20	0.00	609.76	609.76	0.00	635.31	635.31
20 Sep 2006	0.00	584.20	584.20	0.00	609.76	609.76	0.00	635.31	635.31
20 Dec 2006	13,993.76	577.85	14,571.61	0.00	603.13	603.13	0.00	628.41	628.41
20 Mar 2007	12,472.05	491.53	12,963.58	0.00	596.50	596.50	0.00	621.50	621.50
20 Jun 2007	11,118.32	429.59	11,547.91	0.00	609.76	609.76	0.00	635.31	635.31
20 Sep 2007	9,828.36	364.63	10,192.99	0.00	609.76	609.76	0.00	635.31	635.31
20 Dec 2007	8,667.80	303.88	8,971.68	0.00	603.13	603.13	0.00	628.41	628.41
20 Mar 2008	7,649.04	253.79	7,902.83	0.00	603.13	603.13	0.00	628.41	628.41
20 Jun 2008	6,709.23	211.89	6,921.12	0.00	609.76	609.76	0.00	635.31	635.31
22 Sep 2008	5,818.22	176.45	5,994.67	0.00	623.01	623.01	0.00	649.12	649.12
22 Dec 2008	5,033.16	137.20	5,170.36	0.00	603.13	603.13	0.00	628.41	628.41
20 Mar 2009	4,420.13	104.55	4,524.68	0.00	583.24	583.24	0.00	607.69	607.69
22 Jun 2009	3,820.35	85.30	3,905.65	0.00	623.01	623.01	0.00	649.12	649.12
21 Sep 2009	3,297.09	60.50	3,357.59	0.00	603.13	603.13	0.00	628.41	628.41
21 Dec 2009	7,172.49	41.45	7,213.94	100,000.00	603.13	100,603.13	100,000.00	628.41	100,628.41
	100,000.00	**7,618.95**	**107,618.95**	**100,000.00**	**12,446.12**	**112,446.12**	**100,000.00**	**12,968.06**	**112,968.06**

II.13 Actual interest forecast for the Bond subscriber.

In the event that the nominal interest rates applicable to each of the Series, variable quarterly, should remain constant throughout the life of the Bond Issue, as established on the tables contained in section II.12.a) of the Offering Circular, these rates would result in Internal Rates of Return (IRR) for the Bond subscriber in each of the Series as shown on the following table, given the effect of quarterly interest payment, calculated without considering the tax effect, and assuming at all events the values and assumptions contained in said section for constant prepayment rates (CPR) of 12.00% and 15.00%.

	Series A Bonds	Series B Bonds	Series C Bonds
Actual interest forecast (IRR)	2.336%	2.440%	2.543%

II.14 Actual interest forecast for the Fund at the time of Bond Issue, considering all the structuring and placement expenses incurred by the Fund, specifying the calculation method.

The actual interest for the Fund has been calculated using the internal rate of return (IRR) formula described in section II.12.a) above, and assuming that:

a) the floating nominal interest rate of the Bonds should remain constant throughout the life of the Bond Issue at the rates of the tables contained in section II.12.a) above;

b) the assumptions mentioned in section II.12.a) above are made; and

c) the expected Fund constitution and Bond issue expenses are deducted from the face value of the Bond Issue.

The actual interest forecast for the Fund would be 2.385% or 2.386% for CPRs respectively of 12.00% and 15.00%, making the assumptions contained in the preceding paragraph.

The following are the expected Fund constitution and Bond issue expenses:

	EUR
? Initial Management Company Fee	100,000.00
? Notary's, audit*, rating and legal advice fees	454,953.01
? CNMV fees (issue and listing)	68,267.93
? AIAF and Iberclear fees	53,153.52
? Bond Issue underwriting and placement fees	519,250.00
? Issue advertising, printing and other expenses	15,989.09
Total expenses	**1,211,613.55**

(* The audit fees for the selected loans shall be paid by BBVA)

II.15 Existence or not of special guarantees on the credit rights pooled in the Fund or on the Bonds issued by the Fund.

There are no special guarantees covering the Bonds issued by or on the Credit Rights pooled in the Fund. Section IV.1.6 of this Offering Circular contains the undertakings by BBVA in relation to the substitution of Credit Rights when any of them failed to conform to the representations contained in section IV.1.2 of this Offering Circular or the specific characteristics notified by BBVA to the Management Company on the date of assignment, due to a failure by the relevant Loan to so conform.

II.16 Bond circulation law, particularly noting whether there are restrictions on the free transfer of the securities or mentioning that no such restrictions exist.

The Bonds issued by the Fund are not subject to specific restrictions on their free conveyance. They shall be conveyed subject to the statutory provisions applicable thereto and to the rules of the secondary market on which the Bonds are traded, as established in sections II.4.1, II.5 and II.17 of this Chapter.

In accordance with the provisions of sections II.4.1 and II.5 of this Chapter, the ownership of each Bond will be conveyed by means of a transfer in the accounts. 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, in accordance with Royal Decree 116/1992.

II.17 Organised secondary markets for which there is an undertaking to apply for listing of the Bonds and specific deadline by which that application shall be filed and all other documents required for listing to be achieved.

In pursuance 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 the 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. The Management Company undertakes that such application for listing will be made not later than one month after the Closing Date and definitive listing shall in any event occur by the first Payment Date (December 20, 2004).

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 deadline set down in the preceding paragraph, the Bonds should not be so listed on the AIAF, the Management Company shall forthwith proceed to notify Bondholders thereof, moreover advising of the reasons for such delay, all of which shall be done using the extraordinary notice procedure in accordance with the provisions of section III.4.2 of this Offering Circular. This shall be without prejudice to the Management Company being held to be contractually liable, as the case may be.

II.18 Bond subscription or acquisition proposals.

II.18.1 Potential investors to whom the Bonds are offered.

Placement of Series A, B and C of the Bond Issue is targeted at institutional investors, both legal persons or entities devoid of legal personality, such as pension funds, collective-investment undertakings, insurers, or credit institutions, firms of broker-dealers or undertakings qualified under articles 64 and 65 of the Securities Market Act (as worded by Act 37/1998) to manage third-party portfolios, in the business of regularly and professionally investing in marketable securities

In the case of undertakings qualified to manage securities portfolios, subscription or acquisition proposals shall be made by those undertakings on behalf of investors having previously signed with such undertakings an appropriate securities portfolio management agreement.

In addition to its own analysis as to the quality of the securities offered to be subscribed in this Offering Circular, the potential investor also has the rating assigned by the Rating Agencies set forth in section II.3 of this Chapter.

Once the issue has been fully placed and the Bonds are listed on the official AIAF secondary securities market, the Bonds may be freely purchased on that market in accordance with its own trading rules.

Effects of the subscription for Bondholders.

Subscription for the Bonds implies for each Bondholder an acceptance of the terms of the Deed of Constitution.

Tranches.

Each of the Series consists of one tranche only.

II.18.2 Legal status of the Bonds.

The following legal considerations apply to the Bonds subject of this issue in connection with their ownership by certain investors and once the Bonds are listed on the AIAF:

(i) The Series A Bonds meet the selection policies to be admitted as assets securing transactions with the European Central Bank.

(ii) They are eligible for investment by insurance companies in observance of their technical provision obligations, pursuant to article 50 of the Private Insurance Arrangement and Supervision Regulations approved by Royal Decree 2486/1998, November 20, amended by Royal Decree 297/2004, February 20.

(iii) They are eligible for investment by the Mutual Guarantee Company Technical Provision Fund, in accordance with Act 1/1994, March 11, on the Legal System of Mutual Guarantee Companies, and Royal Decree 2345/1996, November 8, relating to the rules for the administrative authorisation of and solvency requirements for Mutual Guarantee Companies.

(iv) They are eligible for investment by Pension Funds in accordance with the provisions of article 70 of Royal Decree 304/2004, February 20, approving the Pension Plans and Funds Regulations.

(v) They are eligible for investing the Assets of Collective-Investment Undertakings, in accordance with the specific rules established for each of them in articles 23 and 30 of Collective-Investment Undertakings Act 35/2003, November 4, and Royal Decree 1393/1990, November 2, as subsequently amended, to the extent not in conflict with the provisions of Act 35/2003.

II.18.3 Subscription or acquisition date or period.

The subscription period (the "**Subscription Period**") shall begin at 1pm (CET time) on October 26, 2004 and end at 3pm (CET time) on the same day.

II.18.4 Where and with whom may subscription or acquisition be processed?

In order to be taken into account, subscription proposals shall be made during the Subscription Period established in the preceding section, with BBVA, JPMORGAN, CAIXA CATALUNYA, CALYON, DRESDNER KLEINWORT WASSERSTEIN, FORTIS BANK, NATEXIS BANQUES POPULAIRES and SOCIÉTÉ GÉNÉRALE, as Underwriters and Placement Agents, and observing the procedures established hereinafter in the following sections.

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

II.18.5 Placement and allocation of the Bonds.

The Underwriters and Placement Agents shall freely proceed to accept or turn down the subscription proposals received, making sure in any event that there is no discriminatory treatment between similarly characterised proposals. The Underwriters and Placement Agents may nevertheless give priority to proposals of those of their customers as they shall deem fit and indeed subscribe on their own account for all or part of each Bond Series.

Each Underwriter and Placement Agent agrees to subscribe in its own name, at the close of the Subscription Period, for such amount of Bonds as may be necessary to complete the figure of their underwriting commitment as determined in section II.19.1 of this Chapter.

II.18.6 Pro rata placement and method.

Not applicable because the Bonds are allocated by the Underwriters and Placement Agents by accepting or not the subscription proposals received.

II.18.7 Payment method and dates.

The investors to whom the Bonds are allocated shall pay the relevant Underwriter and Placement Agent by 1pm (CET time) on October 29, 2004 (the "**Closing Date**"), for same day value, the relevant issue price for each Bond allocated for subscription.

II.18.8 Method and deadline for delivery to the subscribers of copies of the subscription certificates or provisional slips, specifying the chances of their being traded and their maximum term of validity.

Unless the Bonds are previously entered in the accounting record of Iberclear in the actual subscriber's name, the Underwriters and Placement Agents shall provide the Bond subscribers, within not more than fifteen (15) days after the Closing Date, with a document proving their subscription for the Bonds allocated and the actual amount paid for such subscription, though title to the Bonds taken shall be established by means of the appropriate entry in the accounting record.

This document shall not be marketable and will only be valid to justify subscription for the relevant Bonds, until and unless an entry is made in the accounting record as determined in section II.5 of this Offering Circular.

II.19 Institutions involved in the placement or marketing, giving their respective roles, describing the same specifically. Overall amount of the fees agreed between the various placement agents and the Management Company.

II.19.1 Institutions involved in placement of the Bond Issue.

Placement of the Bond Issue shall be undertaken by BBVA, JPMORGAN, CAIXA CATALUNYA, CALYON, DRESDNER KLEINWORT WASSERSTEIN, FORTIS BANK, NATEXIS BANQUES POPULAIRES and SOCIÉTÉ GÉNÉRALE, as Underwriters and Placement Agents, on the terms contained in section II.19.3 of this Offering Circular and in this section under the Bond Issue Management, Underwriting and Placement Agreement.

The following are the details of the commitment by each Underwriter and Placement Agent in regard to their involvement in underwriting the placement of the Bonds in each Series:

Underwriter and Placement Agent	Face amount underwritten for each Series (EUR)					
	Series A Bonds		Series B Bonds		Series C Bonds	
	Number	Face Amount	Number	Face Amount	Number	Face Amount
BBVA	4,450	445,000,000.00	115	11,500,000.00	135	13,500,000.00
JPMORGAN	4,450	445,000,000.00	115	11,500,000.00	135	13,500,000.00
CAIXA CATALUNYA	100	10,000,000.00				
CALYON	100	10,000,000.00				
DRESDNER KLEINWORT WASSERSTEIN	100	10,000,000.00				
FORTIS BANK	100	10,000,000.00				
NATEXIS BANQUES POPULAIRES	100	10,000,000.00				
SOCIÉTÉ GÉNÉRALE	100	10,000,000.00				
Total	**9,500**	**950,000,000.00**	**230**	**23,000,000.00**	**270**	**27,000,000.00**

The Underwriters and Placement Agents of each Series shall altogether receive from the Fund the following underwriting and placement fees on the face amount of the Bonds in the relevant Series :

? Series A: 0.050%.

? Series B: 0.075%.

? Series C: 0.100%.

II.19.2 Lead Managers of the Issue.

BBVA and JPMORGAN shall be involved as Lead Managers of the Bond Issue for the purposes of Royal Decree 291/1992, March 27, on issues and public offerings for the sale of securities, as reworded by Royal Decree 2590/1998, December 7.

The following is the statement given by each of the Lead Managers signed by a duly authorised individual, in fulfilment of the provisions of article 31.2 of said Royal Decree, and in accordance with the provisions of article 20.3 of said Royal Decree 291/1992:

Statement by BBVA.

We, Messrs Félix Martín Pino and César Goyache País, acting for and on behalf of Banco Bilbao Vizcaya Argentaria, S.A., with place of business for these purposes at Paseo de la Castellana number 81, Madrid, duly authorised for these presents, and in connection with the constitution of BBVA AUTOS 1 FONDO DE TITULIZACIÓN DE ACTIVOS and the securities issue amounting to EUR one billion (1,000,000,000.00), prior notice of which for registration at the Comisión Nacional del Mercado de Valores was given by Europea de Titulización Sociedad Gestora de Fondos de Titulización, S.A. on September 7, 2004, in pursuance of Royal Decree 291/1992, March 27, on issues and public offerings for the sale of securities, as reworded by Royal Decree 2590/1998, December 7,

HEREBY DECLARE

? *That the necessary checks have been made to verify that the information contained in the Offering Circular is truthful and complete.*

? *That those checks have not revealed any circumstances contradicting or altering the information contained in the Offering Circular, or that the latter has omitted any material facts or figures which might be relevant to the investor.*

In witness whereof, to serve and avail as and where appropriate, this statement is given at Madrid, on October 14, 2004.

Statement by JPMORGAN.

I, Mr Arturo Miranda Martín, acting for and on behalf of J.P. Morgan Securities, Ltd., with place of business at 125 London Wall, London EC2Y 5AJ UK, duly authorised for these presents, and in connection with the constitution of BBVA AUTOS 1 FONDO DE TITULIZACIÓN DE ACTIVOS and the issue of asset-backed bonds amounting to EUR one billion (1,000,000,000.00), prior notice of which for registration at the Comisión Nacional del Mercado de Valores was given by Europea de Titulización Sociedad Gestora de Fondos de Titulización on September 7, 2004, in pursuance of Royal Decree 291/1992, March 27, on issues and public offerings for the sale of securities, as currently worded,

HEREBY DECLARE

? *That the necessary checks have been made to verify that the information contained in the Offering Circular is truthful and complete.*

? *That those checks have not revealed any circumstances contradicting or altering the information contained in the Offering Circular, or that the latter has omitted any material facts or figures which might be relevant to the investor.*

? *That the above representations neither extend nor refer to the audit report attached as an appendix to the Offering Circular in regard to the selected loans.*

In witness whereof, to serve and avail as and where appropriate, this statement is given at London, on October 12, 2004.

Attached as Appendix VI to this Offering Circular is a photocopy of the letters from BBVA and JPMORGAN making those statements.

The Lead Managers shall not be remunerated for managing the Bond Issue.

II.19.3 Institutions underwriting the Bond Issue, describing the characteristics of the relationship or Management, Underwriting and Placement Agreement, guarantees required of the issuer or offeror, types of risks taken, type of consideration agreed by the underwriter in the event of breach, and other relevant elements.

The Management Company shall, for and on behalf of the Fund, enter into a Bond Issue Management, Underwriting and Placement Agreement with BBVA and J.P. MORGAN SECURITIES LTD. ("**JPMORGAN**"), as Lead Managers and Underwriters and Placement Agents, and with CAIXA D'ESTALVIS DE CATALUNYA ("**CAIXA CATALUNYA**"), CALYON Sucursal en España ("**CALYON**"), DRESDNER BANK AKTIENGESELLSCHAFT London Branch ("**DRESDNER KLEINWORT WASSERSTEIN**"), FORTIS BANK NV-SA ("**FORTIS BANK**"), NATEXIS BANQUES POPULAIRES S. A. ("**NATEXIS BANQUES POPULAIRES**") and SOCIÉTÉ GÉNÉRALE Sucursal en España ("**SOCIÉTÉ GÉNÉRALE**") as Underwriters and Placement Agents.

The Bond Issue Underwriters and Placement Agents shall take on the obligations contained in the Management, Underwriting and Placement Agreement, which are basically the following: 1) securing placement by a third-party subscription for the Bond Issue; 2) an undertaking to subscribe on their own account for the Bonds not subscribed for by third parties during the Subscription Period, up to the amounts of their respective underwriting commitments; 3) payment by Underwriters and Placement Agents JPMORGAN, CAIXA CATALUNYA, CALYON, DRESDNER KLEINWORT WASSERSTEIN, FORTIS BANK, NATEXIS BANQUES POPULAIRES and SOCIÉTÉ GÉNÉRALE to the Paying Agent, by 2pm (CET time) on the Closing Date, for same day value, of the face amount of the Bonds placed by each of them and, as the case may be, subscribed for on their own account up to their respective underwriting commitments, whereupon the Paying Agent shall proceed to pay to the Fund, by 3pm (CET time), for same day value, the amount received from the remaining Underwriters and Placement Agents, plus the face amount of the Bonds it shall have placed as Underwriter and Placement Agent and, as the case may be, subscribed for on its own account up to the face amount of its underwriting commitment; 4) undertaking to pay late-payment interest covenanted in the agreement in the event of late payment of the amounts due; 5) providing subscribers with a document proving subscription; 6) providing the Paying Agent with Bond Issue placement dissemination control information and 7) all other aspects governing the underwriting and placement.

The underwriting commitments of each Underwriter and Placement Agent and the underwriting and placement fee are specified in section II.19.1 of this Offering Circular. The Paying Agent shall pay each of the Underwriters and Payment Agents on the Closing Date the amount of the underwriting and placement fee accrued for each of them, after they have in turn paid the face amount of the Bonds placed by each of them and, as the case may be, subscribed for on their own account up to their respective underwriting commitment.

BBVA and JPMORGAN shall be involved as Lead Managers in the Bond Issue. They shall not be 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 of the Series as final by the start of the Subscription Period.

II.20 Entry and registration of the subscription for the Bonds.

The Bonds, represented by means of book entries, shall become such bonds upon being entered in the relevant accounting record, as provided in Royal Decree 116/1992, with the usual timing and procedures of the institution in charge of so doing, to wit Iberclear.

II.21 National laws governing the Bonds and jurisdiction in the event of litigation.

The constitution of the Fund and Bond issue are subject to Spanish Law, and specifically to the provisions of (i) the Deed of Constitution; (ii) Royal Decree 926/1998 and implementing regulations; (iii) Act 19/1992, failing a provision in Royal Decree 926/1998, and to the extent applicable; (iv) Act 3/1994; (v) the Securities Market Act, and (vi) all other legal and statutory provisions in force and applicable from time to time.

The constitution of the Fund, the issue of the Bonds and the agreements for transactions covering financial risks and the rendering of services to be entered into by the Management Company on behalf of the Fund shall be subject to Spanish Law. The Deed of Constitution and the transaction agreements to be entered into by the Management Company on behalf of the Fund shall at all events be subject to Spanish Laws.

All matters, disagreements, actions and claims deriving from the Management Company's constitution, administration and legal representation of BBVA AUTOS 1 FONDO DE TITULIZACIÓN DE ACTIVOS and the Bond Issue by the same, shall be submitted to the competent Spanish Courts and Tribunals.

The Bondholders and the remaining creditors of the Fund shall have no recourse whatsoever against Obligors who may have defaulted on their payment obligations under the Credit Rights. Any such rights shall lie with the Management Company, representing the Fund holding the Credit Rights.

The Bondholders and the remaining creditors of the Fund shall have no recourse whatsoever against the Fund or against the Management Company, or against BBVA, in the event of non-payment of amounts due by the Fund resulting from the existence of default or early amortisation or prepayment of the Credit Rights, a breach 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.

The Bondholders and the remaining creditors of the Fund shall have no recourse against the Management Company other than as derived from a breach of its duties. Those actions shall be resolved in the relevant ordinary declaratory proceedings depending on the amount claimed.

II.22 Tax system derived from the securities offered.

A brief account is given hereinafter of the tax system applicable to the investments derived from this offering, in which connection only State laws in force for the time being and general aspects that might affect investors are taken into account; investors must bear in mind both their possible special tax circumstances and the rules applied territorially to a limited extent and contained in the laws in force at the time when the relevant income is obtained and returned.

Because the Bonds of this offering will be represented by book entries and an application will be made for the securities to be listed and traded on an official Spanish secondary securities market, which circumstances are relevant to determining taxation, the assumption made is that these requirements shall be met. It has moreover been considered that, upon being issued, the Bonds will be considered financial assets with an explicit yield, when this qualification is relevant for tax purposes.

The withholdings, interim payments and taxes established now or in the future on the Bond principal, interest or income shall be payable by the Bondholders, and their amount shall be deducted, as the case may be, in the manner statutorily prescribed.

It should finally be noted that the tax treatment described herein is general and has not therefore included the taxation applicable to income obtained through entities under an imputed income system, or the system applicable to all categories of investors, some of which (such as, for instance, financial institutions, Undertakings for Collective Investment, Co-operatives, etc.) may be subject to special rules.

II.22.1 Natural or legal persons resident in Spain.

Personal Income Tax.

Income obtained by Bondholders who are Personal Income Tax (IRPF) payers, both as interest and in connection with the transfer, repayment or amortisation of the Bonds, shall be considered income on investments obtained from the assignment of own capital to third parties, as defined in article 23.2 of Legislative Royal Decree 3/2004, March 5, approving the Consolidation of the Personal Income Tax Act.

In this sense, in the event of revenues derived from receipt of Bond coupons, the aggregate income shall be determined by the amount of interest received, including the IRPF withholding made, as the case may be.

Furthermore, in the event of transfer, redemption or amortisation of the Bonds, the income on investments shall be deemed to be the difference between the transfer, redemption or amortisation value (less properly supported ancillary disposal expenses) and the acquisition or subscription value (plus properly supported ancillary acquisition expenses). When the taxpayer has acquired other homogeneous financial assets within two months before or after transfer, negative income from the transfer of the Bonds shall nevertheless be integrated in the taxable income as the homogenous Bonds remaining on the taxpayer's assets are transferred.

The net income on investments shall be found deducting the Bond servicing and custody expenses from the aggregate income, provided that those expenses do not derive from a discretionary and individualised management of the portfolio of investments. The net income from the transfer, redemption or amortisation of Bonds having a generation period in excess of two years shall be reduced by 40%.

Interest income received shall be subject to a 15% withholding tax on account of the beneficiary's IRPF.

There is however no withholding tax obligation on income derived from the transfer or repayment of the Bonds, because these are represented by means of book entries and are traded on an official Spanish securities market, other than for the part of the price equivalent to the matured coupon in transfers made within thirty days immediately preceding coupon maturity where (i) the transferee is a person or undertaking not resident in Spanish territory or a Corporation Tax obligor, and (ii) this explicit income is exempt from the obligation to withhold from the transferee.

Corporation Tax.

Income obtained both as interest and in connection with the transfer, repayment or amortisation of the Bonds by undertakings considered to be Corporation Tax obligors, shall be added to the tax base as prescribed under Title IV of Legislative Royal Decree 4/2004, March 5, approving the Consolidation of the Corporation Tax Act (Corporation Tax Act).

The aforesaid income shall not be subject to a Corporation Tax withholding as provided by article 59.q) of Royal Decree 1777/2004, June 30, approving the Corporation Tax Regulations, considering that the Bonds satisfy the following requirements -as this Bond Issue is expected to do:

1. That they are represented by means of book entries.
2. That they are traded on a Spanish official secondary securities market.

The procedure for the exclusion of withholding tax or prepayment on the Bond interest to be effective, in accordance with the Ministerial Order of 22nd December 1999, shall be subject to the following requirements:

1. The Management Company, for and on behalf of the Fund as the issuer, shall pay the custodians, through the Paying Agent, the liquid amount resulting from applying the general withholding rate in force on that date (currently 15%) to all the interest.

2. By the 10th of the month after the month of maturity of each coupon, the custodians shall provide the Management Company or the Paying Agent with an itemised list of the holders who must pay Corporation Tax, along with their identification particulars, ISIN code for the securities, the number of securities they held at the date of maturity of each coupon, the respective gross income and the amount withheld.

3. Bondholders who are Corporation Tax obligors shall certify that circumstance with the custodians of the securities by the 10th of the month after coupon maturity in order that the custodians may draw up the list specified in the preceding paragraph.

4. Forthwith upon receiving that list, the Management Company shall promptly pay the custodians through the Paying Agent the amount withheld from those obligors.

5. The custodians shall forthwith pay the amount withheld to the obligor holders.

For the purpose of establishing that they are Corporation Tax obligors, Bondholders may use any means of proof admissible at Law and must produce appropriate supporting documents which shall remain with the Bond custodian, at the disposal of the issuer (the Management Company on the Fund's behalf) to be checked and of the State Agency for Taxation Administration. In this connection, supporting documents shall be taken to mean a photocopy of the card establishing the Tax Identification Number.

II.22.2 Natural or legal persons not resident in Spain.

Income obtained by Bondholders who are Non-Resident Income Tax payers, both on interest and in connection with the transfer, repayment or amortisation of the Bonds, shall be considered to be income obtained in Spain, with or without a permanent establishment, on the terms of articles 12 and 13 of Legislative Royal Decree 5/2004, March 5, approving the Consolidation of the Non-Resident Income Tax Act (the "**IRNR Act**").

Income obtained through a permanent establishment.

Bond income obtained by a permanent establishment in Spain shall pay tax in accordance with the rules of Chapter III of the above-mentioned IRNR Act, notwithstanding the provisions of double-taxation Agreements of which Spain is a signatory, which might determine that the relevant income pays no tax or, as the case may be, that reduced tax rates apply. The aforesaid income shall be excluded from Non-Resident Income Tax withholding on the terms set out above for Spanish Corporation Tax obligors.

Income obtained other than through a permanent establishment.

Bond income obtained by persons or undertakings not resident in Spain acting for these purposes without a permanent establishment within Spanish territory shall pay tax in accordance with the rules of Chapter IV of the aforesaid IRNR Act, the following elements of the system of that Act being noteworthy, without prejudice to the provisions of double-taxation Agreements signed by Spain determining that the relevant income need pay no tax or, as the case may be, that reduced rates apply:

? The tax base shall be quantified as the full amount of the income obtained, calculated with reference to the rules of the IRPF Act, whereas the reductions of that Act will not apply.

? In the event of transfer, repayment or amortisation, expenses attaching to acquisition and disposition shall be taken into account for calculating the income, provided that they are properly supported. Taxation shall be separately effected for each total or partial taxable accrual of income, which may under no circumstances be set off against one another.

? Bond income obtained both as interest and in connection with transfer, repayment or amortisation of the Bonds shall be exempt when obtained without a permanent establishment by residents of another European Union Member State or by permanent establishments of those residents located in another European Union Member State (article 14.1.c) of the IRNR Act).

? Income derived from the transfer of such securities made on any of the official Spanish secondary securities markets obtained by non-resident natural persons or undertakings other than through a permanent establishment in Spanish territory, resident in a State having signed a double-taxation Agreement with Spain with an information-exchange clause, will also be exempt.

? The two exemptions referred to shall by no means apply where the income is obtained through countries or territories statutorily qualified as tax havens.

? The Tax will be calculated applying a 15 percent rate to the tax base comprising Bond interest and other income unless a lower rate or an exemption applies in pursuance of the provisions of the internal law or in an Agreement signed by Spain. Where on account of the investor's residence a Double Taxation Agreement signed by Spain is applicable, the reduced tax rate or the exemption provided for in said Agreement for income of this kind shall be applied, as the case may be.

? The application of any exemption or reduced rate for which provision is made in the internal laws or in an Agreement signed by Spain shall require satisfactory proof of the investor's tax residence in the manners for which provision is made in Spanish laws.

? On the other hand, Bond coupons are in principle liable to a withholding, unless evidence is produced of Tax exemption or payment. The amount withheld is equivalent to the final Tax.

? In accordance with the Ministerial Order of April 13, 2000, where financial institutions domiciled, resident or represented in Spain that are custodians or manage collection of the income on those securities are involved in the Bond interest payment procedure, the exclusion from withholding tax or withholding at a reduced rate by applying the taxation limits established in double-taxation Agreements shall be put in place as described hereinafter:

1. The Management Company shall, for and on behalf of the Fund as the issuer, through the Paying Agent, pay to the custodians the net amount resulting from applying the general withholding rate in force on that date to all the interest.

2. By the 10th of the month after the month of maturity of each coupon, the custodians shall provide the Management Company or the Paying Agent with an itemised list of the holders who must pay Non-Resident Income Tax for obtaining income in Spanish territory without a permanent establishment, along with their identification particulars, the number of securities they held at the date of maturity of each coupon, the respective gross income and the amount withheld.

3. Bondholders who are Non-Resident Income Tax payers without a permanent establishment in Spain shall have established to the custodians that they are entitled to have the taxation limits of an Agreement applied or to be excused from withholding. The custodians shall draw up the list referred to in the preceding paragraph including the holders of the securities who have established that right upon the list being issued to the Management Company.

4. Forthwith upon receiving the list referred to in paragraph 2 above, the Management Company shall promptly pay all the custodians through the Paying Agent the amount withheld from those taxpayers.

5. The custodians shall forthwith pay the excess amount withheld from holders who are Non-Resident Income Tax payers.

6. For the purpose of establishing the right to have the withholding made applying the taxation limits of an Agreement or to be excused therefrom, taxpayers shall prove their tax residence by means of the following documents:

   ? When the withholding exclusion results from the application of internal Spanish regulations, by means of a residence certificate issued by the tax authorities of the country of residence.

   ? When the withholding exclusion or the withholding is made at a reduced rate, under an Agreement with a certificate issued by the respective tax authority, expressly recording that the taxpayer is a resident within the meaning of the Agreement. Nevertheless, when a withholding is made applying a taxation limit laid down in an Agreement implemented by means of an Order establishing the use of a specific form, this shall be established therewith in lieu of the certificate.

   The residence certificates referred to in the preceding paragraphs shall in principle be valid for one year after the date of issue.

7. In the event that tax residence may not be established for these purposes, Bond income obtained both as interest and in connection with the transfer, repayment or amortisation of the Bonds, by non-resident holders shall be subject to taxation under the general system aforesaid, although a refund of the excess withholding or taxation may be applied for by means of the procedure for which provision is made in the laws in force for the time being.

? Furthermore, and whether or not they pay the Tax, Bond transfer or repayment income shall not be liable to withholding because the Bonds have an explicit yield, are represented by book entries and are traded on an official Spanish secondary securities market, on the terms and conditions for which provision is made in article 73.3.f) of Royal Decree 1775/2004, July 30, approving the Personal Income Tax Regulations, under an express renvoi made in article 10.3.b) of Royal Decree 1776/2004, July 30, approving the Non-Resident Personal Income Tax Regulations. The reference in the aforesaid article to the rule of the Personal Income Tax Regulations shall not expressly excuse the application of the so-called anti-coupon laundering rule where the investor is a non-resident without a permanent establishment in

Spain[1]. The foregoing shall be without prejudice to the joint and several liability of the Bond custodian or manager, and the actual non-resident holder's duties to return and pay the Tax in due course.

II.22.3 Indirect taxation on the transfer of the Bonds.

The issue of, subscription for and transfer of the Bonds is exempt from paying Capital Transfer and Documents Under Seal Tax and Value Added Tax.

II.22.4 Wealth Tax.

Natural persons whose personal obligation it is to pay this Tax and have to submit a return on this Tax and who are Bondholders at December 31 of each year, shall include the Bonds in that Tax base at their average trading value in the fourth quarter of each year.

Non-resident natural persons who are Bondholders at December 31 of each year shall be payers of the Tax by real obligation and will also have to pay Wealth Tax, other than as provided in the double-taxation Agreements. Nevertheless, residents in other European Union countries (other than those holding their financial assets through a tax haven) in regard to Bonds whose income is exempt in regard to Non-Resident Income Tax, on the terms set forth above, shall be exempt.

II.22.5 Inheritance and Gift Tax.

The transfer of the Bonds to natural persons by inheritance or donation shall be subject to the general rules of Inheritance and Gift Tax without prejudice to the provisions of double-taxation Agreements signed by Spain. In the event that the beneficiary should be a legal person, the income obtained would be taxed in accordance with the Corporation Tax or Non-Resident Personal Income Tax rules, as the case may be, and without prejudice in the latter event to the provisions of double-taxation Agreements that may apply.

II.23 Purpose of the transaction.

The net amount of the Bond Issue will be fully allocated to paying to BBVA the price for the acquisition of the Initial Credit Rights assigned by BBVA to the Management Company on behalf of the Fund pooled in its assets upon its constitution.

II.24 Institutions that have agreed, as the case may be, to be involved in secondary trading, providing liquidity by offering consideration, specifying the extent and manner of their involvement.

There are no commitments for any institution to be involved in the secondary market of the Bonds, providing liquidity by offering consideration.

II.25 Natural or legal persons with a relevant involvement in structuring or providing advice for the constitution of the Fund or in connection with any item of the significant information contained in the offering circular, including, as the case may be, underwriting the placement.

II.25.1 Specification of natural and legal persons.

a) EUROPEA DE TITULIZACIÓN, S.A., SOCIEDAD GESTORA DE FONDOS DE TITULIZACIÓN is the Fund Management Company.

b) The Fund and the Bond Issue were financially structured by BBVA, JPMORGAN and the Management Company.

c) CUATRECASAS ABOGADOS, who are independent legal advisers, have provided legal advice for the transaction and reviewed its legal implications.

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[1] The application of this rule would result in a withholding being made on the part of the price equivalent to the coupon accrued on transfers made within thirty days immediately preceding coupon maturity where (i) the purchaser is a person or an entity not resident in Spanish territory, or a Corporation Tax payer, and (ii) this return is excused from the obligation to withhold for the purchaser.

d) BBVA is the Originator of the Credit Rights to be acquired by the Fund represented by the Management Company.

e) BBVA and JPMORGAN are involved as Lead Managers and Underwriters and Placement Agents of the Bond Issue. BBVA and JPMORGAN shall be the placement agents in charge of keeping the Bond subscription orders book (*book runners*).

f) CAIXA CATALUNYA, CALYON, DRESDNER KLEINWORT WASSERSTEIN, FORTIS BANK, NATEXIS BANQUES POPULAIRES and SOCIÉTÉ GÉNÉRALE are involved as Underwriters and Placement Agents of the Bond Issue.

g) BBVA is involved as Paying Agent of the Bond Issue.

h) DELOITTE are involved as auditors checking a number of attributes of the selection of loans owned by BBVA from which the Initial Credit Rights shall be taken for assignment to the Fund upon being constituted.

II.25.2 Statement by the person responsible for the Offering Circular on behalf of the Management Company, specifying whether he is aware of the existence of any relationship whatsoever (political rights, employment, family, etc.) or economic interest of those experts, advisers, and of other institutions involved, with both the Management Company and the former holders of the assets acquired by the Fund.

"I, Mr Mario Masiá Vicente, for and on behalf of EUROPEA DE TITULIZACIÓN, S.A., SOCIEDAD GESTORA DE FONDOS DE TITULIZACIÓN, with place of business at Madrid, Calle Lagasca no. 120, and in connection with the constitution of the Fund BBVA AUTOS 1 FONDO DE TITULIZACIÓN DE ACTIVOS, amounting to EUR one billion (1,000,000,000.00), notice of which for registration at the Comisión Nacional del Mercado de Valores was given on September 7, 2004, and in compliance with the provisions of section II.25.2 of CNMV Circular 2/1994, March 16, (implementing the Order dated July 12, 1993, in turn implementing Royal Decree 291/1992, March 27),

HEREBY DECLARE

That BANCO BILBAO VIZCAYA ARGENTARIA, S.A. has an 82.3% interest in the Management Company's share capital.

That J.P. MORGAN SECURITIES LTD. is part of the same Group as J.P. MORGAN ESPAÑA, S.A., and the latter in turn has a 4 percent interest in the Management Company's share capital.

That DELOITTE & TOUCHE ESPAÑA S.L.. are currently auditors of the annual accounts of the Management Company and of BANCO BILBAO VIZCAYA ARGENTARIA S.A.

That I am not aware of the existence of any other relationship or economic interest whatsoever between the Management Company proper and/or BANCO BILBAO VIZCAYA ARGENTARIA, S.A. and the experts, advisers and/or other undertakings involved in structuring or providing advice for the constitution of the Fund, or certain significant information contained in the Offering Circular beyond a strictly professional relationship."

II.25.3 Statement by the Originator of the Credit Rights.

I, Mr Carlos Pertejo Muñoz, who hold Spanish Identity Document no. 9,749,637-Y , acting for and on behalf of BANCO BILBAO VIZCAYA ARGENTARIA S.A., with place of business for these purposes at Paseo de la Castellana number 81, Madrid, duly authorised for these presents, and in connection with the constitution of BBVA AUTOS 1 FONDO DE TITULIZACIÓN DE ACTIVOS,

HEREBY DECLARE

? That the representations regarding the Credit Rights contained in section IV.1.2 of the Offering Circular are truthful.

? *That the foregoing representations shall be made to the Management Company, acting for the Fund, in the Deed of Constitution of the Fund and will be repeated in each of the public deeds recording the assignment of Additional Credit Rights to the Fund, with respect to the Credit Rights upon being assigned.*

? *That the necessary checks have been made to verify that the information contained in the Offering Circular, as to the portfolio of selected loans which shall be mostly assigned to the Fund, making up the Initial Credit Rights.*

? *That those checks have not revealed any circumstances contradicting or altering the information contained in the Offering Circular, or that the latter has omitted any material facts or figures which might be relevant to the investor.*

In witness whereof, to serve and avail as and where appropriate, this statement has been made at Madrid, on October 13, 2004.

Attached as Appendix VII to this Offering Circular is a photocopy of the letter from BBVA making those statements.

CHAPTER III

GENERAL INFORMATION ON THE FUND

III.1 Governing system, name and purpose of the Fund.

The constitution of the Fund and Bond issue by the same are carried out in accordance with the provisions of Royal Decree 926/1998 and shall be subject to (i) the Deed of Constitution; (ii) Royal Decree 926/1998 and implementing regulations; (iii) Act 19/1992, failing a provision in Royal Decree 926/1998 and to the extent applicable; (iv) Act 3/1994; (v) the Securities Market Act, and (vi) all other legal and statutory provisions in force and applicable from time to time.

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

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

The Fund is set up to serve as a vehicle for pooling the Credit Rights to be assigned by BBVA, and to make the Bond Issue, by means of a financial transformation and credit enhancement process derived from the various lending and borrowing and hedging transactions arranged for on the Fund's behalf.

Companies Register.
For the record, neither the constitution 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.

III.2 Legal nature of the Fund.

The Fund shall be a separate fund devoid of legal personality, with open-end revolving assets and closed-end liabilities. Its assets shall comprise the Initial Credit Rights pooled therein upon being constituted, and, revolving upon the ordinary or early amortisation of the assets, such Additional Credit Rights as may later be acquired and the start-up expenses (constitution and issue), and its liabilities shall comprise the Bonds issued and the Start-Up Loan, and the net worth of the Fund shall be nil. Additionally, the Fund arranges the Financial Swap and the Subordinated Credit to be reported in memorandum accounts.

The Fund shall be in existence until June 20, 2016 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 III.7.1 of this Offering Circular or any of the events laid down in section III.7.2 of this Offering Circular should occur.

The net worth elements making up the Fund assets and liabilities and the risk hedge transactions and services arranged for on the Fund's behalf are determined hereinafter in this section.

III.2.1 Fund Assets.

The Fund assets shall consist of the following:

a) At source (until the Closing Date, inclusive).

(i) The Initial Credit Rights assigned by BBVA to be pooled in the Fund, the total capital or principal of which shall be equal to the Maximum Credit Right Amount (EUR 1,000,000,000.00) or a slightly higher amount. Exceptionally, the amount of the Initial Credit Rights assigned upon the Fund being constituted may be slightly in excess of the Maximum Credit Right Amount given how difficult it is to exactly adjust to that amount because each of the Loans will be assigned at each of their total outstanding capital or principal upon being assigned.

Section IV.1 of this Offering Circular describes the terms and conditions of the assignment of the Credit Rights to the Fund.

The characteristics of the loans selected from BBVA's portfolio, from which the Credit Rights shall be taken to be assigned to the Fund upon being constituted, are detailed in section IV.4 of this Offering Circular.

(ii) The amount receivable upon payment of the subscription underwritten for each Bond Series.

(iii) The initial expenses of setting up the Fund and issuing the Bonds booked as assets.

(iv) The balance existing on the Treasury Account under the Guaranteed Interest Rate Account (Treasury Account) Agreement comprising the Start-Up Loan amounts obtained, as detailed in section V.3.1 of this Offering Circular.

b) During the life of the Fund.

(i) The Outstanding Balance of the Credit Rights resulting from the Credit Rights assigned to the Fund and the principal repayment.

(ii) The balance pending amortisation of initial expenses of setting up the Fund and issuing the Bonds booked as assets.

(iii) Ordinary and late-payment interest accrued and not collected on the Credit Rights.

(iv) Amounts receivable under the Financial Swap established in section V.3.5 of this Offering Circular.

(v) Any amounts or assets received upon the judicial or notarial enforcement of the Credit Rights and, as the case may be, of the securities, or from the sale or utilisation of assets awarded to the Fund, or in connection with their administration or interim possession (in enforcement proceedings), purchase for the auction sale price or amount determined by a court decision. Similarly, all other rights conferred on the Fund upon the assignment of the Credit Rights.

(vi) The amounts drawn down under the Subordinated Credit, established in section V.3.3 of this Offering Circular, to satisfy certain obligations of the Fund due to a shortfall of Available Funds or to set up the Cash Reserve.

(vii) All other balances existing in the Treasury Account, and interest accrued and not collected thereon.

(viii) The Principal Account balance existing under the Guaranteed Interest Rate (Principal Account) Agreement and interest accrued and not collected thereon, as established in section V.3.2 of this Offering Circular.

(ix) Any other amount received under other agreements concluded by the Management Company on behalf of the Fund.

III.2.2 Fund Liabilities.

The Fund liabilities shall consist of the following:

a) At source (until the Closing Date, inclusive).

(i) The total amount of the Bond Issue, amounting to a face value of EUR one billion (1,000,000,000.00), consisting of ten thousand (10,000) Bonds denominated in euros and comprising three Bond Series distributed as follows:

i) Series A having a total face amount of EUR nine hundred and fifty million (950,000,000.00) comprising nine thousand five hundred (9,500) Bonds having a unit face value of EUR one hundred thousand (100,000), represented by means of book entries.

ii) Series B having a total face amount of EUR twenty-three million (23,000,000.00) comprising two hundred and thirty (230) Bonds having a unit face value of EUR one hundred thousand (100,000), represented by means of book entries.

iii) Series C having a total face amount of EUR twenty-seven million (27,000,000.00) comprising two hundred and seventy (270) Bonds having a unit face value of EUR one hundred thousand (100,000), represented by means of book entries.

The characteristics of the Bond Issue are established in Chapter II of this Offering Circular.

(ii) The amount payable for acquiring the Initial Credit Rights assigned by BBVA.

(iii) The Start-Up Loan amount established in section V.3.4 of this Offering Circular, designed to finance the initial expenses of setting up the Fund and issuing the Bonds, and partly finance the assignment of the Initial Credit Rights.

b) During the life of the Fund:

i) The Outstanding Principal Balance of the Bonds in each of the Series and interest accrued and not paid thereon.

ii) Principal pending repayment and interest accrued and not paid on the Start-Up Loan.

iii) Principal pending repayment and interest accrued and not paid on the Subordinated Credit if drawn down.

iv) Amounts payable under the Financial Swap.

v) Fees and other expenses accrued and not paid established in the various transaction agreements and any others incurred by the Fund.

III.2.3 Cash Reserve.

The Management Company shall set up a Cash Reserve by drawing fully the available Subordinated Credit amount on the drawdown date, in the event of the rating of the non-subordinated and unsecured short-term debt of BBVA falling below P-1 or A-1+ respectively in Moody's and S&P's rating scales, within not more than ten (10) Business Days from the occurrence of any such circumstances, unless BBVA should provide for the Fund and at its expense a first demand security or guarantee from an institution whose short-term debt has a rating of at least P-1 and A-1+ respectively in the above-mentioned rating scales, securing for the Fund, merely upon the Management Company so requesting, the amount of the drawdowns requested from BBVA up to the Maximum Subordinated Credit Amount available on the relevant drawdown date, subject to such terms and conditions as may be approved by the Management Company, first notifying the Rating agencies, in order for the ratings assigned to each of the Series by the Rating Agencies to be maintained.

If it should be set up, the characteristics of the Cash Reserve shall be as follows:

III.2.3.1 Required Cash Reserve.

1. Subsequently to being set up, on each Payment Date, the Cash Reserve shall be provisioned up to the Required Cash Reserve established hereinafter with the Available Funds in the Fund Priority of Payments.

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

   i) EUR twenty million (20,000,000.00), equivalent to 2.00% of the face amount of the Bond Issue.

   ii) The higher of:

      a) 4.00% of the Outstanding Principal Balance of the Bond Issue.

      b) 1.00% of the face amount of the Bond Issue.

2. Notwithstanding the above, the Required Cash Reserve shall not be reduced on the relevant Payment Date and shall remain at the Required Cash Reserve on the preceding Payment Date whenever any of the following circumstances concur on the relevant Payment Date:

    i) That, on the Determination Date preceding the relevant Payment Date, the amount of the Outstanding Balance of Delinquent Credit Rights is equal to or greater than 1.00% of the Outstanding Balance of Non-Doubtful Credit Rights.

    ii) That on the preceding Payment Date the Cash Reserve was not provisioned up to the Required Cash Reserve on that Payment Date.

III.2.3.2 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.

III.2.3.3 Application.

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

III.2.4. Risk hedging and services transactions.

The Management Company shall, on behalf of the Fund, upon executing the Deed of Constitution, proceed to formally enter into the agreements for transactions for hedging financial risks and provision of services established hereinafter:

(i) Guaranteed Interest Rate Account (Treasury Account) Agreement.

(ii) Guaranteed Interest Rate Account (Principal Account) Agreement.

(iii) Subordinated Credit Agreement.

(iv) Start-Up Loan Agreement.

(v) Financial Swap Agreement.

(vi) Credit Right Servicing Agreement.

(vii) Bond Issue Management, Underwriting and Placement Agreement.

(viii) Bond Paying Agent Agreement.

(ix) Financial Intermediation Agreement.

The description of the most relevant terms of the Bond Issue Management, Underwriting and Placement Agreement and of the Credit Right Servicing Agreement may be respectively found in sections II.19.3 and IV.2 of this Offering Circular. The individual description of the rest of the above agreements may be found in section V.3 of this Offering Circular.

The Management Company may extend or amend the agreements entered into on the Fund's behalf, substitute, as the case may be, each of the service providers to the Fund under those agreements and indeed, if necessary, enter into additional agreements, provided that the circumstances preventing the foregoing in accordance with the laws in force from time to time do not occur. In any event, those actions shall require that the Management Company first notify or secure the prior authorisation, if necessary, of the CNMV or competent administrative body and notify the Rating Agencies, and provided that such changes are not detrimental to the rating assigned to the Bonds by the Rating Agencies.

The arrangement of these transactions for hedging risks and provision of services with BBVA and with the other counterparties can under no circumstances be construed as a security by these undertakings in regard to repayment of principal and payment of interest on the Bonds.

III.2.5 Fund Income.

The Fund shall have the income credited to the Treasury Account and the Principal Account.

The following income may be used for satisfying the Fund's payment obligations:

a) Credit Right principal repayment amounts received.

b) Ordinary and late-payment Credit Right interest.

c) The Start-Up Loan amount.

d) Subordinated Credit amounts, if any, drawn down.

e) The amount of the Cash Reserve, if it is set up.

f) Amounts received under the terms of the Financial Swap.

g) The return on the investment of amounts credited to the Treasury Account and the Principal Account.

h) Any other amounts received by the Fund, including receivables under the Credit Rights both resulting from the sale of assets awarded to the Fund or from their utilisation, and from all other rights conferred on the Fund upon the assignment of the Credit Rights.

III.2.6 Expenses payable by the Fund.

The Management Company shall settle on the Fund's behalf all such expenses as may be necessary for the Fund to operate, being both initial expenses and ordinary periodic and extraordinary expenses accrued throughout its life.

Value Added Tax (VAT) payable by the Fund shall be deemed to be a deductible expense for Corporation Tax purposes.

Initial expenses.

The estimated initial expenses for setting up the Fund and issuing the Bonds are itemised in section II.14 of this Offering Circular. Payment of the initial expenses shall be made with the amount drawn on the Start-Up Loan and shall not be subject to the Fund Priority of Payments.

Expenses throughout the life of the Fund.

The Management Company shall pay on behalf of the Fund all expenses necessary for the Fund to operate, being both ordinary periodic and extraordinary expenses accruing throughout its life, which shall be settled in their relevant Fund Priority of Payments. For illustrative purposes only, the Management Company shall satisfy the following expenses:

a) The balance, if any, of the initial expenses for setting up the Fund and issuing the Bonds exceeding the Start-Up Loan principal.

b) Any expenses arising from mandatory verifications, registrations and administrative authorisations.

c) Expenses, if any, derived from drafting and executing the amended Deed of Constitution and the Agreements, and from entering into additional agreements.

d) Rating Agency fees for monitoring and maintaining the Bond rating.

e) Bond amortisation expenses.

f) Expenses relating to the keeping of the Bond accounting record, for the Bonds to be represented by means of book entries, listing the Bonds on organised secondary markets and maintenance of all of the foregoing.

g) Any expenses derived from the sale of the Credit Rights and the remaining assets of the Fund to liquidate the same, including those derived from obtaining a credit facility.

h) Expenses required for enforcing the Credit Rights and derived from such recovery actions as may be necessary.

i) Expenses derived from managing the Fund.

j) Expenses derived from servicing of the Credit Rights.

k) Financial expenses of the Bond Issue.

l) Amounts payable under the Financial Swap.

m) Fees and expenses payable by the Fund under all other service and financial transaction agreements made.

n) Expenses derived from announcements and notices relating to the Fund and/or the Bonds.

o) Expenses of audits and legal advice.

p) In general, any other expenses borne by the Fund or the Management Company for and on behalf of the Fund.

III.3 Drawing up, auditing and approving annual accounts and other accounting documents of the Fund.

The Fund's annual accounts shall be audited and reviewed every year by auditors.

The Management Company shall submit to the CNMV the Fund's annual accounts, along with an audit report on the accounts, within four (4) months of the close of the Fund's fiscal year, which shall match the calendar year. The annual accounts of the Fund and the audit report thereon shall be filed with the Companies Register.

The Management Company shall proceed to designate, for periods of not more than three (3) years, the auditor who is for that period of time to audit the Fund's annual accounts, reporting that appointment to the CNMV. The designation of an auditor for a given period shall not preclude the designation of that auditor for subsequent periods, observing in any event the laws in force on the subject.

III.4 Obligations and deadlines set to publicise and submit to the CNMV the periodic information on the economic and financial status of the Fund.

III.4.1 As part of its Fund management and administration duty, the Management Company agrees to submit to the CNMV and the Rating Agencies, as promptly as possible, the quarterly information described hereinafter, with the exception of that contained in section e) which shall be annual, moreover advising it of all ordinary periodic or extraordinary notices contained in section III.4.2 of this Offering Circular, and of such additional information as may be reasonably required of it.

a) In relation to each of the Bond Series on each Payment Date:

1. Outstanding Principal Balance and percentages they each represent on the initial face amount of the Series.
2. Interest accrued and paid.
3. Interest, if any, accrued and not paid.
4. Amortisation accrued and paid on each Bond Series.
5. The amount of the Principal Deficiency, if any.
6. Estimated average life and final maturity of each of the Bond Series if the Credit Right prepayment rate is maintained, as determined in paragraph d) below.

b) In relation to the Credit Rights on each Payment Date:

1. Outstanding Balance.
2. During the Revolving Period, the amount for acquiring Additional Credit Rights.
3. Interest accrued and not collected.
4. Amount of the Credit Right instalments in arrears.

c) In relation to the economic and financial status of the Fund on each Payment Date:

Report on the amount of the Available Funds and the Available Principal Funds, and their application in the Fund Priority of Payments.

d) In relation to Credit Right prepayment:

Printout establishing the average principal prepayment rate by Obligors during the three calendar months preceding the month corresponding to each Payment Date.

e) Annually, in relation to the Fund's Annual Accounts:

Balance sheet, profit & loss account, management report and audit report within four (4) months of the close of each fiscal year.

III.4.2 Other ordinary, extraordinary and relevant event notification obligations.

For a proper compliance with the Bond Issue terms, the Management Company agrees to give the notices detailed below, observing the recurrence provided in each case.

a) Ordinary periodic notices.

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 Rates resulting for each of the 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 the holders of the Bonds of the following information:

   i) Interest resulting from the Bonds in each of the 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 governing the Fund Priority of Payments.

   iii) The Outstanding Principal Balances of the Bonds in each Series, after the amortisation to be settled on each Payment Date, and the percentages such Outstanding Principal Balances represent on the initial face amount of each Bond.

   iv) The actual Credit Right prepayment rate during the three calendar months preceding the month corresponding to each Payment Date, in accordance with the provisions of section III.4.1.d) of this Offering Circular.

   v) The average residual life of the Bonds estimated assuming that such actual prepayment rate shall be maintained and making all other assumptions as provided in section II.12.a) of this Offering Circular.

The foregoing notices shall be made in accordance with the provisions of section c) below and will also be notified to the CNMV, the Paying Agent, AIAF and Iberclear, within not more than one (1) Business Day before each Payment Date.

b) Extraordinary notices.

The following shall be the subject of an extraordinary notice:

1. The constitution of the Fund and the Bond Issue, and the final margins applicable for determining the Nominal Interest Rate for each Series and the Nominal Interest Rate determined for each of the Bond Series for the first Interest Accrual Period.

2. Other:

   Any relevant event occurring in relation to the Credit Rights, the Bonds, the Fund and the actual Management Company, which may materially influence trading of the Bonds and, in general, any relevant change in the Fund's assets or liabilities, or termination of the constitution of the Fund or a decision in due course to proceed to an Early Liquidation of the Fund and an Early Amortisation of the Bond Issue in any of the events provided in this Offering Circular, in which case the CNMV and the Rating Agencies will be sent the notarial certificate of termination of the Fund and the liquidation procedure followed will be as referred to in section III.7.1 of this Offering Circular.

c) 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 the AIAF Mercado de Renta Fija or any other similarly characterised one, or by means of 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 Offering Circular) 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 by the Management Company respectively by the start of the Subscription Period and on the second Business Day preceding the Closing Date 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, the 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 online means.

d) Information to the CNMV and the Rating Agencies.

The Management Company shall proceed to advise the CNMV and the Rating Agencies of both ordinary periodic and extraordinary publications made in accordance with the provisions of the preceding sections, and of such other information as may be required of it, irrespective of the above.

III.5 Tax system of the Fund.

A brief abstract follows of the tax system applicable to the Fund, in accordance with the provisions of article 1.2 of Royal Decree 926/1998; article 5.10 of Act 19/1992; article 7.1.h) of Legislative Royal Decree 4/2004, March 5, approving the Consolidation of the Corporation Tax Act (Corporation Tax Act); article 20.One.18 of Value Added Tax Act 37/1992, December 28, and article 59.k of Royal Decree 1777/2004, July 30, approving the Corporation Tax Regulations; article 45.I.B).15 of Royal Decree 1/1993, September 24, approving the Consolidation of the Capital Transfer and Documents Under Seal Tax; article 16 of Royal Decree 3/1993, and Additional Provision Five of Act 3/1994:

(i) The constitution of the Fund is exempt from the item “corporate transactions” of the Capital Transfer and Documents Under Seal Tax.

(ii) The Bond issue 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, determining the taxable income in accordance with the provisions of Title IV of the Corporation Tax Act, applying the general rate in force from time to time, which currently stands at 35%.

(iv) As for returns on the Credit Rights, loans or other credit rights constituting Fund income, there shall be no Corporation Tax withholding or advance payment obligation.

(v) The management and custody services provided to the Fund are exempt from Value Added Tax.

III.6 Amendment of the Fund Deed of Constitution.

The Fund Deed of Constitution may not be altered other than in exceptional events, and whenever that is permitted under the laws in force and subject to such statutory requirements as may be established. In any event, those actions shall require that the Management Company first notify or secure the prior authorisation, if necessary, of the CNMV, or competent administrative body and notify the Rating Agencies, and provided that such changes are not detrimental to the rating assigned to the Bonds by the Rating Agencies. The amendment of the Deed of Constitution shall be notified by the Management Company to the CNMV as a relevant event or as a supplement to the Offering Circular, as the case may be. The Deed of Constitution can also be corrected as requested by the CNMV.

III.7 Liquidation and termination of the Fund.

III.7.1 Early Liquidation of the Fund.

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

(i) When the amount of the Outstanding Balance of the Credit Rights yet to be amortised is less than 10 percent of the initial Outstanding Balance upon the constitution of the Fund, and provided that the payment obligations derived from the Bonds issued by the Fund may be honoured and settled in full in the Priority of Payments.

Payment obligations derived from the Bonds on the date of Early Liquidation of the Fund shall at all events be deemed to be the Outstanding Principal Balance 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 any event or circumstance whatsoever unrelated to the actual operation of the Fund occurs which results in the financial balance of the Fund required by article 11.b) of Royal Decree 926/1998 being substantially changed or permanently invalidated. This event includes such circumstances as the occurrence of a change in or supplementary enactments of laws, or the establishment of withholding obligations or other events that might permanently affect the financial balance of the Fund.

(iii) In the event that the Management Company should be adjudged insolvent, or the statutory term to do so, or failing that term four months, should elapse without a new management company being designated in accordance with the provisions of section III.8.2 of this Offering Circular.

(iv) Where a default on payment occurs or is expected to occur indicating a serious, permanent imbalance in relation to any of the Bonds issued or any non-subordinated credit.

(v) Upon the lapse of eighteen (18) months from the date of the last maturity of the Credit Rights, even if amounts are still due and payable thereon.

The following requirements shall be necessary to proceed to that Early Liquidation of the Fund:

(i) That the authorisations, if any, required to do so have been obtained from the CNMV or the competent authorities or administrative bodies.

(ii) That Bondholders be given at least fifteen (15) Business Days' notice, as prescribed in section III.4.2 of this Offering Circular, of the Management Company's resolution to proceed to an Early Liquidation of the Fund.

(iii) That notice, which shall have previously been served on the CNMV and the Rating Agencies, shall contain a description (i) of the event or events for which an Early Liquidation of the Fund is effected, (ii) of the liquidation procedure, and (iii) of the manner in which the payment obligations derived from the Bonds are to be met and settled in the Priority of Payments.

In order for the Fund, through its Management Company, to proceed to an Early Liquidation of the Fund and an Early Amortisation of the Bond Issue in the events and subject to the requirements defined in this section, the Management Company, for and on behalf of the Fund:

(i) Notwithstanding the provisions of paragraph (iv) below, shall proceed to sell the Credit Rights remaining in the Fund for a price of not less than the sum of the outstanding principal plus interest due and not received on the remaining Credit Rights.

(ii) Shall proceed to terminate such agreements as are not necessary for the Fund liquidation procedure.

(iii) Shall be entitled to arrange for a credit facility which shall be fully and forthwith allocated to the Early Amortisation of the Bond Issue. Repayment of that credit facility shall be guaranteed solely with the interest and principal flows derived from the Credit Rights pending amortisation and the proceeds from the sale of the other properties remaining on the assets of the Fund.

(iv) In the event of insufficiency of the preceding actions due to the existence of Credit Rights or other remaining assets of the Fund, the Management Company shall proceed to sell them and shall therefore invite bids from at least five (5) undertakings that may, in its view, give a market value. The Management Company shall be bound to accept the best bid received for the offered assets.

In events (i), (iii) and (iv) above, BBVA shall have a pre-emptive right on the terms established by the Management Company and will therefore have priority over third parties to acquire the Credit Rights or other properties derived therefrom remaining on the assets of the Fund, or to grant to the Fund, as the case may be, the credit facility designed for the Early Amortisation of the Bond Issue. The Management Company shall therefore send BBVA a list of the assets and of third-party bids received, and the latter may use that right for all or part of the assets offered by the Management Company or the credit facility within five (5) Business Days of receiving said notice, and provided that their bid is at least equal to the best of the third-party bids.

Upon provisioning the reserve referred to in section III.7.2 below, the Management Company shall immediately 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 Priority of Payments, other than the amounts, if any, drawn under the credit facility arranged, which shall be fully allocated to the Early Amortisation of the Bond Issue.

III.7.2 Termination of the Fund.

The Fund shall terminate in the following events:

(i) Upon the Credit Rights pooled therein being fully amortised.

(ii) Upon the Bonds issued being fully amortised.

(iii) Upon the conclusion of the Early Liquidation procedure established in section III.7.1 above.

(iv) At all events, upon the final liquidation of the Fund on the Final Maturity Date (June 20, 2016, or the following Business Day if that is not a Business Day).

(v) Upon the Fund constitution terminating in the event that Moody's or S&P 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 constitution of the Fund, the assignment to the Fund of the Initial Credit Rights and the Bond Issue.

Termination of the constitution of the Fund shall be notified to the CNMV as soon as such termination is confirmed, and shall be publicised by means of the procedure specified in section III.4.2.b) and c) of this Offering Circular. Within not more than one month after the occurrence of the event of termination, the Management Company shall execute a statutory declaration before a Notary Public declaring that the Fund's obligations have been settled and terminated and that the Fund has terminated. Notwithstanding the above, the Fund Management Company shall defray the Fund constitution expenses payable and specified in section II.14 of this Offering Circular with the Start-Up Loan, the agreement for which shall not be terminated but shall rather be cancelled after those amounts are settled, the repayment of principal being subordinated to fulfilment of all other obligations undertaken by the Management Company, acting for and on the Fund's behalf.

In the event that there should be any remainder upon the Fund liquidation process being terminated and after making all payments to the various creditors of the Fund by distributing the Available Funds in the set Priority of Payments, that remainder shall be for BBVA on the terms established by the Management Company in the liquidation.

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 Fund's remaining assets have been liquidated and the Available Funds have been distributed, in the Fund Priority of Payments, with the exception of the appropriate reserve to meet final tax, administrative or advertising expenses related to termination and liquidation.

Upon a period of six (6) months elapsing from the liquidation of the Fund's remaining assets and the distribution of the 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 the Bondholders and the CNMV were given notice, and (iii) how the Fund's available funds were distributed, in the Fund 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.

III.8 Management and representation of the Fund and of the Bondholders.

III.8.1 Description of the duties and responsibilities taken on by the Management Company in managing and legally representing the Fund and the Bondholders.

The management and legal representation of the Fund shall lie with the Management Company, EUROPEA DE TITULIZACIÓN, S.A., SOCIEDAD GESTORA DE FONDOS DE TITULIZACIÓN, 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.

The Economy and Finance Ministry authorised the incorporation of the Management Company as a Mortgage Securitisation Fund Management Company on December 17, 1992 and, subsequently, on October 4, 1999 authorised its re-registration as a Securitisation Fund Management Company. It is moreover entered in the special register purposely kept by the CNMV under number 2. The information on the Management Company is contained in Chapter VI of this Offering Circular.

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

It is also the Management Company's duty, as the manager of third-party portfolios, to represent and defend 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. The 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 Offering Circular.

The Management Company shall notify the Bondholders and all other ordinary creditors of the Fund of all and any circumstances that may be relevant to them, by publishing appropriate notices on the terms established in section III.4.2 of this Chapter.

III.8.1.1 Administration and representation of the Fund.

The Management Company's obligations and actions in fulfilment of its duty to manage and legally represent the Fund are the following, for illustrative purposes only and without prejudice to any other actions provided in the Deed of Constitution and/or in this Offering Circular:

(i) Keeping the Fund's accounts duly separate from the Management Company's own, rendering accounts and satisfying tax and any other statutory obligations of the Fund.

(ii) Making such decisions as may be appropriate in connection with the liquidation of the Fund, including the decision to proceed to an Early Liquidation of the Fund and Early Amortisation of the Bond Issue, in accordance with the provisions of the Deed of Constitution and this Offering Circular. Moreover, making all appropriate decisions in the event of the constitution of the Fund terminating.

(iii) Appointing and, as the case may be, replacing and dismissing the auditor who is to review and audit the Fund's annual accounts.

(iv) Providing the 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 in the Deed of Constitution and in this Offering Circular.

(v) Complying with the calculation duties and taking the actions laid down in the Deed of Constitution and in this Offering Circular and in the various Fund transaction agreements listed in section V.3 of this Offering Circular, or in such others as the Management Company may enter into in due course for and on behalf of the Fund.

(vi) The Management Company may extend or amend the agreements entered into on behalf of the Fund, substitute, as the case may be, each of the Fund service providers thereunder, and indeed, if necessary, enter into additional agreements, including new credit facility agreements, and amend the Deed of Constitution, provided that circumstances preventing the foregoing in accordance with the laws in force from time to time do not occur. In any event, those actions shall require that the Management Company first notify or secure the prior authorisation, if necessary, of the CNMV or competent administrative body and notify the Rating Agencies, and provided that such changes are not detrimental to the rating assigned to the Bonds by the Rating Agencies. Notice of amendment of the Deed of Constitution or the agreements or of the execution of new agreements shall be given by the Management Company to the CNMV as a relevant event or as a supplement to the Offering Circular, as the case may be. The Deed of Constitution or the agreements may also be corrected upon a request by the CNMV.

(vii) On each Offer Request Date, determining whether on the following Payment Date there is to be an acquisition of Additional Credit Rights and, if appropriate, calculating the Acquisition Amount that may be allocated to the new acquisition on the following Payment Date.

(viii) Sending to BBVA, if appropriate, a written communication requesting an offer of Additional Credit Rights, 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.

(ix) Checking that the loans included in the offer for assigning Additional Credit Rights made by BBVA satisfy the (Individual and Global) Election Requirements established for acquiring Additional Credit Rights, and notifying BBVA of the list of Additional Credit Rights accepted for assignment to the Fund on the relevant Payment Date.

(x) Exercising the rights attaching to the ownership of the Credit Rights acquired by the Fund and, in general, carrying out all such acts of administration and disposition as may be required for properly managing and legally representing the Fund.

(xi) 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 Credit Rights and on the terms of the relevant Loan, and that the amounts receivable relating to the Credit Rights are provided by the Servicer to the Fund within the time-periods and on the terms provided for under the Servicing Agreement.

(xii) Determining on each Interest Rate Fixing Date and for the following Interest Accrual Period, the Nominal Interest Rate to be applied for each Bond Series and calculating and settling the amounts payable on each Payment Date for interest accrued.

(xiii) Calculating and determining on each Determination Date the principal to be amortised and repaid on each Bond Series on the relevant Payment Date.

(xiv) 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.

(xv) Watching that the amounts credited to the Treasury Account and the Principal Account return the yield set in the respective Guaranteed Interest Rate Account Agreement.

(xvi) Calculating the Available Funds, the Available Principal Funds and the payment or withholding obligations to be complied with, and applying the same in the Fund Priority of Payments.

(xvii) Instructing transfers of funds between the various borrowing and lending accounts, and issuing all relevant payment instructions, including those designed for servicing the Bonds.

(xviii) Applying for the Bonds to be listed on the AIAF.

III.8.2 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 legal 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 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 the 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 the to 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 AIAF or any other organised secondary market on which the Bonds issued by the Fund are listed.

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 an amortisation of the Bonds issued by the same, and of the loans, in accordance with the provisions of the Deed of Constitution.

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 the Deed of Constitution and this Offering Circular. 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.

III.8.3 Subcontracting.

The Management Company shall be entitled to subcontract or delegate 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 the Deed of Constitution, 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 of the Bond Series being adversely revised, and (iv) shall be notified to the CNMV and, where statutorily required, will first be authorised by the CNMV. Notwithstanding any subcontracting or delegation, the Management Company shall not be exonerated or released, under that subcontract or delegation, from any of the liabilities undertaken in the Deed of Constitution which may legally be attributed or ascribed to it.

III.8.4 The Management Company's remuneration for discharging its functions.

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 amounting to EUR one hundred thousand (100,000.00) which shall accrue upon the constitution of the Fund and be payable on the Closing Date.

(ii) Periodic fee: equal to 0.0215% per annum, accruing on the exact number of days elapsed in each Interest Accrual Period, from the date of constitution of the Fund until it terminates, and payable quarterly in arrears on each of the Payment Dates, calculated on the Outstanding Principal Balance of the Bond Issue on the Payment Date preceding the relevant Payment Date. The periodic fee for the first Payment Date shall accrue from the date of constitution of the Fund and shall be calculated on the face amount of the Bond Issue.

The fee payable on a given Payment Date shall be calculated in accordance with the following formula:

$$C ? B ? \frac{0.0215}{100} ? \frac{d}{360}$$

where :
C = Fee payable on a given Payment Date.
B = Outstanding Principal Balance of the Bond Issue, on the preceding Payment Date.
d = Number of days elapsed during the relevant Interest Accrual Period.

In any event, the annual amount of this periodic fee may not be respectively greater or lower than the following maximum and minimum amounts, or their proportional equivalent to the exact number of days elapsed in each of the Interest Accrual Periods.

a) Maximum annual amount of EUR two hundred thousand (200,000.00).

b) Minimum annual amount of EUR thirty-two thousand five hundred (32,500.00). In the event that, during the term of the Fund, the National General Retail Price Index published by the Spanish National Institute of Statistics for each calendar year should experience a positive variation, the minimum annual amount shall be reviewed in the same proportion, from the year 2006, 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 an interest equal to the Reference Rate of the Bonds, payable on the following Payment Date, in the Priority of Payments.

CHAPTER IV

INFORMATION ON THE CHARACTERISTICS OF THE ASSETS SECURITISED THROUGH THE FUND

IV.1 Assets pooled in the Fund.

The Fund assets shall comprise credit rights owned by and shown on the assets of BBVA derived from loans granted to individuals resident in Spain (the "**Obligors**") for financing the purchase of new motor cars (the "**Loans**"), assigned by BBVA to the Fund (the "**Credit Rights**"), comprising the Credit Rights assigned to the Fund upon being constituted (the "**Initial Credit Rights**") and the Credits Rights later assigned during the Revolving Period (the "**Additional Credit Rights**").

By means of the Deed of Constitution, the Management Company, for and on behalf of the Fund, and BBVA (the "**Originator**") shall perfect the agreement assigning to the Fund Credits Rights, specifically as follows:

(i) Assignment by BBVA to the Fund of the initial Credit Rights 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 Credit Rights selected by the Management Company, in an amount not in excess of the Acquisition Amount, from among those offered by BBVA and satisfying the Election Requirements.

The requirements to be met by the Credit Rights to be assigned to the Fund, the system for the successive assignments of Additional Credit Rights during the Revolving Period, and the terms and conditions of the assignment of the Credit Rights are described in this section in accordance with the provisions of the Deed of Constitution.

Most of the Loans are originated in a loan agreement certified by a commissioner for oaths whereas others, not exceeding a certain amount, are originated in a private agreement whose terms include a clause making provision for the issue of a non-negotiable blank promissory note by the borrower Obligor, delivering the same to BBVA and expressly authorising BBVA, upon final or early termination, as the case may be, to complete the same with such amount as may result from the addition of a number of items in order to stand as an enforceable instrument for BBVA in the event of a breach by the Obligor of the terms agreed in the relevant Loan.

Upon the secured main obligation falling due, whether by expiration of its term or early termination, and the borrower Obligor failing to comply with the payment obligations, BBVA shall be authorised to complete the promissory note as provided for among the parties, and shall be entitled to present the same for collection, applying, as the case may be, the proceeds therefrom to total or partial payment of the Loan, in accordance with articles 12 and 96 of Exchange and Cheque Act 19/1985.

IV.1.1 Maximum Credit Right Amount.

The maximum amount of the Outstanding Balance of the Credit Rights pooled in the Fund shall be EUR one billion (1,000,000,000.00) (the "**Maximum Credit Right Amount**"), equivalent to the face value of the Bond Issue.

Outstanding Balance of the Credit Rights.

The outstanding balance of a Credit Right shall be the sum of the capital or principal not yet due and the capital or principal due and not paid into the Fund on the relevant Loan on a given date.

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

Delinquent Credit Rights shall be deemed to be Credit Rights that are delinquent on a given date with an arrears in excess of three (3) months in payment of overdue amounts, excluding Doubtful Credit Rights.

Doubtful Credit Rights shall be deemed to be Credit Rights 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. Non-Doubtful Credit Rights shall be deemed to be Credit Rights that are not deemed to be Doubtful Credit Rights on a given date.

IV.1.2 Representations by BBVA as Originator.

BBVA, as Originator holding the Loans assigned to the Fund, shall represent and warrant as follows to the Fund and the Management Company in the Deed of Constitution and in each public deed assigning Additional Credit Rights in relation to the time of those assignments:

1. In relation to itself.

(1) That BBVA is a credit institution duly incorporated in accordance with the laws in force for the time being and is entered in the Companies Register and in the Register of Credit Institutions of the Bank of Spain.

(2) That neither at today's date nor at any time since it was incorporated has it been adjudged insolvent.

(3) That it has obtained all necessary authorisations both from the administration and from its corporate bodies and third parties who may be affected by the assignment of the Credit Rights to the Fund, to validly execute the Deed of Constitution, for the undertakings made therein and to execute the agreements relating to the constitution of the Fund.

(4) That it has audited accounts for the last three years with at least a favourable opinion and without any negative notes from the Auditors in the last year. Those audited annual accounts have been filed with the CNMV and with the Companies Register.

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

(1) That both the grant of the Loans and their assignment to the Fund and all aspects related thereto are and will be at arm's length.

(2) That the Loans exist and are valid and enforceable in accordance with the applicable laws.

(3) That it holds absolute title, without limitation, to all the Loans, free and clear of all and any liens and claims.

(4) That the details of the Loans included in the schedules to the Deed of Constitution and subsequent deeds of assignment accurately reflect the status of those Loans on the assignment date.

(5) That the Loans are not secured with any security interest whatsoever but are personal Loans and the Obligor or Obligors shall be liable for fulfilling the same with all their current or future assets. Some of them are also guaranteed by means of a surety given by a person other than the Obligor or Obligors.

(6) That the Loans are duly supported and originated in a loan agreement although some documents have not been certified by a commissioner for oaths, in which case they are private documents between the parties.

(7) That the respective loan agreements recording the Loans contain no clauses preventing their assignment or requiring any authorisation or communication for the Loan to be assigned.

(8) That the Obligors under the Loans are all individuals resident in Spain and are not employees, managers or officers of BBVA.

(9) That the Loans have been granted in order to finance for individuals resident in Spain the purchase of new motor cars and the principal Loan amount is not, upon their origination, in excess of the value of the financed motor car.

(10) That, on the date of assignment to the Fund, it has not come to its notice that any Obligor has been declared insolvent.

(11) That the Loans are all denominated and payable exclusively in euros and their capital or principal has been fully drawn down.

(12) That none of the Loans have clauses allowing deferment of periodic interest payment or principal repayment.

(13) That all the Credit Right payment obligations are satisfied by directly debiting a bank account.

(14) That on the date of assignment to the Fund, the Loans are all in good standing of payments due.

(15) That it has strictly adhered to the lending policies in force from time to time and applicable to it in granting the Loans.

(16) That the loan agreements originating the Loans 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 Loans are all clearly identified both in data files and by means of their agreements.

(17) That the outstanding capital balance of each of the Credit Rights is equivalent to the capital figure for which the Credit Right is assigned to the Fund and that, in turn, the total capital of the Initial Credit Rights shall be at least equivalent to the face value of the Bond Issue.

(18) That the final maturity date of the Credit Rights is at no event after March 30, 2014.

(19) That after being granted, the Loans have been serviced and are still being serviced by BBVA in accordance with its set customary procedures.

(20) That it has no knowledge of the existence of any litigation whatsoever in relation to the Loans which may detract from their validity or their enforceability or may result in the application of Civil Code article 1535.

(21) That the Loans all have a fixed interest rate.

(22) That, on the date of the issue, at least two (2) instalments have fallen due on each of the Credit Rights.

(23) That the information on the Loans and the Credit Rights contained in the Offering Circular is strictly true.

(24) That the Loans are written off the assets of BBVA on the date of assignment to the Fund in the capital amount for which they are assigned, in accordance with the provisions of Bank of Spain Circular 4/91, without prejudice to the effects that partial or total subscription for the Bond Issue may have for BBVA in pursuance of that Circular.

(25) That nobody has a preferred right over the Fund as holder of the Credit Rights .

(26) That it has received from the Obligors no notice whatsoever of full or partial repayment of the Loans.

(27) That the Credit Rights all satisfy the set Election Requirements upon being assigned.

IV.1.3 Initial Credit Rights.

The Deed of Constitution shall perfect the agreement between the Management Company, for and on behalf of the Fund, and BBVA to assign to the Fund an as yet indeterminate number of Initial Credit Rights whose total principal or capital shall be equal to the Maximum Credit Right Amount (EUR 1,000,000,000.00) or a slightly lower amount. The amount of the Initial Credit Rights assigned upon the Fund being constituted may be slightly less than the Maximum Credit Right Amount given how difficult it is to exactly adjust to that amount because each of the Loans will be assigned at each of their total outstanding capital or principal upon being assigned. The difference between the Maximum Credit Right Amount and the amount of the Initial Credit Rights shall be credited to the Principal Account.

The Deed of Constitution shall itemise each of the Initial Credit Rights assigned to the Fund, providing the main details allowing them to be identified.

The Initial Credit Rights shall be taken from a selection comprised of 159,289 BBVA portfolio loans, the outstanding principal of which amounted as of September 22, 2004 to EUR 1,264,143,989.68. The detailed characteristics of the loans selected are described in section IV.4 of the Offering Circular.

IV.1.4 Additional Credit Rights.

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

The assignment to the Fund of the Additional Credits Rights 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 the successive assignments of Additional Credit Rights shall be borne by the Fund.

On each new acquisition of Additional Credit Rights, the Management Company shall deliver to the CNMV:

(i) A certified copy of the public deed of assignment itemising each of the Additional Credit Rights assigned to the Fund with the main details allowing them to be identified.

(ii) A written statement by the Management Company, also signed by BBVA, that the Additional Credit Rights satisfy all the set Election Requirements to be assigned to the Fund.

IV.1.4.1 Revolving Period.

The Management Company shall, for and on behalf of the Fund, make quarterly acquisitions of Additional Credit Rights on each of the Payment Dates within the time-period comprised between the first Payment Date, December 20, 2004, and the Payment Date falling on September 20, 2006, 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:

a) That, on the preceding Determination Date, the amount of the Outstanding Balance of Doubtful and Delinquent Credit Rights is in excess of 10.00% of the Outstanding Balance of the Credit Rights.

b) That, on the preceding Determination Date, the amount of the Outstanding Balance of Delinquent Credit Rights is in excess of 2.50% of the Outstanding Balance of Non-Doubtful Credit Rights.

c) That for two (2) consecutive and preceding Payment Dates the Outstanding Balance of the Non-Doubtful Credit Rights is less than 90.00% of the Outstanding Principal Balance of the Bond Issue.

d) If the interest accrued on the Series A Bonds should remain unpaid due to a shortfall of Available Funds for two (2) Business Days after the relevant Payment Date.

e) That, on the preceding Payment Date, the available Subordinated Credit amount is less than the Maximum Credit Right Amount or the amount of the Cash Reserve, if it is set up, shall not have been provisioned up to the Required Cash Reserve.

f) That the Financial Swap Agreement shall have been terminated and the actions provided for therein in relation to replacement of or security by the counterparty or a guarantee deposit to maintain the ratings assigned to each of the Bond Series by the Rating Agencies shall not have been put in place.

g) That BBVA should have been declared insolvent, in liquidation or in a position of liability which might result in its credit institution status being revoked.

h) That BBVA shall have been replaced as Servicer under the Credit Right Servicing Agreement.

i) That the Spanish tax laws shall have been modified to such an extent that the assignment of Additional Credit Rights is exceedingly burdensome for BBVA.

j) That, on the preceding Payment Date, the Outstanding Balance of Non-Doubtful Credit Rights is less than eighty percent (80.00%) of the Outstanding Principal Balance of the Bond Issue.

IV.1.4.2 Acquisition Amount.

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

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

IV.1.4.3 Election Requirements.

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

Individual Requirements

The following are the Election Requirements each of the additional Loans shall individually satisfy to be assigned to the Fund (the "**Individual Requirements**"):

1. That the Obligor is an individual resident in Spain.
2. That the Loan is denominated in euros.
3. That the Loan has not matured before, and does not mature on, the date of assignment to the Fund.
4. That the Loan principal has already been fully drawn down.
5. That the outstanding principal balance of the Loan is between EUR five hundred (500) and EUR sixty thousand (60,000), both inclusive.
6. That the Loan is established at a fixed interest rate.
7. That at least two (2) instalments have fallen due on the Loan.
8. That the Loan is in good standing of payments due.
9. That the final maturity date of the Loan is not after March 30, 2014.
10. That Loan interest and repayment instalments are monthly.
11. That the Loan principal repayment system is a repayment system with periodic instalments such as the French method, a variable geometric or arithmetic progression repayment instalments method or an equal, constant repayment instalments method.
12. That the Loan is not in an interest- or repayment-free period.

Global Requirements.

In addition to satisfying the Individual Requirements, the following are the Election Requirements the Credit Rights, including the Additional Credit Rights, must satisfy as a whole for the latter to be assigned to the Fund (the "**Global Requirements**"):

1. That the average interest rate of the Credit Rights weighted by the Outstanding Balance of each Credit Right on the date of assignment is not less than 5.00%.

2. That average time elapsed since the date of origination of the Credit Rights until the date of assignment weighted by the Outstanding Balance of each Credit Right on the date of assignment is not less than six (6) months.

3. That the average life of the Credit Rights weighted by the Outstanding Balance of each Credit Right on the date of assignment is not in excess of seven (7) years.

4. That on the date of assignment, the Outstanding Balance of the Credit Rights for Obligors for a same Autonomous Community is not in excess of thirty percent (30.00%) of the total Outstanding Balance of the Credit Rights.

5. That on the date of assignment, the Outstanding Balance of the Credit Rights for Obligors for the three (3) Autonomous Communities with the highest representation (Outstanding Balance) is not in excess of sixty percent (60.00%) of the total Outstanding Balance of the Credit Rights.

IV.1.4.4 Offer Dates.

The "**Offer Request Dates**" shall be the dates falling on the sixth (6th) Business Day preceding each of the Payment Dates in the Revolving Period on which Additional Credit Rights should be acquired.

"**Offer Dates**" shall be the dates falling on the fourth (4th) Business Day preceding each of the Payment Dates in the Revolving Period on which Additional Credit Rights should be acquired.

IV.1.4.5 Procedure for acquiring Additional Credit Rights.

1. On each Offer Date, the Management Company shall send the Originator a written notice demanding the assignment of Additional Credit Rights for the Fund, specifying the Acquisition Amount and the Payment Date on which the assignment to the Fund and payment for the assignment shall be made.
2. By 9am (CET time) on the Offer Date, the Originator shall send the Management Company a written notice offering to assign Additional Credit Rights, along with a data file detailing the selected loans and their characteristics included in the assignment offer and which shall satisfy the Individual Requirements and the Originator's representations contained in section IV.1.2 of this Offering Circular.
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 Credit Rights, along with a data file with the details of the Additional Credit Rights accepted and their characteristics notified by the Originator.

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

   (i) Check that the Loans listed on the assignment offer satisfy the Individual Requirements numbered from 2 to 12 and the Global Requirements in conformity with the characteristics notified by the Originator, without this entailing checking compliance with the Originator's other representations contained in section IV.1.2 of this Offering Circular.

   (ii) Determine the Additional Credit Rights 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 the Payment Date, the Management Company, acting for the Fund, and the Originator shall proceed to perfect the assignment of the Additional Credit Rights to the Fund, and the Fund, represented by the Management Company, shall proceed to pay the assignment price comprising the face value of the capital of the Additional Credit Rights assigned.

   The remaining Available Principal Funds not used for acquiring Additional Credit Rights shall remain credited to the Principal Account.
5. On the Business Day after the Payment Date, the Management Company shall deliver to the CNMV:

   (i) A certified copy of the public deed of assignment itemising each of the Additional Credit Rights assigned to the Fund with the main details allowing them to be identified.

   (ii) A written statement by the Management Company, also signed by BBVA, that the Additional Credit Rights satisfy all the set (Individual and Global) Election Requirements to be assigned to the Fund.

IV.1.5 Terms of the assignment of the Credit Rights.

1. The Credit Rights will be fully and unconditionally assigned for the entire term remaining until maturity of each Loan.
2. The Originator shall be liable to the Fund for the existence and lawfulness of the Credit Rights 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 Credit Rights and shall therefore have no liability whatsoever for default by the Obligors of principal, interest or any other amount owing to them by the Obligors under the Loans, and will not be liable for the enforceability of security collateral thereto or the accessibility or effects, as the case may be, of exchange proceedings. They 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 Credit Rights, other than as provided in section IV.1.7 below.
4. Each Loan shall be assigned for all the outstanding capital pending repayment on the assignment date and for all the ordinary and late-payment interest on each Loan assigned.

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

   (i) To receive all amounts accruing as repayment of Loan capital or principal.

   (ii) To receive all amounts accruing as ordinary interest on the Loan capital.

   (iii) To receive all amounts accruing as late-payment interest on the Loans.

   (iv) To receive any other amounts, assets or rights received as payment of the Loan principal, interest or expenses, either in the form of the auction sale price or amount determined by a court decision, on the sale or utilisation of the assets awarded or, upon enforcing, in the administration or interim possession of the assets in enforcement proceedings.

   (v) To receive all possible rights or compensations accruing for the Originator under and derived from the Loans, including those derived from any ancillary right attached to the Loans, excluding the fees for total or partial prepayment and any other right that may not be integrated in the debt claimed from the Obligor in the event of default on the Loans.

   The above-mentioned rights will all accrue for the Fund from the date of assignment of the Credit Rights. Interest shall moreover include interest accrued and not due since the last interest settlement date on each of the Loans, on or before the date of assignment.

   Returns on the Loans constituting Fund income shall not be subject to a Corporation Tax withholding as established in Royal Decree 537/1997, April 14, approving the Corporation Tax Regulations.

5. The Fund's rights resulting from the Credit Rights are linked to the payments made by the Obligors, and are hence directly affected by the evolution, delays, prepayments or any other incident relating to the Loans.
6. The Fund shall bear all and any expenses or costs arising for the Originator derived from the recovery actions in the event of a breach of obligations by the Obligors, including bringing the relevant action against the same.
7. In the event of a renegotiation of the Loans or their due dates, consented to by the Management Company, for and on behalf of the Fund, the change in the terms shall affect the Fund in accordance with rule fifteen, section 2.d) of Bank of Spain Circular 4/91, June 16.
8. BBVA as Originator of the Credit Rights shall be entitled to receive from the Obligor the fees, including prepayment or early cancellation fees or any other right which cannot be made part of the debt to be claimed from the Obligor in the event of default on the Loans.

IV.1.6 Credit Right sale or assignment price.

The sale or assignment price of the Credit Rights will be at par. The total amount payable by the Fund for the assignment of the Credit Rights shall be the amount equivalent to the sum of (i) the face value of the capital or principal pending repayment of each of the Loans, and (ii) ordinary interest accrued and not due and interest not paid on each of the Loans on the date of assignment (the "**accrued interest**").

The Management Company shall pay the total amount for the assignment of the Credit Rights on behalf of the Fund as follows:

1. The part consisting of the face value of the capital of all the Loans, subparagraph (i) of paragraph one of this section, shall be paid by the Fund on the following dates:

   a) Payment of the face value of the Initial Credit Rights shall be fully paid on the Bond Closing Date, for same day value, upon the subscription for the Bond Issue being paid up.

   b) Payment of the face value of the Additional Credit Rights shall be fully paid on the relevant Payment Date on which the assignment occurs, for same day value.

2. The part consisting of interest accrued on each of the Credit Rights, subparagraph (ii) of paragraph one of this section, shall be paid by the Fund on the earlier of the collection dates falling on the first interest settlement date of each of the Credit Rights or the date on which they are paid by the Obligor, after the date of assignment, and will not be subject to the Fund Priority of Payments.

Should the Fund constitution and hence the assignment of the Credit Rights terminate, in accordance with the provisions of section III.7.2.(v) of this Offering Circular, (i) so will the Fund's obligation to pay for the assignment, (ii) the Management Company shall be obliged to restore to BBVA any rights whatsoever accrued for the Fund upon the Credit Rights being assigned, and (iii) BBVA shall once again enter the Credit Rights among its balance-sheet assets.

IV.1.7 Set rules for substituting the Credit Rights.

1. In the event of early amortisation of the Credit Rights due to prepayment of the relevant Loan capital, there will be no direct substitution of the Credit Rights affected thereby, notwithstanding the acquisition by the Fund of Additional Credit Rights during the Revolving Period.

2. In the event that it should be observed throughout the life of the Credit Rights that any of them failed on the assignment date to meet the representations contained in section IV.1.2 of this Offering Circular or the characteristics notified by BBVA to the Management Company, BBVA agrees, subject to the Management Company's consent, to proceed forthwith to a substitution or, as the case may be, early amortisation of the Credit Right in that situation, subject to the following rules:

   a) The party becoming aware of the existence of a non-conforming Credit Right, whether BBVA or the Management Company, shall notify the other party of this circumstance. BBVA shall have five (5) Business Days from said notice to proceed to remedy that circumstance if it may be remedied or, in order to proceed to a substitution thereof.

   b) The substitution shall be made for the outstanding principal plus interest accrued and not paid and any amount owing to the Fund until that date on the relevant substituted Credit Right.

      In order to proceed to the substitution, BBVA shall notify the Management Company of the characteristics of the Loans proposed to be assigned satisfying the representations made in section IV.1.2 of this Offering Circular and the (Individual and Global) Election Requirements and similarly characterised. Once the Management Company has checked that the (Individual and Global) Election Requirements are satisfied and expressly stated to the Originator that the Loans to be assigned are appropriate, the Originator shall proceed to terminate the assignment of the affected Credit Right and assign a new or new replacement Credit Rights.

      The substitution shall be recorded in a public deed subject to the same formal requirements established for the assignment of Credit Rights.

c) In the event that any Credit Right should not be substituted on the terms set in rule b) of this section, the Originator shall proceed to an early amortisation of the affected Credit Right not replaced. That early amortisation 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 Credit Right.

d) In the event of termination of Credit Rights due to both substitution and repayment, the Originator shall once again record the relevant the affected Credit Rights among its balance sheet assets on the date of termination of the assignment, and shall be vested in all the rights attaching to those Credit Rights accruing from the termination date or accrued and not due, and overdue amounts on that same date.

IV.2 Servicing and custody of the Credit Rights.

BBVA, Originator of the Credit Rights to be acquired by the Fund, in accordance with the provisions of article 2.2.b) of Royal Decree 926/1998, will, as attorney for the Management Company, be responsible for servicing and managing the Loans, and the Credit Right Servicing Agreement (the "**Servicing Agreement**") shall govern the relations between BBVA and the Fund, represented by the Management Company, as regards custody and servicing of the Loans.

BBVA (the "**Servicer**" in this Agreement) shall accept the appointment received from the Management Company and thereby agrees as follows:

(i) To service and manage the Loans acquired by the Fund subject to the terms and ordinary servicing and management system and procedures established in the Servicing Agreement.

(ii) To continue servicing the Loans, devoting the same time and effort to them as it would devote and use to service its own loans, and in any event on the terms provided for in the Servicing Agreement.

(iii) That the procedures it applies and will apply to service and manage the Loans are and will continue to be in accordance with the laws and statutory regulations in force applicable thereto.

(iv) To full faithfully observe the instructions issued by the Management Company, within the framework of the Servicing Agreement.

(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 instructions.

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

The most outstanding terms of the Servicing Agreement are set out hereinafter in the following subparagraphs of this section.

IV.2.1 Ordinary system and procedures for servicing and managing the Loans.

The following is the succinct and short description of the ordinary system and procedures (hereinafter the "**services**") for service and custody of the Loans governed by said Servicing Agreement:

1. Term.

The services shall be provided by the Servicer until all the obligations undertaken by the Servicer as Originator of the Loans terminate in relation to the same, once they have been repaid, or when the liquidation of the Fund concludes after it terminates, without prejudice to a potential early termination of the Servicing Agreement, in accordance with its terms.

2. Custody of agreements, documents and files.

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

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

3. Collection management.

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

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

The Management Company may change the periods, collection dates and payment method at any time during the term of the Servicing Agreement, provided that this is not detrimental to the rating given to the Bonds by the Rating Agencies.

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

4. Information.

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

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

5. Authorities and actions in relation to Loan interest rate renegotiation procedures.

The Servicer may not voluntarily forgive the Loans in full or in part or extend the same, or in general do anything that may diminish the enforceability at law or economic value of the Loans, without prejudice to its proceeding to heed requests by the Obligors with the same diligence and procedure as if the loans should not have been assigned.

Notwithstanding the above, the Management Company may, as manager of third-party funds, previously issue instructions to or authorise the Servicer to agree with the Obligor such terms and conditions as it shall see fit for a novation changing the relevant Loans.

a) Renegotiating the interest rate.

1. The Servicer may under no circumstance entertain on its own account and without being so requested by the Obligor, interest rate renegotiations which may result in a decrease in the interest rate applicable to a Loan. In any event, whether or not it was generically authorised, any Loan interest rate renegotiation shall be taken on and settled bearing in mind the interests of the Fund.

   Without prejudice to the provisions hereinafter, any renegotiation subscribed by the Servicer shall be made exclusively with the written consent of the Management Company, on behalf of the Fund, and the Servicer agrees to seek such consent from the Management Company as soon as it is aware that an Obligor has requested a renegotiation. The Management Company may nevertheless authorise the Servicer to entertain and accept renegotiations of the interest rate applicable to the Loans, requested by the Obligors, without requiring the written consent of the Management Company, subject to a number of general requirements.

The Management Company may, acting for the Fund, at any time during the term of the Agreement and subject to prior written notice to the Servicer, cancel, suspend or change the requirements for the Servicer's authorisation to renegotiate which it may previously have determined for the Servicer.

The Servicer shall in renegotiating the Loan interest rate clause observe that the terms include a fixed interest rate at arm's length and are no different from those applied by the Servicer proper in renegotiating or granting its fixed-rate loans. In this connection, arm's length fixed interest rate shall be deemed to be the fixed interest rate offered by the Servicer on the Spanish market for loans granted to individuals resident in Spain for financing the purchase of new motor cars, the amounts and terms being substantially similar to the renegotiated Loan.

2. The fixed interest rate of a Loan shall under no circumstances be renegotiated down in the event that the average interest rate of all the Loans weighted by the outstanding principal of each of the Loans is below 5.00%.

b) Extending the period of maturity.

The final maturity or final amortisation date of the Loans may be extended (hereinafter "**extending the term**") subject to the criteria established in this section.

The Servicer may in no case entertain on its own account, i.e. without it being so requested by the Obligor, a change in the final maturity date of the Loan which may result in an extension of that date. The Servicer, without encouraging an extension of the term, shall act in relation to such extension bearing in mind at all times the Fund's interests, and subject to the following rules and limitations:

(i) The aggregate of the capital or principal assigned to the Fund of the Loans with respect to which the maturity date is extended may not exceed 10.00% of the face value of the Bond Issue.

(ii) The term of a specific Loan may be extended provided that the following requirements are met:

a) That the periodicity of repayment instalments of the capital or principal of the Loan is at all events maintained or reduced, albeit keeping the same repayment system in place.

b) That the new final maturity or final amortisation date does not extend beyond March 30, 2014.

c) That the average life of all the Loans weighted by the outstanding principal of each of the Loans 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 eighty-four (84) months by the number of months to have elapsed from the last Payment Date in the Revolving Period until the effective date of the extension of the term.

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

If there should be any renegotiation of the interest rate of a Loan or its due dates, the Servicer shall forthwith notify the Management Company of the terms resulting from each renegotiation. Such notice shall be made through the software or data file provided for the terms of the Credit Rights to be updated. Both the loan agreements and the private agreements pertaining to a novation of the terms of the Credit Rights will be kept by the Servicer, in accordance with the provisions of paragraph 2 of this section.

In the event of a renegotiation of the interest rate of the Credit Rights, or their due dates, consented to by the Management Company, for and on behalf of the Fund, the change in the terms shall affect the Fund in accordance with rule fifteen, section 2.d) of Bank of Spain Circular 4/91, June 16.

6. Action against the Obligors in the event of default on the Loans.

Actions in the event of late payment.

The Servicer shall apply an identical diligence and procedure for claiming overdue amounts not paid on the Loans as with the rest of its portfolio loans.

In the event of default by the Obligor of the payment obligations, the Servicer shall take the actions described in the Servicing Agreement, taking for that purpose the steps it would ordinarily take if they were its portfolio loans and in accordance with standard banking usage and practice for collecting overdue amounts, and shall be bound to advance such expenses as may be necessary for those actions to be taken, without prejudice to its right to be reimbursed by the Fund. Needless to say, these actions include all such legal and other actions as the Servicer may deem necessary to claim and collect the amounts due by the Obligors.

Legal actions.

The Servicer, under the Servicing Agreement or using the power referred to in the following paragraph, shall take all relevant actions against Obligors failing to meet their payment obligations derived from the Loans. Such an action shall be brought using the appropriate court enforcement procedures, which may be enforcement or exchange proceedings or, as the case may be, by means of the appropriate declaratory proceedings.

For the above purposes and in relation to Loans originated by means of a loan agreement certified by a commissioner for oaths, and for the purposes of the provisions of articles 581.2 and 686.2 of the Civil Procedure Act and if this should be necessary, the Management Company grants in the Deed of Constitution as full and extensive a power of attorney as may be required at Law to BBVA 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 of the Loans to pay his debt and take legal action against the same, in addition to other authorities required to discharge its duties as Servicer. These authorities may be extended or amended in another deed where appropriate.

In relation to Loans originated by means of a private agreement with a non-negotiable blank promissory note, the Management Company, acting for the Fund, shall confer in the Deed of Constitution powers on BBVA in order for the latter to take action in its own name, but acting for the Fund, in recovering the amounts due by the Obligor, as the case may be, by entering the necessary details for enforcing such promissory note.

The Servicer shall as a general rule commence the relevant legal proceedings if, for a period of six (6) months, a Loan Obligor in default of payment obligations should fail to resume payments or the Servicer, and the latter with the Management Company's consent, should fail to obtain a payment undertaking satisfactory to the interests of the Fund. In order for actions for payment to be swifter, the Management Company may generally confer authorisations on the Servicer, on such terms and subject to such limits as shall be deemed fit.

In the event that 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.

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 Loans whenever it deems this appropriate.

Additionally, the Servicer will provide the Management Company with all such documents as the latter may request in relation to the Loans and in particular the documents required for the Management Company to take legal actions, as the case may be.

7. Set-off.

In the event that any of the Obligors under the Loans should have a liquid credit right, due and payable vis-à-vis the Servicer, and any of the Loans should therefore be fully or partially set-off against that credit, the Servicer shall remedy such circumstance or, if it cannot be remedied, the Servicer shall proceed to pay to the Fund the amount set off plus the accrued interest which would have been payable to the Fund until the date on which the payment is made, calculated on the terms applicable to the relevant Loan.

8. 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 of the Bond Series being adversely revised. Notwithstanding any subcontracting or delegation, the Servicer shall not be exonerated or released under that subcontract or delegation from any of the liabilities undertaken in the Servicing Agreement which may legally be attributed or ascribed to it.

IV.2.2 Substitution.

In the event of a 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 the 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 delegate to another undertaking the performance of the obligations and undertakings made in the Servicing Agreement; (ii) having another undertaking with a sufficient credit rating and quality secure all or part of the Servicer's obligations; (iii) terminating the Servicing Agreement, in which case the Management Company shall previously designate a new Servicer having an acceptable credit quality and accepting the obligations contained in the Servicing Agreement or, as the case may be, in a new servicing agreement.

Furthermore, in the event of insolvency, 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 of the transfer to the Fund of the outstanding Loans, and that the payments derived therefrom will only be effective as a discharge if made into the Treasury Account opened in the name of the Fund. However, both in the event of the Servicer failing to notify Obligors within five (5) Business Days of receiving the request and in the event of insolvency or liquidation of the Servicer, the Management Company itself shall directly or, as the case may be, through a new Servicer it shall have designated, notify the Obligors.

Upon the early termination of the Servicing Agreement, the outgoing Servicer shall provide the new Servicer, upon demand by the Management Company and as determined thereby, with the necessary documents and data files the Servicer may have in order for it to carry on the relevant activities.

IV.2.3 Servicer's liability.

The Servicer shall at no time have any liability whatsoever in relation to the obligations of the Management Company as manager of the Fund and manager of Bondholders' interests, nor in relation to the obligations of the Obligors derived from the Loans, without prejudice to the liabilities undertaken thereby in the Deed of Constitution as Originator of the Credit Rights acquired by the Fund.

The Servicer shall be liable to indemnify the Fund or its Management Company against any damage, loss or expense incurred by the latter due to a breach by the Servicer of its duties to safe-keep, service and report on the Loans.

The Management Company, for and on behalf of the Fund, shall have a right of action against the Servicer where the default of the obligation to pay those items is not due to a default by the Obligors and is attributable to the Servicer. The Servicer shall not be liable for such actions as are put in place on the Management Company's instructions.

Upon the Loans terminating, the Fund, through its Management Company, shall continue to have a right of action against the Servicer until performance of its obligations.

IV.2.4 Servicer's remuneration.

In consideration of the custody, servicing and management of the Loans, the Servicer shall be entitled to receive in arrears on each of the Payment Dates and 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 and on the average daily Outstanding Balance of the Credit Rights serviced during each Interest Accrual Period. If BBVA should be substituted in that servicing task, the Management Company will be entitled to change the above percentage fee in favour of the new Servicer, which fee may be higher than that agreed with BBVA under that agreement. Moreover, should the Management Company eventually be directly responsible for servicing and managing the Loans, the Loan servicing fee, modified as the case may be, shall accrue for the Management Company during the time when those duties are actually performed.

If due to a liquidity shortfall in the Fund Priority of Payments, the Fund should fail on a Payment Date to pay the full fee due, the amounts overdue shall accumulate without any penalty whatsoever on the fee payable on the following Payment Dates, until paid in full.

Furthermore, on each Payment Date, the Servicer shall be entitled to a reimbursement of all expenses of an exceptional nature incurred in relation to servicing of the Loans, such as those arising in connection with legal and/or enforcement proceedings or managing or selling the assets awarded to the Fund, and after first justifying the same. Those expenses will be paid whenever the Fund has sufficient liquidity and in accordance with the provisions of the Fund Priority of Payments.

IV.3 General policies for granting and terms for originating established in regard to consumer loans by the Originator.

IV.3.1 Procedures established for granting and originating consumer loans.

The loans selected to be assigned to the Fund have been granted in accordance with lending policies in force from time to time and applicable to those loans. The consumer lending policies currently in force shall be described in a "BBVA memorandum on policies for granting consumer loans and credits" attached to the Fund Deed of Constitution.

IV.3.2 Statistical information on the evolution of the amounts and number, balances outstanding, average amount, average interest, and average term, of the consumer loan portfolio.

The following table shows the evolution in recent years of a segment of BBVA's credit investment representing the loans selected to be assigned to the Fund, such being loans granted to finance the purchase of new motor cars.

Date	Net credit investment			Doubtful Assets (balance)	Gross credit Investment (balance)	% Delinquency Rate
	Loans	Investment Balance	% Nominal Interest Rate			
1	2	3	4	5	6	7
31.03.2004	285,336	2,549,194,582	6.89%	49,939,039	2,599,133,621	1.92%
31.12.2003	272,732	2,506,136,330	7.18%	49,677,970	2,555,814,300	1.94%
31.12.2002	223,544	2,262,940,658	7.72%	41,285,790	2,304,226,448	1.79%
31.12.2001	220,354	2,034,084,106	7.68%	29,775,190	2,063,859,296	1.44%
31.12.2000	172,158	1,627,928,423	7.89%	22,611,619	1,650,540,042	1.37%

Balances in EUR million.
4: Average nominal interest rate weighted by the outstanding principal
5: Asset qualifying as doubtful in accordance with Bank of Spain Circular 4/1991
6: 3+5
7: 5/6*100

IV.4 Description of the portfolio loans selected to be assigned to the Fund.

a) Number of loans and amount or outstanding balance thereon at present.

The portfolio of selected loans from which the Initial Credit Rights shall be taken to be assigned to the Fund upon being constituted, comprises 159,289 loans, the outstanding principal of which amounted as of September 22, 2004 to EUR 1,264,143,989.68.

These selected loans were audited as specified in section I.3 of this Offering Circular, and the audit made by Deloitte is attached as Appendix V hereto.

b) Maximum, minimum and average loan principal values.

The outstanding loan principal as of September 22, 2004 ranges between EUR 52,97 and EUR 57,754.59.

The following table shows the distribution of the outstanding principal balance of the loans in EUR 3,000 intervals.

Loan portfolio as of 22.09.2004
Classification by outstanding principal

Outstanding principal interval (in EUR)	Loans No.	%	Outstanding principal (EUR)	%
0.00 - 2,999.99	25,549	16.04	50,604,159.38	4.00
3,000.00 - 5,999.99	41,628	26.13	187,275,811.50	14.81
6,000.00 - 8,999.99	36,370	22.83	270,770,165.37	21.42
9,000.00 - 11,999.99	25,939	16.28	269,283,275.54	21.30
12,000.00 - 14,999.99	15,046	9.45	200,998,453.62	15.90
15,000.00 - 17,999.99	7,477	4.69	121,897,833.94	9.64
18,000.00 - 20,999.99	3,613	2.27	69,855,268.20	5.53
21,000.00 - 23,999.99	1,849	1.16	41,248,288.03	3.26
24,000.00 - 26,999.99	923	0.58	23,409,468.03	1.85
27,000.00 - 29,999.99	411	0.26	11,663,259.54	0.92
30,000.00 - 32,999.99	214	0.13	6,718,012.27	0.53
33,000.00 - 35,999.99	110	0.07	3,774,551.53	0.30
36,000.00 - 38,999.99	58	0.04	2,166,374.67	0.17
39,000.00 - 41,999.99	45	0.03	1,816,994.41	0.14
42,000.00 - 44,999.99	25	0.02	1,083,934.03	0.09
45,000.00 - 47,999.99	16	0.01	745,155.12	0.06
48,000.00 - 50,999.99	8	0.01	396,985.47	0.03
51,000.00 - 53,999.99	5	0.00	265,083.82	0.02
54,000.00 - 56,999.99	1	0.00	55,954.43	0.00
57,000.00 - 59,999.99	2	0.00	114,960.78	0.01
Total	**159,289**	**100.00**	**1,264,143,989.68**	**100.00**
	Average principal:		**7,963.17**	
	Minimum principal:		**52.97**	
	Maximum principal:		**57,754.59**	

c) Applicable nominal interest rates: maximum, minimum and average loan rates.

The provisional portfolio loans are all established at a fixed interest rate. The nominal interest rates applicable to the loans as of September 22, 2004 range between 4.14% and 11.50%, and the average nominal interest rate weighted by the outstanding principal is 7.62%.

The following table shows the distribution of the loans in 0.50% nominal interest rate intervals.

Loan portfolio as of 22.09.2004 Classification by nominal interest rates					
% Interest Rate Interval	**Loans**	**%**	**Outstanding Principal (EUR)**	**%**	**%Interest Rate***
4.00 - 4.49	7	0.00	35,535.25	0.00	4.25
4.50 - 4.99	204	0.13	2,681,903.08	0.21	4.66
5.00 - 5.49	717	0.45	7,851,009.33	0.62	5.16
5.50 - 5.99	2,597	1.63	28,786,376.50	2.28	5.69
6.00 - 6.49	8,271	5.19	80,264,922.24	6.35	6.17
6.50 - 6.99	29,783	18.70	258,161,989.69	20.42	6.66
7.00 - 7.49	19,677	12.35	161,678,215.01	12.79	7.11
7.50 - 7.99	27,901	17.52	224,404,131.81	17.75	7.62
8.00 - 8.49	23,518	14.76	176,030,547.93	13.92	8.08
8.50 - 8.99	23,537	14.78	171,154,893.87	13.54	8.61
9.00 - 9.49	12,667	7.95	89,852,226.78	7.11	9.07
9.50 - 9.99	6,301	3.96	38,584,648.33	3.05	9.60
10.00 - 10.49	2,424	1.52	14,605,651.16	1.16	10.09
10.50 - 10.99	1,175	0.74	7,418,496.88	0.59	10.60
11.00 - 11.49	451	0.28	2,394,456.83	0.19	11.06
11.50 - 11.99	59	0.04	238,984.99	0.02	11.50
Total	**159,289**	**100.00**	**1,264,143,989.68**	**100.00**	
	Weighted average:				**7.62**
	Simple Average:				**7.73**
	Minimum:				**4.14**
	Maximum:				**11.50**

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

d) Loan origination dates and first and last final maturity dates, specifying the residual life of the loans as a whole.

Origination date.

The provisional portfolio loans were originated on dates comprised between February 4, 1997 and February 17, 2004, average portfolio age being 29.64 months as of September 22, 2004.

The following table shows the distribution of the loans arranged by six-monthly origination date intervals.

Loan portfolio as of 22.09.2004 Classification by loan origination date				
Date Interval	**Loans**	**%**	**Outstanding Principal (EUR)**	**%**
01/01/1997 to 30/06/1997	1,028	0.65	1,494,828.41	0.12
01/07/1997 to 31/12/1997	1,441	0.90	3,296,811.18	0.26
01/01/1998 to 30/06/1998	2,635	1.65	10,638,246.76	0.84
01/07/1998 to 31/12/1998	3,064	1.92	15,055,579.30	1.19
01/01/1999 to 30/06/1999	4,633	2.91	25,324,555.48	2.00
01/07/1999 to 31/12/1999	5,938	3.73	37,465,485.15	2.96
01/01/2000 to 30/06/2000	10,199	6.40	56,327,965.35	4.46
01/07/2000 to 31/12/2000	9,903	6.22	61,919,323.85	4.90
01/01/2001 to 30/06/2001	15,157	9.52	101,538,317.49	8.03
01/07/2001 to 31/12/2001	17,431	10.94	132,695,153.85	10.50
01/01/2002 to 30/06/2002	22,851	14.35	186,346,732.82	14.74
01/07/2002 to 31/12/2002	21,769	13.67	197,340,098.42	15.61
01/01/2003 to 30/06/2003	24,402	15.32	240,032,162.88	18.99

Loan portfolio as of 22.09.2004 Classification by loan origination date				
Date Interval	**Loans**		**Outstanding Principal**	
		%	**(EUR)**	**%**
01/07/2003 to 31/12/2003	10,270	6.45	88,184,550.09	6.98
01/01/2004 to 30/06/2004	8,568	5.38	106,484,178.65	8.42
Total	**159,289**	**100.00**	**1,264,143,989.68**	**100.00**
Weighted average age		**29.64**	**Months**	
Maximum age	**04.021997**	**91.63**	**Months**	
Minimum age	**17.02.2004**	**7.17**	**Months**	

e) Final maturity date and residual life.

The final maturity of provisional portfolio loans falls on dates comprised between September 25, 2004 and March 15, 2014.

Loans are repaid throughout the life remaining until full repayment, during which period obligors must pay monthly instalments comprising capital repayment and interest.

At any time during the life of the loans, obligors may 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 the repayment occurs.

The following table shows the distribution of the loans according to final maturity date in yearly intervals.

Loan portfolio as of 22.09.2004 Classification by Final Maturity Date						
Final Maturity Year	**Loans**		**Outstanding Principal**		**Residual Life***	
		%	**(EUR)**	**%**	**Months**	**Date**
2004	32	0.02	12,572.19	0.00	2.15	26/11/2004
2005	22,701	14.25	55,649,040.24	4.40	10.89	19/08/2005
2006	29,882	18.76	142,891,418.61	11.30	21.83	18/07/2006
2007	30,372	19.07	215,270,736.79	17.03	33.43	7/07/2007
2008	26,762	16.80	242,261,126.98	19.16	44.74	15/06/2008
2009	18,173	11.41	191,512,722.27	15.15	56.43	6/06/2009
2010	12,854	8.07	152,175,087.27	12.04	68.59	11/06/2010
2011	8,635	5.42	112,518,367.67	8.90	80.32	3/06/2011
2012	6,399	4.02	94,879,574.01	7.51	92.48	7/06/2012
2013	2,223	1.40	35,199,992.80	2.78	101.81	18/03/2013
2014	1,256	0.79	21,773,350.85	1.72	112.52	7/02/2014
Total	**159,289**	**100.00**	**1,264,143,989.68**	**100.00**		
	Weighted average:				**52.88**	
	Simple Average:				**41.59**	
	Minimum:				**0.10**	**25.09.2004**
	Maximum:				**113.71**	**15.03.2014**

*Residual life (months and date) are averages weighted by the outstanding principal.

f) Specification of the geographical distribution by Autonomous Communities of the obligors.

The following table shows the geographical distribution of the loans, arranged by Autonomous Community in which the obligors are domiciled.

Loan portfolio as of 22.09.2004 Classification by Autonomous Communities				
Autonomous Community	**Loans**	**%**	**Outstanding Principal (EUR)**	**%**
Andalusia	33,664	21.13	261,833,989.09	20.71
Aragón	3,050	1.91	25,474,680.79	2.02
Asturias	3,482	2.19	30,005,004.67	2.37
Balearic Isles	2,552	1.60	18,757,082.73	1.48
Canary Islands	8,053	5.06	63,190,897.93	5.00
Cantabria	1,616	1.01	12,985,594.93	1.03
Catalonia	26,490	16.63	219,220,245.83	17.34
Ceuta	440	0.28	4,143,630.87	0.33
Basque Country	7,904	4.96	64,578,561.97	5.11
Extremadura	5,180	3.25	37,698,694.76	2.98
Galicia	7,020	4.41	52,662,994.81	4.17
Castile-León	7,105	4.46	54,827,114.21	4.34
Madrid	15,591	9.79	126,441,352.85	10.00
Castile La Mancha	5,750	3.61	44,574,296.37	3.53
Melilla	859	0.54	8,102,121.86	0.64
Murcia	4,257	2.67	34,415,218.90	2.72
Navarre	1,265	0.79	9,981,035.28	0.79
La Rioja	717	0.45	5,717,010.65	0.45
Valencian Community	24,294	15.25	189,534,461.18	14.99
Total	**159,289**	**100.00**	**1,264,143,989.68**	**100.00**

g) Specification as to whether there are delays in collecting loan principal or interest instalments and, as the case may be, amount of the current principal of the delayed loans in excess of 30, 60 and 90 days.

The following table shows the number of loans and the outstanding principal on provisional portfolio loans in regard to which there was any delay in payment of amounts due as of September 22, 2004.

Arrears in payment of instalments due as of 22.09.2004		
Day Interval	**Loans**	**Outstanding Principal**
1 to 9	1,109	8,285,530.30
10 to 90	2,980	25,673,146.48
Total	**4,089**	**33,958,676.78**

As declared by BBVA in section IV.1.2.2 (15), none of the Loans that will finally be assigned to the Fund shall have overdue payments on the date of assignment.

CHAPTER V

INFORMATION ON THE ECONOMIC AND FINANCIAL OPERATION OF THE FUND

V.1 Synoptic chart describing the various assumptions and most likely estimated performance of the economic and financial flows of the Fund.

Initial balance sheet of the Fund.

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

ASSETS		LIABILITIES	
Fixed Assets	**1,001,250,000.00**	**Bond Issue**	**1,000,000,000.00**
Credit Rights	1,000,000,000.00	Series A Bonds	950,000,000.00
		Series B Bonds	23,000,000.00
		Series C Bonds	27,000,000.00
Constitution and issue expenses	1,250,000.00	**Other long-term liabilities**	**1,250,000.00**
		Start-Up Loan	1,250,000.00
Current assets	**to be determined**	**Short-term creditors**	**to be determined**
Treasury Account *	0.00	Credit Right interest accrued **	to be determined
Principal Account	to be determined		
(Initial Credit Rights adjustment deficiency)			
Accrued interest receivable **	to be determined		
Total assets	**1,001,250,000.00**	**Total liabilities**	**1,001,250,000.00**
MEMORANDUM ACCOUNTS			
Subordinated Credit available	20,000,000.00		
Financial Swap collections	to be determined		
Financial Swap payments	to be determined		

(Amounts in EUR)

* Assuming that all Fund constitution and Bond issuance expenses are met on the Closing Date and that they amount to EUR 1,250,000.00.

** As set forth in section IV.1.6 of the Offering Circular.

V.1.1 Assumptions made in relation to the main or most likely rates of such factors as prepayment, late payments, delinquencies and defaults, with respect to the Credit Rights.

The tables shown in section V.1.3 below relate to one of the hypothetical scenarios that could, in relation to the income and payments made and received by the Fund, arise during the term of the Fund and this Bond Issue.

The following assumptions have been made in preparing these Bond servicing and Fund cash flow tables:

a) Credit Rights.

Initial Credit Rights.

(i) Outstanding principal of the portfolio as of September 22, 2004 from which the Credit Rights assigned to the Fund will be taken: EUR 1,264,143,989.68.

(ii) Interest Rate: 7.62% (% weighted average interest rate of the selected loan portfolio as of September 22, 2004).

(iii) CPR: 12% and 15% per annum.

(iv) Delinquency rate: 0.10% of the Outstanding Balance of the Credit Rights, with 100.00% recoveries within 12 months of becoming delinquent.

(v) Defaults considered bad debts: 0%.

(vi) Final average weighted maturity of the Initial Credit Rights: 4.40 years.

Additional Credit Rights.

(i) Termination of the Revolving Period: September 20, 2006.

(ii) Acquisition Amount revolved on each Payment Date: 100%.

(iii) Interest Rate: 7.62% (the same weighted average interest rate as the Initial Credit Rights).

(iv) Final weighted average maturity of the Additional Credit Rights acquired on each of the Payment Dates in the Revolving Period: 5 years.

b) Bond Issue.

(i) Total face amount: EUR 1,000,000,000.00.

	Face Amount (EUR)
Series A Bonds	950,000,000.00
Series B Bonds	23,000,000.00
Series C Bonds	27,000,000.00
Total	**1,000,000,000.00**

(ii) Interest Rate: floating interest rate for the outstanding balances of each of the Series.

The following are the Nominal Interest Rates in each Series assumed for the first Interest Accrual Period, as specified in sections II.10.1.5.a) and II.12.a):

	Series A Bonds	Series B Bonds	Series C Bonds
Nominal interest rate	2.238%	2.338%	2.438%

For successive Interest Accrual Periods, the following are the floating interest rates for the Bonds in each Series, which are assumed constant, as specified in section II.12.a):

	Series A Bonds	Series B Bonds	Series C Bonds
Nominal interest rate	2.286%	2.386%	2.486%

(iii) Exercise by the Management Company of the early amortisation option of the Bonds in each of the Series is assumed when the Outstanding Balance of the Credit Rights is less than 10% of their initial amount.

c) Ancillary agreements.

(i) Treasury Account.

i) It is assumed that the Treasury Account shall be maintained at BBVA.

ii) Interest rate: it is assumed to remain constant at 2.074% for remunerating amounts credited to the Treasury Account.

(ii) Principal Account.

i) It is assumed that the Principal Account shall be maintained at BBVA.

ii) Interest rate: it is assumed to remain constant at 2.074% for remunerating amounts credited to the Principal Account.

(iii) Start-Up Loan.

i) Amount: EUR 1,250,000.00 which shall be allocated to financing the expenses of setting up the Fund and issuing the Bonds.

ii) Interest rate: it is assumed to remain constant at 4.146%.

iii) Repayment of principal shall consist of quarterly straight-line payments until the Payment Date falling on September 20, 2007, inclusive.

(iv) Subordinated Credit.

i) Amount: EUR 20,000,000.00.

ii) Interest rate: it is assumed to remain constant at 4.146%.

iii) It is assumed that the rating of the non-subordinated and unsecured short-term debt of BBVA shall not fall below P-1 or A-1 respectively in Moody's and S&P's rating scales during the life of the Fund and that the Maximum Subordinated Credit Amount will not therefore be drawn down as a result of this to set up the Cash Reserve.

d) Cash Reserve.

It is assumed that the rating of the non-subordinated and unsecured short-term debt of BBVA shall not fall below P-1 or A-1 respectively in Moody's and S&P's rating scales during the life of the Fund and that the Cash Reserve will not therefore be set up.

f) Expenses, fees and margin.

i) Credit Right servicing fee: 0.01% per annum on the average daily Outstanding Balance of the Credit Rights during each relevant Interest Accrual Period, inclusive of VAT if there is no exemption.

ii) Management Company Fee: variable amount equal to 0.0215% per annum on the Outstanding Principal Balance of the Bond Issue, with a maximum annual amount of EUR 200,000.00 and a minimum annual amount of EUR 32,500.00 and an assumed yearly Retail Price Index of 2.5%.

iii) Annual expenses of the Fund for auditing accounts, monitoring the rating and publishing notices, approximately EUR 17,284.00 and an assumed yearly Retail Price Index of 2.5%.

iv) Bond Paying Agent Fee: EUR 12,000.00 on each Payment Date.

v) Financial Intermediation Margin: variable remuneration settled quarterly on each Payment Date, and accruing upon the expiration of each quarterly period in an amount equal to the positive difference, if any, between the Fund's income and expenditure in the Interest Accrual Period.

V.1.2 Analysis of and comments on the impact that potential changes in the assumptions described in the preceding point would have on the financial balance of the Fund.

In order to hedge the contingent credit risk due to delinquency and default on the Credit Rights, it has been resolved to arrange for a financial margin of 3.00% obtained through the Financial Swap and a Subordinated Credit in order to fulfil on each Payment Date, upon a shortfall of Available Funds, certain of the Fund's payment or withholding obligations, which include payment of interest and principal on the Bonds. Moreover, the excess 3.00% margin and the deferred interest payment and principal repayment of the Bonds in the different Series derived from their position in the application of the Available Funds and from the rules for Distribution of Available Principal Funds in the Fund Priority of Payments, are a mechanism for distinctly hedging the different Series.

The base interest risk resulting in the Fund between the fixed-rate Credit Right interest and different accrual periods and instalment settlement date, and the floating interest on the Bond Issue based on 3-month Euribor and with quarterly accrual and settlement periods, is neutralised by means of the Financial Swap.

As for the incidence the prepayment of the Credit Rights might have on the Bonds, section II.12.a) of this Offering Circular contains a table showing the performance as to average life and duration of the Bonds for different effective constant annual early amortisation or prepayment rates (CPRs).

In general, the quality of the Credit Rights and the mechanisms and financial hedge transactions in place for maintaining the financial balance of the Fund are such that they have been considered sufficient by the Rating Agencies to assign the ratings to each of the Bond Series contained in section II.3 of this Offering Circular. These ratings express the Rating Agencies' opinion about the Fund's capacity to meet interest payments as they fall due on each set Payment Date and principal repayment during the life of the Fund and, in any event, by the Final Maturity Date.

V.1.3 Number outline of the cash flows of funds.

The number outline set forth hereinafter relates to collections and payments derived from the application of a cash policy, for ease of understanding of the investor, though in accordance with the provisions of section V.2 of this Offering Circular, the Fund will apportion income and expenditure in time in accordance with the accruals principle.

This outline is based not only on the assumptions referred to in section V.1.1 above but also on those assumptions remaining constant throughout the life of the Fund, whereas it is well-known that the relevant variables, particularly interest rates of the Bonds in all Series, and actual delinquency, default and prepayment rates of the Credit Rights are subject to continual changes.

Now, therefore, the value of that number outline is merely illustrative.

FUND CASH FLOWS

(AMOUNTS IN EUR)

CPR = 12.00%

29-Oct-04	1,000,000,000.00	Bond Issue
	1,250,000.00	Start-Up Loan

			COLLECTIONS					
Subordinated Credit Available	Loan Outstanding Balance	Date	CR Principal Repyment	CR Loan Interest	Swap Interest	Reinvestment Interest	Subordinated Credit Drawdown	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
		TOTALS:	1,830,386,792.80	254,021,076.25	1,495,213.30	5,138,372.49	0.00	2,091,041,454.84
20,000,000.00	1,000,000,000.00	20-Dec-2004	45,910,374.68	6,072,231.15	1,495,213.30	85,676.00	0.00	53,563,495.12
20.000.000.00	1.000.000.000.00	21-Mar-2005	102.634.307.03	18.418.545.96	0.00	309.592.67	0.00	121.362.445.66
20.000.000.00	1.000.000.000.00	20-Jun-2005	107.941.847.90	18.451.128.80	0.00	330.433.37	0.00	126.723.410.07
20.000.000.00	1.000.000.000.00	20-Sep-2005	110.307.276.23	18.313.980.81	0.00	336.258.84	0.00	128.957.515.87
20,000,000.00	1,000,000,000.00	20-Dec-2005	112,683,008.95	18,374,416.28	0.00	338,903.58	0.00	131,396,328.81
20,000,000.00	1,000,000,000.00	20-Mar-2006	114,843,086.21	18,428,062.63	0.00	340,840.96	0.00	133,611,989.80
20,000,000.00	1,000,000,000.00	20-Jun-2006	117,281,187.92	18,482,315.13	0.00	354,931.05	0.00	136,118,434.10
20,000,000.00	1,000,000,000.00	20-Sep-2006	118,785,703.89	18,536,276.21	0.00	359,005.43	0.00	137,680,985.53
20,000,000.00	879,705,489.75	20-Dec-2006	120,294,510.25	18,585,361.06	0.00	359,131.77	0.00	139,239,003.08
20,000,000.00	770,606,187.91	20-Mar-2007	109,099,301.84	16,337,649.15	0.00	320,805.00	0.00	125,757,755.99
20.000.000.00	671.659.413.55	20-Jun-2007	98.946.774.36	14.302.401.63	0.00	296.071.10	0.00	113.545.247.08
20.000.000.00	582.682.642.28	20-Sep-2007	88.976.771.27	12.459.025.02	0.00	265.186.98	0.00	101.700.983.27
20.000.000.00	502.810.112.35	20-Dec-2007	79.872.529.94	10.802.862.30	0.00	234.479.01	0.00	90.909.871.24
17,240,983.98	431,024,599.40	20-Mar-2008	71,785,512.95	9,313,413.46	0.00	209,715.07	0.00	81,308,641.47
14,676,351.14	366,908,778.40	20-Jun-2008	64,115,821.00	7,977,902.05	0.00	188,477.02	0.00	72,282,200.07
12,412,068.78	310,301,719.56	22-Sep-2008	56,607,058.84	6,787,750.67	0.00	165,735.16	0.00	63,560,544.67
10,415,817.50	260,395,437.46	22-Dec-2008	49,906,282.10	5,739,816.36	0.00	143,896.17	0.00	55,789,994.63
10,000,000.00	215,613,073.64	20-Mar-2009	44,782,363.83	4,807,285.49	0.00	126,825.53	0.00	49,716,474.85
10,000,000.00	176,095,341.46	22-Jun-2009	39,517,732.18	3,975,773.03	0.00	113,706.52	0.00	43,607,211.73
10.000.000.00	141.212.969.28	21-Sep-2009	34.882.372.17	3.240.579.35	0.00	99.666.10	0.00	38.222.617.63
10.000.000.00	110.492.755.87	21-Dec-2009	30.720.213.41	2.592.619.04	0.00	86.144.21	0.00	33.398.976.66
0.00	0.00	22-Mar-2010	110,492,755.87	2,021,680.68	0.00	72,890.94	0.00	112,587,327.48

FUND CASH FLOWS
(AMOUNTS IN EUR)
CPR = 12.00%

1,000,000,000.00 Credit Right ("CR") acquisition payment

1,250,000.00 Initial Expenses

	PAYMENTS													
Date	Current Expenses	CR Acquisition	Swap Interest	Series A Bond Interest	Series B Bond Interest	Series C Bond Interest	Series A Principal Repyment	Series B Principal Repyment	Series C Principal Repyment	Srart-Up Loan Interest	Srart-Up Loan Repyment	CR Servicing Fee	Financial Intermediation Margin	Total
(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
TOTALS:	1,067,791.11	830,386,792.80	79,974,922.54	74,771,982.14	3,001,318.56	3,671,037.00	950,000,000.00	23,000,000.00	27,000,000.00	79,692.93	1,250,000.00	328,077.67	96,509,840.09	2,091,041,454.84
20-Dec-2004	60,395.11	45,910,374.68	0.00	3,065,544.44	77,540.67	94,926.00	0.00	0.00	0.00	7,485.83	104,166.67	15,342.47	4,227,719.25	53,563,495.12
21-Mar-2005	62,000.00	102,634,307.03	5,037,248.74	5,489,575.00	138,719.39	169,669.50	0.00	0.00	0.00	12,008.52	104,166.67	24,931.51	7,689,819.31	121,362,445.66
20-Jun-2005	62,000.00	107,941,847.90	5,069,831.58	5,489,575.00	138,719.39	169,669.50	0.00	0.00	0.00	10,916.84	104,166.67	24,931.51	7,711,751.69	126,723,410.07
20-Sep-2005	62,000.00	110,307,276.23	4,785,636.36	5,549,900.00	140,243.78	171,534.00	0.00	0.00	0.00	9,933.13	104,166.67	25,205.48	7,801,620.24	128,957,515.87
20-Dec-2005	79,284.00	112,683,008.95	4,993,119.06	5,489,575.00	138,719.39	169,669.50	0.00	0.00	0.00	8,733.47	104,166.67	24,931.51	7,705,121.27	131,396,328.81
20-Mar-2006	62,000.00	114,843,086.21	5,193,812.63	5,429,250.00	137,195.00	167,805.00	0.00	0.00	0.00	7,557.81	104,166.67	24,657.53	7,642,458.95	133,611,989.80
20-Jun-2006	62,000.00	117,281,187.92	4,953,970.68	5,549,900.00	140,243.78	171,534.00	0.00	0.00	0.00	6,622.08	104,166.67	25,205.48	7,823,603.49	136,118,434.10
20-Sep-2006	62,000.00	118,785,703.89	5,007,931.77	5,549,900.00	140,243.78	171,534.00	0.00	0.00	0.00	5,518.40	104,166.67	25,205.48	7,828,781.55	137,680,985.53
20-Dec-2006	77,525.65	0.00	6,813,760.43	5,489,575.00	138,719.39	169,669.50	120,294,510.25	0.00	0.00	4,366.74	104,166.67	21,932.38	6,124,777.08	139,239,003.08
20-Mar-2007	53,420.08	0.00	6,137,225.72	4,741,766.87	137,195.00	167,805.00	109,099,301.84	0.00	0.00	3,239.06	104,166.67	19,001.25	5,294,634.50	125,757,755.99
20-Jun-2007	48,903.95	0.00	5,212,027.37	4,209,781.35	140,243.78	171,534.00	98,946,774.36	0.00	0.00	2,207.36	104,166.67	16,929.50	4,692,678.75	113,545,247.08
20-Sep-2007	44,015.17	0.00	4,570,688.43	3,631,734.29	140,243.78	171,534.00	88,976,771.27	0.00	0.00	1,103.68	104,166.67	14,686.80	4,046,039.18	101,700,983.27
20-Dec-2007	57,485.34	0.00	4,067,601.55	3,078,106.65	138,719.39	169,669.50	79,872,529.94	0.00	0.00	0.00	0.00	12,535.81	3,513,223.07	90,909,871.24
20-Mar-2008	35,424.99	0.00	3,537,449.54	2,616,563.23	138,719.39	169,669.50	71,785,512.95	0.00	0.00	0.00	0.00	10,746.09	3,014,555.78	81,308,641.47
20-Jun-2008	32.159.60	0.00	3.004.703.00	2.225.945.71	140.243.78	171.534.00	64.115.821.00	0.00	0.00	0.00	0.00	9.248.11	2.582.544.88	72.282.200.07
22-Sep-2008	29.419.99	0.00	2.487.859.25	1.891.628.50	143.292.56	175.263.00	56.607.058.84	0.00	0.00	0.00	0.00	7.991.33	2.218.031.20	63.560.544.67
22-Dec-2008	44.764.75	0.00	2.244.122.44	1.504.153.49	138.719.39	169.669.50	49.906.282.10	0.00	0.00	0.00	0.00	6.492.05	1.775.790.92	55.789.994.63
20-Mar-2009	23.331.66	0.00	2.005.691.89	1.175.689.70	134.146.22	164.076.00	44.782.363.83	0.00	0.00	0.00	0.00	5.198.34	1.425.977.20	49.716.474.85
22-Jun-2009	21.885.80	0.00	1.528.825.83	988.544.44	143.292.56	175.263.00	39.517.732.18	0.00	0.00	0.00	0.00	4.535.06	1.227.132.87	43.607.211.73
21-Sep-2009	21.192.69	0.00	1.338.106.86	728.641.93	138.719.39	169.669.50	34.882.372.17	0.00	0.00	0.00	0.00	3.520.65	940.394.43	38.222.617.63
21-Dec-2009	40.270.99	0.00	1.101.003.64	527.074.14	138.719.39	169.669.50	30.720.213.41	0.00	0.00	0.00	0.00	2.754.75	699.270.83	33.398.976.66
22-Mar-2010	26,311.32	0.00	884,305.76	349,557.39	138,719.39	169,669.50	60,492,755.87	23,000,000.00	27,000,000.00	0.00	0.00	2,094.59	523,913.67	112,587,327.48

FUND CASH FLOWS

(AMOUNTS IN EUR)

CPR = 15.00%

29-Oct-04	1,000,000,000.00	Bond Issue
	1,250,000.00	Start-Up Loan

			COLLECTIONS					
Subordinated Credit Available	Loan Outstanding Balance	Date	CR Principal Repyment	CR Loan Interest	Swap Interest	Reinvestment Interest	Subordinated Credit Drawdown	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
		TOTALS:	1,908,043,889.68	238,516,332.29	1,508,036.56	5,278,189.51	0.00	2,153,346,448.04
20.000.000.00	1.000.000.000.00	20-Dec-2004	49.671.346.28	6.059.407.88	1.508.036.56	91.853.57	0.00	57.330.644.29
20.000.000.00	1.000.000.000.00	21-Mar-2005	110.946.348.36	18.320.268.43	0.00	330.599.37	0.00	129.597.216.16
20.000.000.00	1.000.000.000.00	20-Jun-2005	117.254.726.28	18.376.431.32	0.00	354.585.06	0.00	135.985.742.67
20,000,000.00	1,000,000,000.00	20-Sep-2005	120,407,515.74	18,170,672.04	0.00	362,289.58	0.00	138,940,477.35
20,000,000.00	1,000,000,000.00	20-Dec-2005	123,409,698.94	18,266,489.55	0.00	366,362.82	0.00	142,042,551.31
20,000,000.00	1,000,000,000.00	20-Mar-2006	126,120,063.62	18,349,095.43	0.00	369,479.87	0.00	144,838,638.92
20,000,000.00	1,000,000,000.00	20-Jun-2006	129,140,124.09	18,429,243.94	0.00	385,795.52	0.00	147,955,163.55
20,000,000.00	1,000,000,000.00	20-Sep-2006	131,094,066.37	18,504,644.20	0.00	391,100.90	0.00	149,989,811.46
20,000,000.00	867,059,291.32	20-Dec-2006	132,940,708.68	18,570,953.98	0.00	391,796.53	0.00	151,903,459.20
20.000.000.00	748.574.846.05	20-Mar-2007	118.484.445.26	15.839.388.49	0.00	343.533.20	0.00	134.667.366.96
20.000.000.00	642.950.840.22	20-Jun-2007	105.624.005.83	13.453.659.95	0.00	311.308.71	0.00	119.388.974.50
20.000.000.00	549.581.438.71	20-Sep-2007	93.369.401.50	11.368.065.32	0.00	273.818.65	0.00	105.011.285.48
18,689,492.58	467,237,314.60	20-Dec-2007	82,344,124.11	9,558,954.43	0.00	237,653.70	0.00	92,140,732.24
15,782,856.99	394,571,424.86	20-Mar-2008	72,665,889.74	7,990,734.38	0.00	208,571.31	0.00	80,865,195.43
13,233,348.89	330,833,722.19	20-Jun-2008	63,737,702.67	6,636,335.90	0.00	183,981.19	0.00	70,558,019.77
11,022,426.32	275,560,657.90	22-Sep-2008	55,273,064.29	5,472,992.82	0.00	158,810.44	0.00	60,904,867.55
10,000,000.00	227,745,610.57	22-Dec-2008	47,815,047.33	4,485,160.39	0.00	135,243.98	0.00	52,435,451.70
10,000,000.00	185,754,394.22	20-Mar-2009	41,991,216.35	3,640,923.64	0.00	116,704.20	0.00	45,748,844.19
10.000.000.00	149.461.112.45	22-Jun-2009	36.293.281.77	2.919.828.45	0.00	102.516.14	0.00	39.315.626.36
10.000.000.00	118.138.742.80	21-Sep-2009	31.322.369.65	2.308.845.97	0.00	87.923.21	0.00	33.719.138.82
0.00	0.00	21-Dec-2009	118,138,742.80	1,794,235.77	0.00	74,261.55	0.00	120,007,240.13

FUND CASH FLOWS

(AMOUNTS IN EUR)

CPR = 15.00%

1,000,000,000.00 Credit Right ("CR") acquisition payment

1,250,000.00 Initial Expenses

	PAYMENTS													
Date	Current Expenses	CR Acquisition	Swap Interest	Series A Bond Interest	Series B Bond Interest	Series C Bond Interest	Series A Principal Repyment	Series B Principal Repyment	Series C Principal Repyment	Srart-Up Loan Interest	Srart-Up Loan Repyment	CR Servicing Fee	Financial Intermediation Margin	Total
(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
TOTALS:	1,010,019.85	908,043,889.68	70,603,427.81	72,379,939.75	2,862,599.17	3,501,367.50	950,000,000.00	23,000,000.00	27,000,000.00	79,692.93	1,250,000.00	316,691.21	93,298,820.14	2,153,346,448.04
20-Dec-2004	60.395.11	49.671.346.28	0.00	3.065.544.44	77.540.67	94.926.00	0.00	0.00	0.00	7.485.83	104.166.67	15.342.47	4.233.896.83	57.330.644.29
21-Mar-2005	62.000.00	110.946.348.36	4.938.971.20	5.489.575.00	138.719.39	169.669.50	0.00	0.00	0.00	12.008.52	104.166.67	24.931.51	7.710.826.01	129.597.216.16
20-Jun-2005	62.000.00	117.254.726.28	4.995.134.10	5.489.575.00	138.719.39	169.669.50	0.00	0.00	0.00	10.916.84	104.166.67	24.931.51	7.735.903.38	135.985.742.67
20-Sep-2005	62,000.00	120,407,515.74	4,642,327.59	5,549,900.00	140,243.78	171,534.00	0.00	0.00	0.00	9,933.13	104,166.67	25,205.48	7,827,650.97	138,940,477.35
20-Dec-2005	79,284.00	123,409,698.94	4,885,192.33	5,489,575.00	138,719.39	169,669.50	0.00	0.00	0.00	8,733.47	104,166.67	24,931.51	7,732,580.50	142,042,551.31
20-Mar-2006	62,000.00	126,120,063.62	5,114,845.43	5,429,250.00	137,195.00	167,805.00	0.00	0.00	0.00	7,557.81	104,166.67	24,657.53	7,671,097.86	144,838,638.92
20-Jun-2006	62,000.00	129,140,124.09	4,900,899.49	5,549,900.00	140,243.78	171,534.00	0.00	0.00	0.00	6,622.08	104,166.67	25,205.48	7,854,467.96	147,955,163.55
20-Sep-2006	62,000.00	131,094,066.37	4,976,299.75	5,549,900.00	140,243.78	171,534.00	0.00	0.00	0.00	5,518.40	104,166.67	25,205.48	7,860,877.01	149,989,811.46
20-Dec-2006	76,838.36	0.00	6,968,575.89	5,489,575.00	138,719.39	169,669.50	132,940,708.68	0.00	0.00	4,366.74	104,166.67	21,617.09	5,989,221.87	151,903,459.20
20-Mar-2007	52.235.90	0.00	5.930.352.43	4.669.493.85	137.195.00	167.805.00	118.484.445.26	0.00	0.00	3.239.06	104.166.67	18.458.01	5.099.975.78	134.667.366.96
20-Jun-2007	47.326.58	0.00	4.751.350.13	4.081.074.25	140.243.78	171.534.00	105.624.005.83	0.00	0.00	2.207.36	104.166.67	16.205.88	4.450.860.02	119.388.974.50
20-Sep-2007	42.196.45	0.00	3.927.132.69	3.464.018.81	140.243.78	171.534.00	93.369.401.50	0.00	0.00	1.103.68	104.166.67	13.852.46	3.777.635.44	105.011.285.48
20-Dec-2007	55,552.05	0.00	3,299,259.70	2,886,831.34	138,719.39	169,669.50	82,344,124.11	0.00	0.00	0.00	0.00	11,648.93	3,234,927.21	92,140,732.24
20-Mar-2008	33,443.86	0.00	2,702,099.95	2,411,005.82	138,719.39	169,669.50	72,665,889.74	0.00	0.00	0.00	0.00	9,837.26	2,734,529.91	80,865,195.43
20-Jun-2008	30,177.48	0.00	2,150,714.33	2,012,986.26	140,243.78	171,534.00	63,737,702.67	0.00	0.00	0.00	0.00	8,338.82	2,306,322.43	70,558,019.77
22-Sep-2008	27,469.67	0.00	1,652,866.29	1,676,296.49	143,292.56	175,263.00	55,273,064.29	0.00	0.00	0.00	0.00	7,096.63	1,949,518.63	60,904,867.55
22-Dec-2008	42,990.32	0.00	1,425,974.97	1,303,402.26	138,719.39	169,669.50	47,815,047.33	0.00	0.00	0.00	0.00	5,678.04	1,533,969.89	52,435,451.70
20-Mar-2009	21,762.43	0.00	1,225,377.37	993,242.47	134,146.22	164,076.00	41,991,216.35	0.00	0.00	0.00	0.00	4,478.46	1,214,544.89	45,748,844.19
22-Jun-2009	21.192.69	0.00	840.739.08	810.317.98	143.292.56	175.263.00	36.293.281.77	0.00	0.00	0.00	0.00	3.849.14	1.027.690.14	39.315.626.36
21-Sep-2009	21.192.69	0.00	714.910.91	574.736.04	138.719.39	169.669.50	31.322.369.65	0.00	0.00	0.00	0.00	2.945.38	774.595.27	33.719.138.82
21-Dec-2009	25,962.27	0.00	560,404.16	393,739.73	138,719.39	169,669.50	68,138,742.80	23,000,000.00	27,000,000.00	0.00	0.00	2,274.13	577,728.15	120,007,240.13

Key to the outline of flows of income and expenditure.

(1) Maximum Subordinated Credit Amount or Cap.

(2) Outstanding Balance of the Credit Rights on each quarterly Payment Date, upon the principal being repaid (4).

a) Collections.

(3) Quarterly Payment Dates.

(4) Credit Right principal amount repaid from the immediately preceding quarterly date until the date given.

(5) Interest received on the Credit Rights.

(6) Financial Swap collection amounts.

(7) Treasury Account and Principal Account interest.

(8) Subordinated Credit drawdown.

(9) Total income on each payment date, being the sum of amounts (4) to (8).

b) Payments.

(10) Quarterly Payment Dates.

(11) Amounts for the Fund’s current expenses.

(12) Additional Credit Right acquisition payment amounts.

(13) Financial Swap payment amounts.

(14) Interest amount payable to the Series A Bonds.

(15) Interest amount payable to the Series B Bonds.

(16) Interest amount payable to the Series C Bonds.

(17) Series A Bond principal repayment amount.

(18) Series B Bond principal repayment amount.

(19) Series C Bond principal repayment amount.

(20) Start-Up Loan interest amount.

(21) Periodic Start-Up Loan principal repayment.

(22) Credit Right servicing fee.

(23) Variable remuneration on the Financial Intermediation margin.

(24) Total payments on each Payment Date, being the sum of amounts (11) to (23).

V.2 Accounting policies used by the Fund.

The income and expenditure will be accounted for by the Fund based on their period of accrual, i.e. when the actual flow of the goods and services they represent occurs, irrespective of the time when they are collected and paid.

The expenses of setting up the Fund and issuing the Bonds detailed in section II.14 will be subject to a straight-line depreciation during the months elapsing since the constitution of the Fund until August 31, 2007, inclusive.

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

V.3 Description of the purpose or object of the financial transactions arranged by the Management Company on behalf of the Fund, in order to enhance the risk, increase payment regularity, neutralise interest rate differences on the Credit Rights, or, in general, transform the financial characteristics of all or part of said securities.

In order to consolidate the financial structure of the Fund, enhance the safety or regularity in payment of the Bonds, cover the timing differences between the scheduled principal and interest flows on the Credit Rights and the Bonds, or, generally, transform the financial characteristics of the Credit Rights, and supplement management of the Fund, the Management Company shall, on behalf of the Fund, upon executing the Deed of Constitution, proceed to formally enter into the agreements established hereinafter in this section, in accordance with the provisions of article 6.1 of Royal Decree 926/1998.

(i) Guaranteed Interest Rate Account (Treasury Account) Agreement.

(ii) Guaranteed Interest Rate Account (Principal Account) Agreement.

(iii) Subordinated Credit Agreement.

(iv) Start-Up Loan Agreement.

(v) Financial Swap Agreement.

(vi) Credit Right Servicing Agreement.

(vii) Bond Issue Management, Underwriting and Placement Agreement.

(viii) Bond Paying Agent Agreement.

(ix) Financial Intermediation Agreement.

The description of the most relevant terms of the Bond Issue Management, Underwriting and Placement Agreement and of the Credit Right Servicing Agreement may be respectively found in sections II.19.3 and IV.2 of this Offering Circular. The description of the rest of the above agreements may be found in this section V.3 of this Offering Circular.

The Management Company may extend or amend the agreements entered into on the Fund's behalf, substitute, as the case may be, each of the service providers to the Fund under those agreements and indeed, if necessary, enter into additional agreements, provided that the circumstances preventing the foregoing in accordance with the laws in force from time to time do not occur. In any event, those actions shall require that the Management Company first notify or secure the prior authorisation, if necessary, of the CNMV or competent administrative body and notify the Rating Agencies, and provided that such changes are not detrimental to the rating assigned to the Bonds by the Rating Agencies. The amendment of the Deed of Constitution or of the agreements or the entry into additional agreements shall be notified by the Management Company to the CNMV as a relevant event or as a supplement to the Offering Circular, as the case may be. The Deed of Constitution or the agreements may also be corrected upon a request by the CNMV.

V.3.1 Guaranteed Interest Rate Account (Treasury Account) Agreement.

The Management Company, acting for and on behalf of the Fund, and BBVA shall enter into a Guaranteed Interest Rate Account (Treasury Account) Agreement whereby BBVA will guarantee a 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 upon subscription for the Bond Issue being paid up;

(ii) Credit Right principal repayment and interest collected;

(iii) Subordinated Loan principal drawn down, if any, and amounts making up the Cash Reserve from time to time if it is set up;

(iv) any other amounts relating to the Credit Rights and from the sale or utilisation of the assets awarded or under administration or interim possession of the assets in enforcement proceedings, and all and any rights or indemnities including those derived from any right attached to the Credit Rights, including the prepayment or early termination fees established for each Credit Right;

(v) Start-Up Loan principal drawn down;

(vi) amounts paid to the Fund under the Financial Swap Agreement;

(vii) the amounts of the returns obtained on the balances existing in the actual Treasury Account and the Principal Account; and

(viii) the amounts of withholdings on account of 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 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 the relevant 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 of the Payment Dates (March 20, June 20, September 20 and December 20 or the following Business Day if any of those is not a Business Day), 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. The first interest settlement date shall be December 20, 2004.

In the event that the rating of the non-subordinated and unsecured short-term debt of BBVA, rated as at today's date P-1 by Moody's and A-1+ by S&P, should, at any time during the life of the Bond Issue, fall below P-1 or A-1 respectively in Moody's and S&P's rating scales, the Management Company shall within not more than thirty (30) Business 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 that Agreement in order for the rating given to the Bonds by the Rating Agencies not to be adversely affected:

a) Obtaining from an institution having a credit rating for its non-subordinated and unsecured short-term debt of at least P-1 and A-1 respectively in Moody's and S&P's rating scales, and subject at all times to the prior communication 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 deposited in the Treasury Account, during the time over which the loss of the P-1 or A-1 ratings is maintained by BBVA.

b) Transferring the Fund's Treasury Account to an institution whose non-subordinated and unsecured short-term debt has a rating of at least P-1 and A-1 respectively in Moody's and S&P's rating scales, arranging the highest possible yield for its balances, which may differ from that arranged with BBVA under this Agreement.

c) If options a) or 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 this Agreement.

d) Moreover, if the above options should not be feasible on the set terms, the Management Company may invest the balances for periods not extending beyond the following Payment Date, in short-term fixed-income assets in euros issued by institutions having ratings of at least P-1 and A-1 for non-subordinated and unsecured short-term debt respectively in Moody's and S&P's rating scales, 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 this Agreement.

e) In either event b) or d), the Management Company shall subsequently transfer the balances back to BBVA under the Guaranteed Interest Rate Account (Treasury Account) Agreement, in the event that BBVA's non-subordinated and unsecured short-term debt should again attain the P-1 and A-1 ratings respectively in Moody's and S&P's above-mentioned scales.

Moreover, notwithstanding the provisions of the preceding paragraphs of this section, should the sum of the Treasury Account and the Principal Account balance exceed 20 percent (20.00%) of the Outstanding Principal Balance of the Bond Issue and in the event that the rating of the non-subordinated and unsecured short-term debt of BBVA should, at any time during the life of the Agreement, fall to A-1 in S&P's rating scale, the Management Company may, upon a request by S&P, put in place any of the options described hereinafter for the time during which the position of BBVA's rating haven fallen to A-1 is maintained, and subject to notice being first given to the Rating Agencies in order for the rating given to the Bonds by the Rating Agencies not to be adversely affected:

a) Obtaining from an institution having a credit rating for its non-subordinated and unsecured short-term debt of at least P-1 and A-1+ respectively in Moody's and S&P's rating scales, a first demand guarantee securing for the Fund, merely upon the Management Company so requesting, prompt payment by BBVA of the amount by which the sum of the Treasury Account and the Principal Account balance exceeds the amount equivalent to 20 percent (20.00%) of the Principal Balance of the Bond Issue.

b) Transferring and crediting the amount of the excess of the sum of the Treasury Account and the Principal Account balance of the amount equivalent to 20 percent (20.00%) of the Principal Balance of the Bond Issue to a financial account (the "**Surplus Account**") opened by the Management Company in an institution whose non-subordinated and unsecured short-term debt has a rating of at least P-1 and A-1+ respectively in Moody's and S&P's rating scales, and arranging the highest possible yield for its balances, which shall at least match that arranged with BBVA under the Treasury Account and Principal Account.

c) In either of events a) or b), in the event that the rating of the non-subordinated and unsecured short-term debt of the guarantor institution or institution where the Surplus Account shall have been opened should fall below A-1+ in S&P's rating scale, the Management Company shall within not more than thirty (30) days from the time of the occurrence of any such circumstance, once again put in place either of options a) or b) described above.

The Guaranteed Interest Rate Account (Treasury Account) Agreement partly mitigates the risk relating to the timing difference between the Fund's receipts of principal and interest on the Credit Rights, the periodicity of which differs from the quarterly amortisation and interest payment on the Bonds.

V.3.2 Guaranteed Interest Rate Account (Principal Account) Agreement.

The Management Company, acting for and on behalf of the Fund, and BBVA shall enter into a Guaranteed Interest Rate Account (Principal Account) Agreement whereby BBVA will guarantee a 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 remaining Available Principal Fund amounts not applied to acquiring Additional Credit Rights 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 on each Payment Date during the Revolving Period.

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 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 the relevant 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 of the Payment Dates (March 20, June 20, September 20 and December 20 or the following Business Day if any of those is not a Business Day), 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. The first interest settlement date shall be December 20, 2004.

In the event that the rating of the non-subordinated and unsecured short-term debt of BBVA should, at any time during the life of the Bond Issue, fall below P-1 or A-1 respectively in Moody's and S&P's rating scales, the Management Company shall within not more than thirty (30) Business 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 that Agreement in order for the rating given to the Bonds by the Rating Agencies not to be adversely affected:

a) Obtaining from an institution having a credit rating for its non-subordinated and unsecured short-term debt of at least P-1 and A-1 respectively in Moody's and S&P's rating scales, and subject at all times to the prior communication 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 deposited in the Principal Account, during the time over which the loss of the P-1 or A-1 ratings is maintained by BBVA.

b) Transferring the Fund's Principal Account to an institution whose non-subordinated and unsecured short-term debt has a rating of at least P-1 and A-1 respectively in Moody's and S&P's rating scales, arranging the highest possible yield for its balances, which may differ from that arranged with BBVA under this Agreement.

c) If options a) or 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 this Agreement.

d) Moreover, if the above options should not be feasible on the set terms, the Management Company may invest the balances for periods not extending beyond the following Payment Date, in short-term fixed-income assets in euros issued by institutions having ratings of at least P-1 and A-1 for non-subordinated and unsecured short-term debt respectively in Moody's and S&P's rating scales, 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 this Agreement.

e) In either event b) or d), the Management Company shall subsequently transfer the balances back to BBVA under the Guaranteed Interest Rate Account (Principal Account) Agreement, in the event that BBVA's non-subordinated and unsecured short-term debt should again attain the P-1 and A-1 ratings respectively in Moody's and S&P's above-mentioned scales.

Moreover, notwithstanding the provisions of the preceding paragraphs of this section, should the sum of the Treasury Account and the Principal Account balance exceed 20 percent (20.00%) of the Outstanding Principal Balance of the Bond Issue and in the event that the rating of the non-subordinated and unsecured short-term debt of BBVA should, at any time during the life of the Agreement, fall to A-1 in S&P's rating scale, the Management Company may, upon a request by S&P, put in place any of the options described hereinafter for the time during which the position of BBVA's rating haven fallen to A-1 is maintained, and subject to notice being first given to the Rating Agencies in order for the rating given to the Bonds by the Rating Agencies not to be adversely affected:

a) Obtaining from an institution having a credit rating for its non-subordinated and unsecured short-term debt of at least P-1 and A-1+ respectively in Moody's and S&P's rating scales, a first demand guarantee securing for the Fund, merely upon the Management Company so requesting, prompt payment by BBVA of the amount by which the sum of the Treasury Account and the Principal Account balance exceeds the amount equivalent to 20 percent (20.00%) of the Principal Balance of the Bond Issue.

b) Transferring and crediting the amount of the excess of the sum of the Treasury Account and the Principal Account balance of the amount equivalent to 20 percent (20.00%) of the Principal Balance of the Bond Issue to a financial account (the "**Surplus Account**") opened by the Management Company in an institution whose non-subordinated and unsecured short-term debt has a rating of at least P-1 and A-1+ respectively in Moody's and S&P's rating scales, and arranging the highest possible yield for its balances, which shall at least match that arranged with BBVA under the Treasury Account and Principal Account.

c) In either of events a) or b), in the event that the rating of the non-subordinated and unsecured short-term debt of the guarantor institution or institution where the Surplus Account shall have been opened should fall below A-1+ in S&P's rating scale, the Management Company shall within not more than thirty (30) days from the time of the occurrence of any such circumstance, once again put in place either of options a) or b) described above.

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 of the Series as final by the start of the Subscription Period or in the event of termination of the Bond Issue Management, Underwriting and Placement Agreement. Moreover, the Principal Account shall also be cancelled on the Payment Date after the Payment Date on which the Revolving Period terminates.

The Guaranteed Interest Rate Account (Principal Account) Agreement partly mitigates the reduction in the returns obtained by the Fund as a result of the available amounts for the acquisition of Additional Credit Rights that are not used for that purpose.

V.3.3 Subordinated Credit Agreement.

The Management Company shall, for and on behalf of the Fund, enter with BBVA into a commercial Subordinated Credit Agreement (the "**Subordinated Credit Agreement**") which shall be applied on each Payment Date, along with the other Available Funds, to meeting fulfilment of certain payment or withholding obligations of the Fund, in the Priority of Payments, due to a shortfall of the remaining Available Funds, although granting of that Subordinated Credit shall in no event guarantee that the Credit Rights will be duly performed.

Maximum Subordinated Credit Amount.

The maximum Subordinated Credit amount ("**Maximum Subordinated Credit Amount**") shall from time to time be equal to the lower of the following amounts:

(i) EUR twenty million (20,000,000.00), equivalent to 2.00% of the face amount of the Bond Issue.

(ii) The higher of:

  a) 4.00% of the Outstanding Principal Balance of the Bond Issue.

  b) 1.00% of the face amount of the Bond Issue.

Notwithstanding the above, the Maximum Subordinated Credit Amount shall not be reduced and shall remain at the level established on the preceding Payment Date whenever any of the following circumstances occur on the relevant Payment Date:

i) That, on the Determination Date preceding the relevant Payment Date, the amount of the Outstanding Balance of Delinquent Credit Rights is equal to or greater than 1.00% of the Outstanding Balance of Non-Doubtful Credit Rights.

ii) That on the previous Payment Date the available Subordinated Credit amount is less than the Maximum Credit Right Amount on that Payment Date.

Drawdown.

The Management Company, acting for and on behalf of the Fund, shall draw under the Subordinated Credit limited to the Maximum Subordinated Credit Amount, provided that the Available Funds on a Payment Date, excluding the available amounts under the Subordinated Credit, do not allow the payment or withholding obligations in 1st to 11th place, both inclusive, in the application of Available Funds in the Priority of Payments to be satisfied.

In accordance with section III.2.3 of this Offering Circular, in the event of the rating of the non-subordinated and unsecured short-term debt of BBVA falling below P-1 or A-1+ respectively in Moody's and S&P's rating scales, the Management Company shall draw down the full amount available up to the relevant Maximum Subordinated Credit Amount on the date on which that drawdown occurs, allocating it to setting up a Cash Reserve, within not more than ten (10) Business Days from the occurrence of that circumstance, unless BBVA should provide for the Fund and at its expense a first demand security or guarantee from an institution whose non-subordinated and unsecured short-term debt has a rating of at least P-1 and A-1+ respectively in the above-mentioned rating scales, securing for the Fund, merely upon the Management Company so requesting, the amount of the drawdowns requested from BBVA up to the Maximum Subordinated Credit Amount available on the relevant drawdown date, subject to such terms and conditions as may be approved by the Management Company, in order for the ratings assigned to each of the Series by the Rating Agencies to be maintained.

Repayment.

The Fund will repay any drawdown on the Subordinated Credit on any Payment Date on which the Available Funds, not including the amounts available on the Subordinated Credit, allow such payment in the application priority established in accordance with the application of Available Funds in the Priority of Payments.

Nevertheless, in the event that the Maximum Subordinated Credit Amount should be fully drawn down, as a result of the rating of BBVA falling and the Cash Reserve being set up, repayment shall be made on each of the Payment Dates in an amount equal to the positive difference existing between the Required Cash Reserve on the preceding Payment Date and the Required Cash Reserve on the relevant Payment Date, and in the application priority established for that event in accordance with 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 repayment of the Subordinated Credit on a Payment Date, in the Priority of Payments, the portion of the principal not repaid shall be repaid on the following Payment Date along with the amount that should be repaid, as the case may be, on that same Payment Date, until it is fully repaid.

Financial yield.

The outstanding Subordinated Credit principal drawn down shall accrue an annual nominal interest, determined quarterly for each Interest Accrual Period, which shall be the result of adding: (i) the Reference Rate determined for the Bonds, and (ii) a 2.00% margin. This interest will be payable only if the Fund should have sufficient liquidity in the Fund Priority of Payments. Interest shall be settled and will be payable on the date of expiration of each Interest Accrual Period on each of the Payment Dates, and shall be calculated based on: (i) the exact number of days in each Interest Accrual Period and (ii) a three-hundred-and-sixty-(360-) day year. The first interest settlement date shall be December 20, 2004.

Interest accrued and not paid on a Payment Date shall be accumulated to the Subordinated Credit principal, earning additional interest at the same interest rate applicable to the Subordinated Credit for the Interest Accrual Period at issue, and shall be paid, provided that the Fund has sufficient liquidity and in the Priority of Payments, in the same place provided for payment of interest accrued on the Subordinated Credit in the Priority of Payments, on the following Payment Date.

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

V.3.4 Start-Up Loan Agreement.

The Management Company shall, for and on behalf of the Fund, enter with BBVA into a commercial subordinated loan agreement amounting to EUR one million two hundred and fifty thousand (1,250,000.00) (the "**Start-Up Loan Agreement**"), to be drawn down on the Closing Date and be allocated to financing the expenses of setting up the Fund and issuing the Bonds.

The outstanding Start-Up Loan principal will accrue an annual nominal interest, determined quarterly for each Interest Accrual Period, which shall be the result of adding: (i) the Reference Rate determined for the Bonds, and (ii) a 2.00% margin. This interest will be payable only if the Fund should have sufficient liquidity in the Fund Priority of Payments. Interest accrued shall be settled and payable on the date of expiration of each Interest Accrual Period on each of the Payment Dates, and shall be calculated based on: (i) the exact number of days in each Interest Accrual Period and (ii) a three-hundred-and-sixty- (360-) day year. The first interest settlement date shall be December 20, 2004.

Interest accrued and not paid on a Payment Date will be accumulated and accrue interest equivalent to the ordinary Start-Up Loan interest and will be paid, provided that the Fund has sufficient liquidity, and in the Priority of Payments, on the following Payment Date and in the same place provided for payment of ordinary interest on the Start-Up Loan in accordance with the Priority of Payments.

Repayment will be effected quarterly on each of the Payment Dates as follows:

(i) The portion of Start-Up Loan principal actually used to finance the Fund constitution and Bond issue 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, December 20, 2004, and the following until the Payment Date falling on September 20, 2007, inclusive.

(ii) The portion of Start-Up Loan principal not actually used shall be repaid on the first Payment Date, December 20, 2004.

In the event that the Fund should not have sufficient liquidity, in the Priority of Payments, on a Payment Date to proceed to the partial repayment falling due on the Start-Up Loan, then the portion of principal not repaid shall be repaid on the following Payment Date along with the amount that should be repaid on that same Payment Date, as the case may be, until it is fully repaid.

Payment of amounts not paid on preceding Payment Dates shall take precedence over amounts falling due under the Start-Up Loan on that Payment Date, satisfying in the first place overdue interest and secondly repayment of principal, in the Fund Priority of Payments.

V.3.5 Financial Swap Agreement.

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

Under the Financial Swap Agreement, the Fund will make payments to BBVA calculated on the Credit Right interest rate, and in consideration BBVA will make payments to the Fund calculated on the weighted average Nominal Interest of for the Bond Series, 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 March 20, June 20, September 20 and December 20 in every year, or the following Business Day if any of these dates is not a Business Day. The first settlement date shall be December 20, 2004.

2. Settlement periods.

Party A:

The settlement periods for Party A shall be the exact number of days elapsed between two consecutive settlement dates, not including the first but including the last date. Exceptionally, the length of the first settlement period for Party A shall be equivalent to the exact number of days elapsed between the day on which the Fund is constituted (inclusive) and December 20, 2004 (inclusive).

Party B:

The settlement periods for Party B shall be the exact number of days elapsed between two consecutive settlement dates, including the first but not including the last date. Exceptionally, the length of the first settlement period for Party B shall be equivalent to the exact number of days elapsed between the Bond Issue Closing Date (inclusive) and December 20, 2004 (exclusive).

3. Face Amount.

This shall be the daily average during the Party A settlement period falling due of the Outstanding Balance of Credit Rights with no arrears in payment of amounts due in excess of ninety (90) days.

4. Party A amounts payable.

This shall be the result of applying the Party A Interest Rate to the Face Amount according to the number of days in the settlement period.

4.1 Party A Interest Rate.

On each settlement date this shall be the annual interest rate resulting from dividing (i) the sum of total interest amount received on the Credit Rights and paid into the Fund during the Party A settlement period falling due, decreased by the amount of interest accrued on the Credit Rights 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 the sum of (i) the amount resulting from applying the Party B Interest Rate to the Face Amount according to the number of days in the Party B settlement period, 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, weighted by the Outstanding Principal Balance in each Series during the then-current Interest Accrual Period, and (ii) three percent (3.00%).

If it should occur on two consecutive settlement dates that the Fund (Party A) does not have sufficient liquidity to make payment of the aggregate net amount payable to Party B, the Financial Swap Agreement shall be terminated. The amount not paid by Party A on the first settlement date on which the event of non-payment occurs shall be settled on the following settlement date provided that the Fund has sufficient liquidity in the Priority of Payments.

Without prejudice to the foregoing, other than in an extreme 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 swap agreement.

Party B shall irrevocably agree that, if at any time throughout the life of the Bond Issue, the rating of the non-subordinated and unsecured debt of Party B should fall below A1 for long-term debt in Moody's rating scale or A-1 for short-term debt in S&P's rating scale, it shall take any of the following options within not more than thirty (30) Business Days from the date of the occurrence of any such circumstances, on such terms and conditions as the Management Company shall see fit, after notifying the Rating Agencies, in order for the ratings assigned to each of the Series by the Rating Agencies to be maintained: (i) that a third-party institution with a rating for its non-subordinated and unsecured debt equal to or in excess of A1 for its long-term debt in Moody's rating scale and A-1 for its short-term debt in S&P's rating scale, will secure fulfilment of its contractual obligations, (ii) that a third-party institution with the same ratings required for option (i) above will take over its contractual position and substitute it before terminating the Financial Swap Agreement for Party B, or, as the case may be, under a new financial swap agreement on the same terms and conditions as the Financial Swap Agreement; or (iii) that a deposit in cash or securities will be made in favour of the Fund securing fulfilment of Party B's contractual obligations in an amount calculated based on the Financial Swap market value satisfying the Rating Agencies' requirements and, as the case may be and based on the rating assigned by the counterparty (Party B) to the Financial Swap Agreement, either of options (i) and (ii) above. All and any duly supported costs, expenses and taxes incurred in connection with the compliance with the foregoing obligations shall be borne by Party B.

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 II.11.3.2 and III.7.1 of this Offering Circular, 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 to arbitration.

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

The execution of the Financial Swap Agreement derives from the need to eliminate or mitigate the interest risk occurring in the Fund because the Credit Rights are subject to fixed interest with different accrual periods and settlement date at the floating interest established for the Bonds based on 3-month Euribor and with quarterly accrual and settlement periods.

V.3.6 Bond Paying Agent Agreement.

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

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

(i) Paying the Fund by 3pm (CET time) on the Closing Date, by crediting the Treasury Account, for same day value, the aggregate amount of the subscription for the Bond Issue received from the remaining Underwriters and Placement Agents in accordance with the provisions of the Bond Issue Management, Underwriting and Placement Agreement plus the face amount of the Bonds placed and, as the case may be, subscribed for on its own account, as Underwriter and Placement Agent.

(ii) Paying each of the Underwriters and Payment Agents on the Closing Date the amount of the underwriting and placement fee amount accrued in favour of each one, after they have in turn paid it the face amount of the Bonds they shall each have placed and, as the case may be, subscribed for on their own account up to their respective underwriting commitment.

(iii) Handing to the Management Company Bond Issue placement dissemination control information based on the information provided in that connection by the Underwriters and Placement Agents.

(iv) On each of the Bond Payment Dates, paying interest and repaying principal on the Bonds, through Iberclear as the institution in charge of the Bond accounting record, 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 of the Interest Rate Fixing Dates, notifying the Management Company of the Reference Rate determined to be used as the basis for calculating the Nominal Interest Rate applicable to each of the Bond Series.

In the event that the rating of the non-subordinated and unsecured short-term debt of BBVA should, at any time during the life of the Bond Issue, fall below P-1 or A-1 respectively in Moody's and S&P's rating scales, 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 shall thereupon designate another institution having a credit rating for its non-subordinated and unsecured short-term debt of at least P-1 and A-1 respectively in Moody's and S&P's rating scales, to take its place before terminating the

Paying Agent Agreement or, as the case may be, under a new paying agent agreement, and subject to prior notice being given to the Rating Agencies. Should BBVA be replaced as Paying Agent, the Management Company shall be entitled to change the fee payable to the substitute institution, which may be higher than that established with BBVA under the Paying Agent Agreement.

In consideration of the services provided by the Paying Agent, the Fund shall pay it a fee of EUR 12,000.00, inclusive of taxes as the case may be, on the amount to be distributed to Bondholders on each Bond Payment Date during the term of the agreement, payable on the same Payment Date, provided that the Fund has sufficient liquidity and in the 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 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 of the Series as final by the start of the Subscription Period or in the event of termination of the Bond Issue Management, Underwriting and Placement Agreement.

V.3.7 Financial Intermediation Agreement.

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

BBVA shall be entitled to receive from the Fund a variable subordinated remuneration 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, including losses, if any, brought forward from previous years, accrued by the Fund with reference to its accounts and before the close of the day immediately preceding every Determination Date. The variable remuneration accrued at the close of the day preceding every Determination Date shall be settled on the next immediate Payment Date, provided that the Fund has sufficient liquidity in the Fund Priority of Payments.

Exceptionally, the first accrual period shall be comprised between the Fund constitution date, inclusive, and the first Determination Date, December 15, 2004, exclusive, which is the day immediately preceding the first Payment Date, December 20, 2004. The first settlement date shall be the first Payment Date, December 20, 2004.

The variable remuneration amount accrued not paid on a Payment Date shall be accumulated without any penalty whatsoever to the variable remuneration amount accrued, as the case may be, in the following quarterly period and shall be paid, provided that the Fund has sufficient liquidity in the Priority of Payments, on the following Payment Date, unless that absence of liquidity should continue, in which case the amounts due shall build up successively until the Payment Date on which they are settled.

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

V.4 Priority rules established in Fund payments.

V.4.1 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.

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

a) Payment of the part of the price of the assignment of the Initial Credit Rights at their face value.
b) Payment of the Fund constitution and Bond issue expenses.

V.4.2 Source and application of funds from the first Payment Date until the last Payment Date or liquidation of the Fund, inclusive.

On each Payment Date, the Management Company shall proceed successively to apply the Available Funds and the Available Principal Funds in accordance with the priority of payments established hereinafter for each of them (the "**Priority of Payments**").

V.4.2.1 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) Credit Right principal repayment income received between the preceding Payment Date, exclusive, and the relevant Payment Date, inclusive.

b) Ordinary and late-payment interest income received on the Credit Rights between the preceding Payment Date, exclusive, and the relevant Payment Date, inclusive.

c) The return received on the amounts credited to the Treasury Account and the Principal Account.

d) Drawdowns on the Subordinated Credit, designed only to meet the payment or withholding obligations numbered 1 to 11, both inclusive, listed in section 2 below.

e) If it is ever set up, the amount with which the Cash Reserve is provisioned on the Determination Date preceding the relevant Payment Date.

f) Net amounts, if any, received by the Fund under the Financial Swap Agreement and the amount making up the settlement payment payable by the Fund counterparty (Party B) in the event of termination of that Agreement.

g) Any other amounts received by the Fund between the preceding Payment Date, exclusive, and the relevant Payment Date, inclusive, including those resulting from the sale or utilisation of assets awarded to the Fund and from the sale of the Credit Rights and remaining assets of the Fund.

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 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 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 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 payable, as the case may be, 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 latter is the party affected by objective ex post facto circumstances, payment of the amount to be settled by the Fund comprising the settlement payment.

4. Payment of interest due on the Series A 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 where any of the following circumstances occurs on the Determination Date preceding the Payment Date:

   (i) that the amount resulting from decreasing the Outstanding Principal Balance of Series A by the following amounts: a) the Available Funds remaining after deducting the amounts applied to the payment obligations listed in 1st to 5th place, b) the Principal Account balance, and c) the Outstanding Balance of Non-Doubtful Credit Rights on the relevant Payment Date, is above zero; or,

   (ii) that it is the Fund liquidation date or last Payment Date.

6. Payment of interest due on the Series C Bonds unless this payment is deferred to 10th place in the priority of payments.

   This payment shall be deferred to 10th place where any of the following circumstances occurs on the Determination Date preceding the Payment Date:

   (i) that the amount resulting from decreasing the Outstanding Principal Balance of Series A and Series B by the following amounts: a) the Available Funds remaining after deducting the amounts applied to the payment obligations listed in 1st to 6th place, b) the Principal Account balance, and c) the Outstanding Balance of Non-Doubtful Credit Rights on the relevant Payment Date, is above zero; or,

   (ii) that it is the Fund liquidation date or last Payment Date.

7. Withholding for the First Principal Fund the following amounts:

   a) On any Payment Date other than the Fund liquidation date or the last Payment Date, an amount equal to the positive difference between:

   (i) the Outstanding Principal Balance of Series A on the Determination Date preceding the relevant Payment Date; and

   (ii) the sum of: a) the Outstanding Balance of Non-Doubtful Credit Rights on the relevant Payment Date, and b) the Principal Account balance on the Determination Date preceding the relevant Payment Date.

   b) On the Fund liquidation date or last Payment Date, the positive difference, on the Determination Date preceding this date, between the Outstanding Principal Balance of Series A and the Principal Account balance.

   The amount actually applied in this priority on the relevant Payment Date shall be included among the Available Principal Funds and be applied in accordance with the rules for Distribution of Available Principal Funds established in the following section.

8. Payment of interest due on the Series B Bonds when it is deferred from 5th place in the priority of payments as established therein.

9. Withholding for the Second Principal Fund the following amounts:

   a) On any Payment Date other than the Fund liquidation date or the last Payment Date, an amount equal to the lower of the following amounts:

   1. The Outstanding Principal Balance of Series B on the Determination Date preceding the relevant Payment Date.

   2. The positive difference between:

(i) the sum of the Outstanding Principal Balance of Series A and of Series B on the Determination Date preceding the relevant Payment Date; and

(ii) the sum of: a) the Outstanding Balance of Non-Doubtful Credit Rights on the relevant Payment Date, and b) the Principal Account balance on the Determination Date preceding the relevant Payment Date.

b) On the Fund liquidation date or last Payment Date, the positive difference, on the Determination Date preceding this date, between (i) the Outstanding Principal Balance of Series B and (ii) the positive difference between the Principal Account balance and the Outstanding Principal Balance of Series A.

The amount actually applied in this priority on the relevant Payment Date shall be included among the Available Principal Funds and be applied in accordance with the rules for Distribution of Available Principal Funds established in the following section.

10. Payment of interest due on the Series C Bonds when it is deferred from 6th place in the priority of payments as established therein.

11. Withholding for the Third Principal Fund the following amounts:

a) On any Payment Date other than the Fund liquidation date or the last Payment Date, an amount equal to the lower of the following amounts:

1. The Outstanding Principal Balance of Series C on the Determination Date preceding the relevant Payment Date.

2. The positive difference between:

(i) the Outstanding Principal Balance of the Bond Issue on the Determination Date preceding the relevant Payment Date; and

(ii) the sum of: a) the Outstanding Balance of Non-Doubtful Credit Rights on the relevant Payment Date, and b) the Principal Account balance on the Determination Date preceding the relevant Payment Date.

b) On the Fund liquidation date or last Payment Date, the positive difference, on the Determination Date preceding this date, between (i) the Outstanding Principal Balance of Series C and (ii) the positive difference between the Principal Account balance and the sum of the Outstanding Principal Balance of Series A and of Series B.

The amount actually applied in this priority on the relevant Payment Date shall be included among the Available Principal Funds and be applied in accordance with the rules for Distribution of Available Principal Funds established in the following section.

12. a) Repayment of Subordinated Credit principal drawn down.

This application shall not occur in the event that (i) the Subordinated Credit has been fully drawn down to set up the Cash Reserve, when it shall be substituted by application b) below, or (ii) on the Fund liquidation date or last Payment Date and shall in both cases be deferred to 16th place in the priority of payments.

b) Withholding of an amount sufficient for the Required Cash Reserve to be maintained, substituting application a) above. This application shall not occur on the last Payment Date or Fund liquidation date.

13. Payment of interest due on the Subordinated Credit.

This application shall not occur in the event that the Subordinated Credit has been fully drawn down to set up the Cash Reserve or on the Fund liquidation date or last Payment Date, when it shall be deferred to 15th place.

14. Payment of the amount payable by the Fund comprising the settlement payment under the Financial Swap Agreement other than in the events provided for in 3rd place above.

15. Payment of interest due on the Subordinated Credit when it is deferred from 13th place in the priority of payments as established therein.

16. Repayment of Subordinated Credit principal drawn down when it is deferred from 12th place in the priority of payments as established therein and in the amount of the repayment thereof.

17. Payment of interest due on the Start-Up Loan.

18. Repayment of Start-Up Loan principal in the amortised amount.

19. Payment of the variable remuneration established in the Financial Intermediation Agreement.

When accounts for different items exist in a same priority of payments and the remaining 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.

V.4.2.2 Available Principal Funds: source and distribution.

1. Source: On each Payment Date, the available principal funds ("**Available Principal Funds**") shall be the sum of the following amounts:

a) The withholding amounts applied on the Available Funds to the First Principal Fund, the Second Principal Fund and the Third Principal Fund on the relevant Payment Date.

b) Until the Payment Date immediately after termination of the Revolving Period, inclusive, the Principal Account balance on the Determination Date preceding the relevant Payment Date.

2. Distribution of Available Principal Funds.

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

1. During the Credit Right Revolving Period, payment of the assignment price comprising the face value of the capital of the Additional Credit Rights assigned to the Fund on the relevant Payment Date.

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

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

CHAPTER VI

GENERAL INFORMATION ON THE FUND MANAGEMENT COMPANY

In accordance with article 1 of Royal Decree 926/1998, Asset Securitisation Funds have no own legal personality, and Mortgage Securitisation Fund Management Companies are entrusted under article 12 of said Royal Decree with constituting, managing and legally representing those funds, and representing and defending the interests of the holders of the securities issued by the Funds they manage and of all other ordinary creditors thereof.

Accordingly, this Chapter itemises the information relating to EUROPEA DE TITULIZACIÓN S.A., S.G.F.T., as the Management Company constituting, managing and representing BBVA AUTOS 1 FONDO DE TITULIZACIÓN DE ACTIVOS.

VI.1 In relation to the company, other than its share capital..

VI.1.1 Name and registered office.

- **Company name:** EUROPEA DE TITULIZACIÓN, S.A., SOCIEDAD GESTORA DE FONDOS DE TITULIZACIÓN.
- **Registered office:** Madrid, Lagasca, 120
- **VAT REG. No.:** A-80514466
- **Business Activity Code No.:** 6713

VI.1.2 Incorporation and registration in the Companies Register, and information relating to administrative authorisations by and registration at the Comisión Nacional del Mercado de Valores.

EUROPEA DE TITULIZACIÓN, S.A., SOCIEDAD GESTORA DE FONDOS DE TITULIZACIÓN was incorporated in a public deed executed on January 19, 1993 before a 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, entered in the Companies Register of Madrid, volume 5,461, book O, folio 49, section 8, sheet M-89355, entry 1, dated March 11, 1993; and re-registered as a Securitisation Fund Management Company in accordance with the provisions of chapter II and in 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 in a deed executed on October 25, 1999 before a Notary Public of Madrid, 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. It is also entered in the special register of the CNMV, under number 2.

The Management Company has perpetual existence, although it may be dissolved upon the occurrence of any of the events provided by the laws and the articles of association.

VI.1.3 Objects.

In accordance with statutory requirements, article two of its Articles of Association establishes that: “The Company’s exclusive objects shall be to constitute, manage and legally represent both asset securitisation funds and mortgage securitisation funds. Furthermore, and in accordance with the applicable statutory regulations, the Company shall, as the manager of third party business, be responsible for representing and defending the interests of the holders of securities issued on the Funds it manages and of all their other ordinary creditors.”

VI.1.4 Place where the documents referred to in this Offering Circular or the existence of which may be inferred from its contents may be found.

The Articles of Association, accounting, economic and financial statements of the Management Company and any other document referred to in this Offering Circular, including the latter, or the existence of which may be inferred from its contents, may be found at the Management Company's registered office at Calle Lagasca number 120, Madrid.

This Offering Circular was entered in the official registers of the CNMV on October 19, 2004. It is publicly available, free of charge, at the Management Company's registered office and at the Underwriters and Placement Agents' registered offices. It may also be found at the CNMV in Madrid, Paseo de la Castellana, 19, and at the AIAF governing body, of Madrid, Plaza Pablo Ruiz Picasso, s/n, Edificio Torre Picasso, planta 43.

Upon the Deed of Constitution being executed and before the Bond subscription period begins, the Management Company shall deliver a certified copy of the Deed of Constitution to the CNMV. Furthermore, the Management Company, Iberclear, or the affiliated undertaking to which the latter delegates its functions, and the AIAF governing body shall at all times make copies of the Deed of Constitution available to the Bondholders and the public at issue in order that they may be examined.

VI.2 In relation to the share capital.

VI.2.1 Face amount subscribed for and paid up.

The wholly subscribed for, paid up share capital amounts to one million eight hundred and three thousand and thirty-seven euros and fifty cents (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 making up 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.

VI.2.2 Classes of shares.

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

VI.2.3 Evolution of the share capital over the last three years.

During the last three years there has been no change in the share capital of the Management Company, other than the rounding up of the face value of the shares in Series A and the rounding down of the face value of the shares in Series B, to the nearest euro cent upon the redenomination of the share capital in euros pursuant to a resolution of the Board of Directors at a meeting held on March 27, 2001 in accordance with the provisions of article 21 of Act 46/1998, December 17, on the changeover to the euro.

VI.3 Information relating to shareholdings.

VI.3.1 Existence or not of shareholdings in other companies.

There are no shareholdings in any other company.

VI.3.2 Group of companies in which the company has membership.

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

VI.3.3 Significant shareholders.

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

Name of shareholder company	Holding * (%)
Banco Bilbao Vizcaya Argentaria, S.A.	82.9703
J.P. Morgan España, S.A.	4.0000
Caja de Ahorros del Mediterráneo	1.5420
Bankinter, S.A	1.5317
Barclays Bank, S.A.	1.5317
Citibank España, S.A.	1.5317
Deutsche Bank Credit, S.A.	0.7658
Deutsche Bank, S.A.E	0.7658
Banco Atlántico, S.A.	0.7658
BBVA Español, S.A.	0.7658
Banco Pastor, S.A.	0.7658
Banco de la Pequeña y Mediana Empresa, S.A.	0.7658
Banco Urquijo, S.A.	0.7658
BNP 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

* Rounded to 4 decimal places

VI.4 Corporate bodies.

The government and management of the Management Company are entrusted in the Articles of Association to the General Shareholders' Meeting and the Board of Directors. Its duties and authorities are as prescribed for those bodies in the Public Limited Companies Act and in Act 19/1992, July 7, in relation to the objects.

Among the other bodies for which provision is made in the Articles of Association, an Executive Committee has been set up with delegated authorities of the Board. There is also a General Manager vested with extensive authorities within the organisation and vis-à-vis third parties.

VI.4.1 Officers.

Board of Directors.

The Board of Directors has the following membership:

Chairman: Mr Roberto Vicario Montoya

Vice-Chairman: Mr Carlos Pertejo Muñoz

Directors*:
Mr Ignacio Aldonza Goicoechea*
Mr Luis Bach Gómez*
Mr José Mª. Castellón Leal
on behalf of Barclays Bank, S.A.
Mr José Luis Domínguez de Posada*
Ms Ana Fernández Manrique
Mr Juan Gortázar Sánchez-Torres*
Mr Mario Masiá Vicente
Ms Carmen Pérez de Muniaín
Mr David Pérez Renovales
on behalf of Bankinter, S. A.
Mr Jesús del Pino Durán

Mr Jorge Sáenz de Miera,
on behalf of Deutsche Bank Credit, S.A.
Mr José Miguel Raboso Díaz
on behalf of Citibank España, S.A
Mr José Manuel Tamayo Pérez
Mr Pedro Mª. Urresti Laca,
on behalf of J.P. Morgan España, S.A.
Banco Urquijo S.A.*

Non-Director Secretary: Ms Belén Rico Arévalo

* These appointments made by the Ordinary General Shareholders' Meeting held on June 23, 2004 and the removals of Mr José Manuel Aguirre Larizgoitia, Mr Vicente Esparza Olcina, Mr Juan Ortueta Monfort and Banco de la Pequeña y Mediana Empresa S.A are yet to be entered in the Companies Register and duly notified to the CNMV.

VI.4.2 General Manager.

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

VI.5 Aggregate interests in the Management Company by the persons referred to in section VI.4.

The persons referred to in section VI.4.1 above are not the direct or indirect holders or representatives of any share or debenture issued by the Management Company, other than the persons specifically referred to as representing a shareholder company, and only as such.

VI.6 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.

VI.7 Specification as to whether or not the management company has any bankruptcy proceedings under way and the possible existence of significant lawsuits and matters which might affect its economic and financial position or, in the future, its ability to carry out the fund management and administration functions for which provision is made in this Offering Circular.

There are none.

CHAPTER VII

RECENT EVOLUTION AND PROSPECTS OF THE GENERAL CREDIT MARKET WHICH MIGHT AFFECT THE FINANCIAL PROSPECTS OF THE FUND

VII.1 Most recent significant trends in the credit market in general and in the consumer credit market in particular.

Based on the Economy and Finance Ministry's forecasts as at June 30, 2004, the macroeconomic scenario forecast for the year 2005 appears to be more favourable than the one to prevail in 2004, which shall end with a 2.8% increase with respect to 2003. Consequently, we shall continue growing at rates of around 3.0% next year.

Macroeconomic figures at the close of 2004 point to a 3.2% increase in household consumption with respect to 2003. That rate is expected to remain constant for 2005.

As has been the case in recent years, internal demand shall feature most prominently in our economy. In 2004 that demand is estimated to grow a further 3.5% with respect to the year before, whereas similar growth rates are expected for 2005. The unemployment rate shall remain at 11.3% for the 2004-2005 biennium.

Interest rates at the end of 2004 and during the first quarter of 2005 shall stand at around 2.00% based on figures provided by BBVA's Studies Service.

In the automotive sector, registrations in the period January-September 2004 are up by 11.6% with respect to the same period in 2003, based on information provided by the Spanish Association of Motor Car and Truck Manufacturers (ANFAC).

VII.2 Implications that might derive from the trends remarked in the preceding point VII.1.

The Credit Rights all have a fixed interest rate and are adjusted from time to time to market interest rate variations. Because of this, a high prepayment rate of the Credit Rights is not to be expected. The provisions established for the renegotiation for determining the interest rate of Credit Rights that might be in upper ranges in relation to the market level from time to time should also be borne in mind.

As for the obligors' creditworthiness, as set forth in section IV.4.g), the selected provisional portfolio loans from which the Initial Credit Rights shall be taken to be assigned to the Fund upon being constituted, were liable as of September 22, 2004 for arrears in payment of amounts due, which situation was checked, as explained in the audit report attached as Appendix V to this Offering Circular. The Credit Rights that will finally be assigned to the Fund shall be in good standing in payments of overdue amounts on the date of their assignment, pursuant to the representation by BBVA contained in section IV.1.2.2 (15) of this Offering Circular.

Signature: Mario Masiá Vicente
General Manager
EUROPEA DE TITULIZACIÓN, S.A., S.G.F.T.

APPENDIX I

DEFINITIONS

"Acquisition Amount" shall mean the maximum amount allocated by the Management Company, for and on behalf of the Fund, on each Payment Date to the acquisition of Additional Credit Rights. The Acquisition Amount shall be the amount of the Available Principal 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 2/1981" shall mean Mortgage Market Regulation Act 2/1981, March 25.

"**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.

"Act 44/2002" shall mean Financial System Reform Measures Act 44/2002, November 22.

"AIAF" shall mean AIAF Fixed-Income Market (*AIAF Mercado de Renta Fija*).

"Available Funds" shall mean (i) on each Payment Date, the sum of the balance on the Treasury Account, and (ii) the amount, if any and where appropriate, deriving from the liquidation of the Fund's assets.

"Available Principal Funds" shall mean the available amount on each Payment Date to be allocated to the acquisition of Additional Credit Rights during the Revolving Period and, upon that period terminating, to amortisation of the Bonds on each Payment Date.

"BBVA" shall mean BANCO BILBAO VIZCAYA ARGENTARIA, S.A.

"Bond Issue" shall mean the issue of asset-backed bonds issued by the Fund having a face value of EUR one billion (1,000,000,000.00) consisting of ten thousand (10,000) Bonds comprised of three Series (Series A, Series B and Series C).

"Bond Issue Management, Underwriting and Placement Agreement" shall mean the Bond Issue management, underwriting and placement agreement entered into between the Management Company, acting for and on behalf of the Fund, and BBVA and JPMORGAN, as Lead Managers and Underwriters and Placement Agents, and CAIXA CATALUNYA, CALYON, DRESDNER KLEINWORT WASSERSTEIN, FORTIS BANK, NATEXIS BANQUES POPULAIRES and SOCIÉTÉ GÉNÉRALE as Underwriters and Placement Agents.

"Bond Paying Agent Agreement" shall mean the Bond paying agent agreement entered into between the Management Company, acting for and on behalf of the Fund, and BBVA, as Paying Agent.

"Bonds" shall mean the Series A Bonds, the Series B Bonds and the Series C Bonds issued by the Fund.

"Business Day" shall mean any day other than a Saturday, Sunday, public holiday in the capital city of Madrid or non-business day in the TARGET calendar (Trans European Automated Real-Time Gross Settlement Express Transfer System).

"CAIXA DE CATALUNYA" shall mean CAIXA D´ESTALVIS DE CATALUNYA.

"Cash Reserve" shall mean, in the event that it is set up, the Cash Reserve provisioned by drawing down fully the available amount of the Subordinated Credit and subsequently provisioned up to the Required Cash Reserve.

"CET" shall mean "Central European Time".

“Closing Date” shall mean October 29, 2004, the date on which the cash amount of the subscription for the Bonds shall be paid up and the face value of the Initial Credit Rights assigned shall be paid.

“CNMV” shall mean the 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 Offering Circular.

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

“Credit Rights” shall mean the credits rights assigned by BBVA to the Fund derived from loans owned by and shown on the assets of BBVA granted to individuals resident in Spain for financing the purchase of new motor cars.

“Deed of Constitution” shall mean the public deed recording the constitution of the Fund, assignment of the Initial Credit Rights, and Bond Issue.

“Delinquent Credit Rights” shall mean Credit Rights that are delinquent on a given date with an arrears in excess of three (3) months in payment of overdue amounts, excluding Doubtful Credit Rights.

“Deloitte” shall mean Deloitte & Touche España S.L.

“Determination Dates” shall mean the dates falling on the third Business Day preceding each Payment Date.

“Distribution of Available Principal Funds” shall mean the rules for applying the Available Principal Funds on each Payment Date established in sections II.11.3.1.4 and V.4.2.2.2 of the Offering Circular.

“Doubtful Credit Rights” shall mean Credit Rights 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.

“DRESDNER KLEINWORT WASSERSTEIN” shall mean DRESDNER BANK AKTIENGESELLSCHAFT London Branch.

“Early Amortisation” shall mean the amortisation of the Bonds on a date preceding the Final Maturity Date in the Early Liquidation Events of the Fund, in accordance with and subject to the requirements established in section III.7.1 of this Offering Circular.

“Early Liquidation Events” shall mean the events contained in section III.7.1 where the Management Company, following notice duly served on the CNMV, is entitled to proceed to an Early Liquidation of the Fund on a Payment Date.

“Early Liquidation of the Fund” shall mean the liquidation of the Fund and thereby an early amortisation of the Bond Issue on a date preceding the Final Maturity Date, in the events and subject to the procedure established in section III.7.1.

“Election Requirements” shall mean the requirements to be satisfied by the Additional Credit Rights 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 thirteen maturity terms by a panel consisting of 57 Banks, from among the most active banks in the Euro zone. The rate is quoted based on a count of the actual days to maturity and a 360-day year, and is fixed at 11am (CET time), accurate to three decimal places.

"Final Maturity Date" shall mean the final Bond amortisation date, i.e. June 20, 2016 or the following Business Day if that is not a Business Day.

"Financial Swap Agreement" shall mean the financial interest rate swap agreement based on the standard Master Financial Transaction Agreement (CMOF), entered into between the Management Company, acting for and on behalf of the Fund, and BBVA, whereby the Fund shall make payments to BBVA based on the Credit Right interest rates, and in consideration BBVA will make payments to the Fund calculated on the weighted average Nominal Interest Rate of the Bond Series.

"First Principal Fund" shall mean, on a Payment Date, withholding in the application of Available Funds the following amounts:
a) On any Payment Date other than the Fund liquidation date or last Payment Date, an amount equal to the positive difference between: (i) the Outstanding Principal Balance of Series A on the Determination Date preceding the relevant Payment Date; and (ii) the sum of: a) the Outstanding Balance of Non-Doubtful Credit Rights and b) the Principal Account balance on the Determination Date preceding the relevant Payment Date.
b) On the Fund liquidation date or last Payment Date, the positive difference, on the Determination Date preceding this date, between the Outstanding Principal Balance of Series A and the Principal Account balance.

"FORTIS BANK" shall mean FORTIS BANK NV-SA.

"Fund" shall mean BBVA AUTOS 1 FONDO DE TITULIZACIÓN DE ACTIVOS.

"Global Requirements" shall mean the requirements the Additional Credit Rights 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 between the Management Company, acting 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 between the Management Company, acting for and on behalf of the Fund, and BBVA.

"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 Credit Rights shall satisfy to be assigned to and included in the Fund on the relevant assignment date.

"Interest Accrual Period" shall mean the exact number of days elapsed between 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.

"IRNR Act" shall mean Legislative Royal Decree 5/2004, March 5, approving the Consolidation of the Non-Resident Income Tax Act.

"IRPF Act" shall mean Legislative Royal Decree 3/2004, March 5, approving the Consolidation of the Personal Income Tax Act.

"IRR" shall mean the internal rate of return as defined in section II.10.1.2 of the Circular.

"JPMORGAN" shall mean J.P. MORGAN SECURITIES LTD.

"Lead Managers" shall mean BBVA and JPMORGAN.

"Management Company" shall mean EUROPEA DE TITULIZACIÓN, S.A., SOCIEDAD GESTORA DE FONDOS DE TITULIZACIÓN.

"Maximum Credit Right Amount" shall mean the maximum amount of the Outstanding Balance of the Credit Rights pooled in the Fund, which shall be EUR one billion (1,000,000,000.00).

"Moody's" shall mean both Moody's Investors Service España, S.A. and Moody's Investors Service Limited, the holding company to which Moody's Investors Service España, S.A. is affiliated.

"NATEXIS BANQUES POPULAIRES" shall mean NATEXIS BANQUES POPULAIRES S. A.

"Nominal Interest Rate" shall mean the nominal interest rate, variable quarterly and payable quarterly, applicable to each of the 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 II.10.1.2 of the Offering Circular.

"Non-Doubtful Credit Rights" shall mean Credit Rights that are not deemed to be Doubtful Credit Rights on a given date.

"Obligors" shall mean the Loan borrowers.

"**Offer Dates**" shall mean the dates falling on the fourth (4^{th}) Business Day preceding each of the Payment Dates in the Revolving Period on which Additional Credit Rights should be acquired.

"Offer Request Dates" shall mean the dates falling on the sixth (6^{th}) Business Day preceding each of the Payment Dates in the Revolving Period on which Additional Credit Rights should be acquired.

"Originator" shall mean BBVA.

"Outstanding Balance of the Credit Rights" shall mean the sum of outstanding capital or principal and overdue capital or principal not paid into the Fund for each and every one of the Credit Rights.

"Outstanding Principal Balance of the Bond Issue" shall mean the sum of the Outstanding Principal Balances of the three Series A, B and C making up the Bond Issue.

"Outstanding Principal Balance of the Series" shall mean the sum of the outstanding principal to be repaid (outstanding balance) on a given date on all the Bonds making up the Series.

"Paying Agent" shall mean the firm servicing the Bonds. The Paying Agent shall be BBVA.

"Payment Date" shall mean March 20, June 20, September 20 and December 20 in each year or, as the case may be, the following Business Day if any of those is not a Business Day. The first Payment Date shall be December 20, 2004.

"Loans" shall mean the loans owned by and shown on the assets of BBVA granted to individuals resident in Spain for financing the acquisition of new motor cars , which are assigned to the Fund.

"Principal Account" shall mean the financial account in euros at BBVA in the Fund's name, in accordance with the provisions of the Guaranteed Interest Rate Account (Principal Account) Agreement, for paying in the remaining Available Principal Fund amounts not applied to acquiring Additional Credit Rights.

"Principal Deficiency" shall mean, on a Payment Date the existing positive difference between (i) the positive difference, if any, between the Outstanding Principal Balance of the Bond Issue on the Determination Date preceding the relevant Payment Date and the Outstanding Balance of Non-Doubtful Credit Rights, and (ii) the Available Principal Funds.

"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 Available Principal Funds.

“Rating Agencies” shall mean Moody’s and S&P.

“Reference Rate” shall mean, other than for the first Interest Accrual Period, the three- (3-) month Euribor rate fixed at 11am (CET time) on the Interest Rate Fixing Date, or, if this Euribor rate should not be available or be impossible to obtain, then the substitute rates for which provision is made in section II.10.1.3 of the Offering Circular. The Reference Rate for the first Interest Accrual Period shall mean the result of a straight-line interpolation, taking into account the number of days in the first Interest Accrual Period, between the one- (1-) month Euribor rate and the three- (3-) month Euribor rate, fixed at 11am (CET time) on the second Business Day preceding the Closing Date, or, upon the failure or impossibility to obtain these Euribor rates, the substitute rates for which provision is made in section II.10.1.3 of the Offering Circular.

“Required Cash Reserve” shall mean the lower of the following amounts on each Payment Date: (i) EUR twenty million (20,000,000.00) and (ii) the higher of: a) 4.00% of the Outstanding Principal Balance of the Bond Issue, and b) 1.00% of the face amount of the Bond Issue.

“Revolving Period” shall mean each of the Payment Dates in the period comprised between the first Payment Date, December 20, 2004, and the Payment Date falling on September 20, 2006, 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 291/1992” shall mean Royal Decree 291/1992, March 27, on Issues of and Public Offerings for the Sale of Securities, as reworded by Royal Decree 2590/1998, December 7.

“Royal Decree 926/1998” shall mean Royal Decree 926/1998, May 14, regulating asset securitisation funds and securitisation fund management companies.

“S&P” shall mean both Standard & Poor’s España, S.A. and Standard & Poor’s Rating Services, the holding company to which Standard & Poor’s España, S.A. is affiliated.

“Second Principal Fund” shall mean, on a Payment Date, withholding in the application of Available Funds the following amounts:
a) On any Payment Date other than the Fund liquidation date or last Payment Date, an amount equal to the lower of the following amounts:
1. The Outstanding Principal Balance of Series B on the Determination Date preceding the relevant Payment Date.
2. The positive difference between: (i) the sum of the Outstanding Principal Balance of Series A and of Series B on the Determination Date preceding the relevant Payment Date; and (ii) the sum of: a) the Outstanding Balance of Non-Doubtful Credit Rights and b) the Principal Account balance on the Determination Date preceding the relevant Payment Date.
b) On the Fund liquidation date or last Payment Date, the positive difference, on the Determination Date preceding this date, between (i) the Outstanding Principal Balance of Series B and (ii) the positive difference between the Principal Account balance and the Outstanding Principal Balance of Series A.

“Securities Market Act” shall mean Securities Market Act 24/1988, July 28, amended by Act 37/1998, November 16, and by Act 44/2002, November 22.

“Series A Bonds” shall mean the Series A Bonds issued by the Fund having a total face amount of EUR nine hundred and fifty million (950,000,000.00) comprising nine thousand five hundred (9,500) Bonds having a unit face value of EUR one hundred thousand (100,000).

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

“Series B Bonds” shall mean the Series B Bonds issued by the Fund having a total face amount of EUR twenty-three million (23,000,000.00) comprising two hundred and thirty (230) Bonds having a unit face value of EUR one hundred thousand (100,000).

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

“Series C Bonds” shall mean the Series C Bonds issued by the Fund having a total face amount of EUR twenty-seven million (27,000,000.00) comprising two hundred and seventy (270) 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 servicing and managing the Loans under the Credit Right Servicing Agreement, i.e. BBVA.

“Servicing Agreement” shall mean the Credit Right Servicing Agreement.

“SOCIÉTÉ GÉNÉRALE” shall mean SOCIÉTÉ GÉNÉRALE Sucursal en España.

“Start-Up Loan Agreement” shall mean the commercial loan agreement entered into by the Management Company, for and on behalf of the Fund, and BBVA.

“Start-Up Loan” shall mean the loan granted by BBVA to the Fund, in accordance with the provisions of the Start-Up Loan Agreement.

“Subscription Period” shall mean the period comprised between 1pm (CET time) on October 26, 2004 and 3pm (CET time) on the same day.

“Systems Company” shall mean Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.

“Third Principal Fund” shall mean, on a Payment Date, withholding in the application of Available Funds, the following amounts:
a) On any Payment Date other than the Fund liquidation date or last Payment Date, an amount equal to the lower of the following amounts:
1. The Outstanding Principal Balance of Series C on the Determination Date preceding the relevant Payment Date.
2. The positive difference between: (i) the Outstanding Principal Balance of the Bond Issue on the Determination Date preceding the relevant Payment Date; and (ii) the sum of: a) the Outstanding Balance of Non-Doubtful Credit Rights and b) the Principal Account balance on the Determination Date preceding the relevant Payment Date.
b) On the Fund liquidation date or last Payment Date, the positive difference, on the Determination Date preceding this date, between (i) the Outstanding Principal Balance of Series C and (ii) the positive difference between the Principal Account balance and the sum of the Outstanding Principal Balance of Series A and of Series B.

“Treasury Account” shall mean the financial account in euros 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, JPMORGAN, CAIXA CATALUNYA, CALYON, DRESDNER KLEINWORT WASSERSTEIN, FORTIS BANK, NATEXIS BANQUES POPULAIRES and SOCIÉTÉ GÉNÉRALE.

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