STANDARD & POOR'S

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ABS Presale Report

BBVA Autos 1 Fondo de Titulización de Activos

€1 Billion Floating-Rate Asset-Backed Notes

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Class	Prelim. rating*	Prelim. amount (Mil. €)	Available credit support (%)	Interest	Legal final maturity
A	AAA	950	7.0	Three-month EURIBOR plus a margin	June 2016
B	AA	23	4.7	Three-month EURIBOR plus a margin	June 2016
C	A	27	2.0	Three-month EURIBOR plus a margin	June 2016

**The rating on each class of securities is preliminary as of Sept. 29, 2004 and subject to change at any time. Final credit ratings are expected to be assigned on the closing date subject to a satisfactory review of the transaction documents and legal opinion, and completion of a corporate overview. Standard & Poor's ratings address timely interest and ultimate principal.*

Transaction Profile	
Originator	Banco Bilbao Vizcaya Argentaria, S.A.
Arranger	Banco Bilbao Vizcaya Argentaria, S.A. and J.P. Morgan
Seller and servicer	Banco Bilbao Vizcaya Argentaria, S.A.
Fund manager	Europea de Titulización S.A., Sociedad Gestora de Fondos de Titulización
Subordinated credit facility provider	Banco Bilbao Vizcaya Argentaria, S.A.
Interest swap counterparty	Banco Bilbao Vizcaya Argentaria, S.A.
GIC provider	Banco Bilbao Vizcaya Argentaria, S.A.
Transaction account provider	Banco Bilbao Vizcaya Argentaria, S.A.
Collection account provider	Banco Bilbao Vizcaya Argentaria, S.A.

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

Transaction Key Features	
Expected closing date	Oct. 22, 2004
Collateral	Portfolio of loans granted to individuals for the purpose of buying a new car
Principal outstanding (Mil. €)	1,349.9
Country of origination	Spain
Concentration (%)	Andalucia (20.6); Catalonia (17.3); and Valencia (15.0)
Average loan size balance (€)	8,293
Loan size range (€)	601-58,543
Weighted-average seasoning (months)	27.7
Weighted-average asset life remaining (years)	4.52
Weighted-average interest rate (%)	7.7
Redemption profile	Fully amortizing
Excess spread at closing	3% guaranteed by swap
Revolving period	Dec. 20, 2004 to Sept. 20, 2006

Transaction Summary

Banco Bilbao Vizcaya Argentaria, S.A. (BBVA) is one of the primary lenders in the Spanish financial arena. The portfolio to be securitized consists of unsecured performing loans made to individuals resident in Spain for the purpose of purchasing a new car. The preliminary ratings reflect:

- The protection for the noteholders provided by the levels of subordination and excess spread;
- Standard & Poor's analysis on the portfolio of assets;
- The suitability of the servicer to perform its role in the transaction; and
- The sound payment structure of the transaction.

Notable Features

This transaction is BBVA's first securitization of auto loans, although BBVA is not new to the securitization market. The portfolio to be securitized accounts for 45% of BBVA's total auto loan portfolio (excluding other types of financing offered by the BBVA group) and was originated between February 1997 and February 2004.

The key features of this transaction include the following:

- There will be no fully funded cash reserve at closing. Instead, an undrawn subordinated credit line will be made available by BBVA, which may be used as credit enhancement to all classes of notes. Although the credit line is undrawn, it will serve the same purpose as a cash reserve, but will rely on the rating on BBVA.
- The swap counterparty will pay the servicing fee.
- There is a two-year revolving period during which any principal collections will be used to purchase new loans subject to eligibility criteria.

Strengths, Concerns, and Mitigating Factors

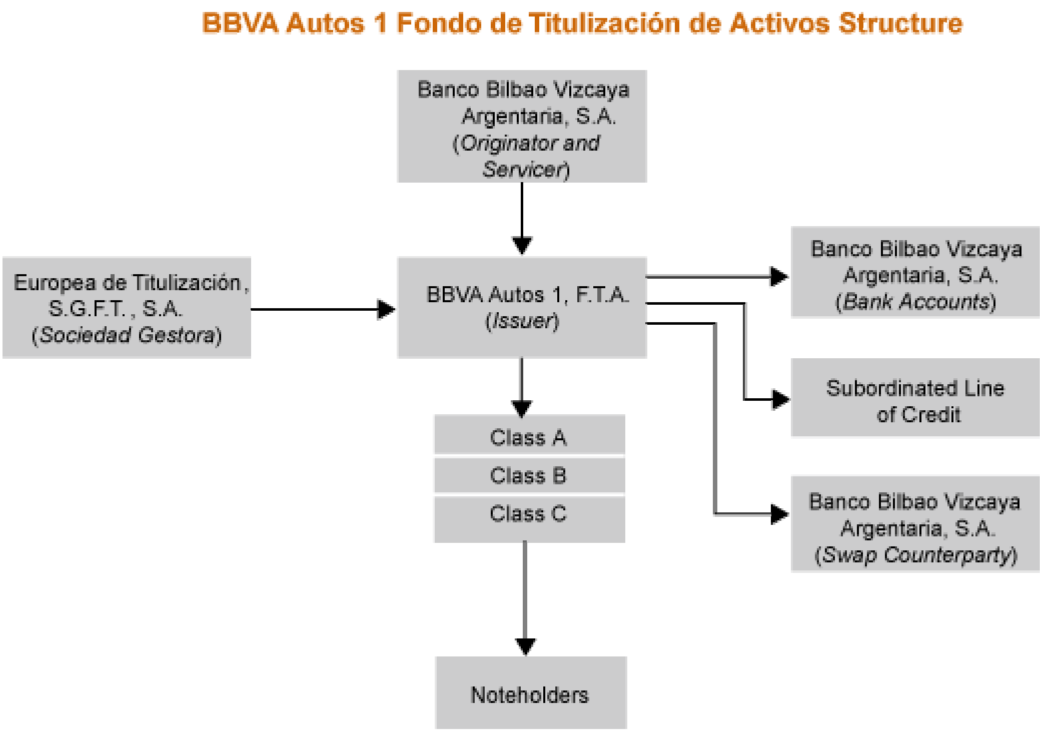
Strengths
• BBVA is one of the leading lenders in the Spanish loan market. • All of the loans are performing, with no arrears at closing. • The weighted-average seasoning of the portfolio is 27.7 months and the weighted-average interest rate is 7.7%. • Principal collections can be used to pay interest on all classes of interest, although in some circumstances payment of class B and C note interest will be subordinated to a lower position in the priority of payments.

Concerns
• There is a two-year revolving period, which can potentially alter the credit quality and characteristics of the portfolio. • The subordinated credit facility is amortizing. • The loans pay a fixed rate of interest but the notes pay a floating rate of interest. • BBVA is a deposit-taking institution and all borrowers hold an account at BBVA. This gives rise to potential set-off issues in the event of BBVA's insolvency. • Collections from the securitized portfolio are collected into the same account as non-securitized loans.

Mitigating Factors
• The eligibility criteria ensure that the characteristics of the portfolio remain within established parameters during the revolving period. • The subordinated credit facility will not reduce for arrears in excess of 1% or if the subordinated credit facility or cash reserve (if formed) is not at its required level on the previous interest payment date. • The issuer and BBVA will enter into an interest rate swap agreement to hedge against any interest rate mismatch. • Set-off has been sized for in the cash flow analysis. • Collections from the securitized portfolio are collected into BBVA's account and transferred to a segregated account in the name of Fondo at BBVA on a weekly basis. Commingling has been taken into account in the cash flow analysis.

Transaction Structure

The structure of the transaction is shown in the following chart.



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

Revolving Period

The structure has in place a revolving period, which will begin on Dec. 20, 2004 and end on Sept. 20, 2006. During this time, all principal proceeds will be used to purchase new assets for the pool. The revolving period will terminate early if:

- Cumulative defaults (loans with arrears of more than 90 days) are greater than 2.5% of the outstanding balance of the assets;
- For two consecutive payment dates, the outstanding amount of the loans is less than 90.0% of the outstanding balance of the notes;
- There is termination under the swap and no replacement, guarantor, or alternative solution can be found within 30 business days;
- BBVA becomes insolvent; or
- BBVA becomes substituted as servicer.

Eligibility Criteria

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

- The borrower must be an individual and a Spanish resident.
- The maturity of the underlying loan must not fall after March 30, 2014.
- A minimum of two installments must have been paid, there are no pending arrears, and at least 5% of the initial principal has been repaid on the loan.
- The loan size must be between €500 and €60,000.
- All of the loans must be paid by direct debit.

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

- The weighted-average interest rate of the pool must be equal to or greater than 5%.
- The weighted-average seasoning of the pool must be equal to or greater than six months.
- The weighted-average life of the portfolio must be less than seven years.

Collateral Description

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

Table 1: Provisional Pool Data	
Number of receivables	162,758
Aggregate principal balance (€)	1,349,913,045.45
Average principal balance (€)	8,293
Weighted-average seasoning (months)	27.70
Weighted-average interest rate (%)	7.70
Range of interest rates (%)	4.14-11.50

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

All of the loans pay a fixed rate of interest, with the majority paying between 6.5% and 9.0%. The weighted-average interest rate is 7.7%. A minimum weighted-average interest rate of 5.0% is a condition of loan purchases under this transaction.

In terms of geographic diversification, the portfolio is mainly concentrated in Andalucia, Catalonia, and Valencia.

Credit Structure

Interest Rates

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

Cash Collection Arrangements

All borrowers will pay monthly in to an account held by BBVA. All collected amounts belonging to the Fondo will be transferred weekly into an account in the name of Fondo at BBVA.

Transaction Account and Reserve Account

A transaction account will be held in the name of Fondo at BBVA.

The reserve account will only be formed if the subordinated credit facility is fully drawn down as a result of the downgrade of BBVA below 'A-1+', and if a replacement or guarantor cannot be found. The reserve account will be held in the name of Fondo at BBVA, provided BBVA is rated at least 'A-1'.

Subordinated Credit Facility

A subordinated credit facility will be provided by BBVA and can be drawn on interest payment dates to cover senior fees and expenses of the Fondo, and interest and principal on all classes of notes.

At closing, the subordinated credit facility will be equal to 2% of the note balance, and on each interest payment date, it will be equal to the lower of:

- 2% of the initial note balance; and
- The greater of: (i) 4% of the outstanding note balance, and (ii) 1% of the initial note balance.

There will not be a reduction in the amount of the subordinated credit facility if arrears are greater than 1% of the outstanding balance of the performing loans, and if the subordinated credit facility (or reserve fund, if formed) is not at its required level.

If BBVA's rating is lowered below 'A-1+' and a guarantor or replacement provider cannot be found, the full amount of the subordinated credit facility will be drawn to form the cash reserve.

Interest Swap Agreement

Due to the fixed rate payable on the underlying loans and the floating rate payable on the notes, BBVA will provide a swap to mitigate any interest rate mismatch risk. Under the terms of the swap, the Fondo will pay all interest received on the portfolio to the swap counterparty and will receive the interest required on the notes plus 3% of the servicing fee payable on the portfolio.

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

Priority of Payments

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

- Senior fees and expense;
- Swap amounts (excluding termination costs if the swap counterparty is the defaulting party);
- Interest on the class A notes;
- Interest on the class B notes, unless deferred;
- Interest on the class C notes, unless deferred;
- Retention of amount into the primary amortization fund;
- Payment of B note interest if deferred;
- Retention of amount into the secondary amortization fund;
- Payment of C note interest if deferred; and
- Retention of amount into the tertiary amortization fund.

Deferral of the class B note interest to a lower place in the priority of payments will occur if the outstanding principal balance of the class A notes minus available funds after paying any senior items in the waterfall, including class B note interest, is greater than the performing asset balance, i.e., class B note interest will be subordinated if, by paying class B note interest, it will result in a class A principal deficiency.

Deferral of the class C note interest to a lower place in the priority of payments will occur if the outstanding principal balance of the class A and B notes minus available funds after paying any senior items in the waterfall, including class C note interest, is greater than the performing asset balance, i.e., class C note interest will be subordinated if, by paying class C note interest, it will result in a class A or B principal deficiency.

The purpose of the primary, secondary, and tertiary amortization funds is to start trapping excess cash as soon as possible so that the notes can be paid down if there are high defaults. The test used is an asset/liability test, which looks at the outstanding balance of the respective classes of notes and the performing balance of the assets.

Amortization of the Notes

After the revolving period, the notes will amortize sequentially.

Redemption of the Notes

The notes will redeem in full on the final interest payment date in June 2016.

Standard & Poor's Stress Test

The analysis of the underlying portfolio has been carried out in accordance with Standard & Poor's criteria for analyzing assets of this type.

Criteria Referenced

- "Global Interest Rate and Currency Swaps: Calculating the Collateral Required Amount" (published on Feb. 26, 2004).
- "Standard & Poor's Global Interest Rate and Swap Counterparty Rating Criteria Expanded" (published on Dec. 17, 2003).
- "Legal Criteria for Structured Finance Transactions" (published in April 2002).
- "European Consumer Finance Criteria" (published in March 2000).

Related Articles

- "Scope and Scale of European Asset-Backed Transactions Widen", (published on July 27, 2004).
- "Ratings Transitions 2003: Upgrades on the Rise as European Structured Finance Ratings' Stability Continues", (published on Jan. 15, 2004).

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

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