

PROSPECTUS

July 2015

# BBVA CONSUMO 7 FONDO DE TITULIZACIÓN

ISSUE OF ASSET-BACKED BONDS  
EUR 1,450,000,000

		<u>DBRS / MOODY'S</u>
Series A	EUR 1,239,700,000	A (sf) / Aa3 (sf)
Series B	EUR 210,300,000	BB (high) (sf) / B1 (sf)

Backed by receivables assigned and serviced by



*Lead Manager and Subscriber*



*Paying Agent*

**BBVA**

*Fund established and managed by*



edt Europea de  
Titulización  
Sociedad Gestora de Fondos de Titulización

Prospectus entered in the Registers of the Comisión Nacional del Mercado de Valores  
on July 23, 2015

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This document is a prospectus (the “**Prospectus**”) registered at the Comisión Nacional del Mercado de Valores (*National Securities Market Commission*) (“**CNMV**”), as provided for in Commission Regulation (EC) no. 809/2004 of April 29, 2004, implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements, as currently worded (“**Regulation 809/2004**”), and comprises:

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

## **RISK FACTORS**

### **1 Risks derived from the Issuer's legal nature and operations.**

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

BBVA CONSUMO 7 FONDO DE TITULIZACIÓN (the “**Fund**” and/or the “**Issuer**”) is a separate fund devoid of legal personality and, pursuant to Part III of Encouragement of Business Financing Act 5/2015, April 27 (“**Act 5/2015**”) setting out the legal system for securitisations, is managed by a management company, EUROPEA DE TITULIZACIÓN, S.A., SOCIEDAD GESTORA DE FONDOS DE TITULIZACIÓN (the “**Management Company**” or “**EUROPEA DE TITULIZACIÓN**”). The Fund shall be liable only for its obligations to its creditors with its assets.

The Fund shall have open-end revolving assets and closed-end liabilities. Its assets shall comprise the Initial Receivables to be acquired upon being established, and, revolving upon repayment of the Receivables, such Additional Receivables as may be acquired on each Payment Date during the Revolving Period, which shall end on the Payment Date falling on December 19, 2016, inclusive, unless terminated early in accordance with the provisions of section 2.2.2.2.1 of the Building Block.

The Management Company shall be applied the obligations laid down in article 26 of Act 5/2015, which include using its best endeavours and acting transparently in enforcing Bondholders’ and financiers’ interests, and servicing and managing the Receivables pooled in the Fund. No provision is made for a creditors’ meeting to be convened and the capacity to enforce Bondholders’ interests shall depend on the Management Company’s means.

#### **b) Forced substitution of the Management Company.**

In accordance with article 33 of Act 5/2015, where the Management Company is adjudged insolvent, it shall find a substitute management company. In any such event, if four months should have elapsed from the occurrence determining the substitution and no new management company should have been found willing to take over management, the Fund shall be liquidated early and the Bonds issued by the same and the Receivables shall be amortised and repaid early, as provided for in the Deed of Constitution and in this Prospectus.

#### **c) Limitation of actions.**

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

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

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

#### **d) Applicability of the Bankruptcy Act.**

Both BANCO BILBAO VIZCAYA ARGENTARIA S.A. (“**BBVA**” or the “**Originator**”) and the Management Company may be declared insolvent.

In particular, insolvency of the Originator could affect its contractual relationships with the Fund, in accordance with the provisions of Bankruptcy Act 22/2003, July 9, as currently worded (the “**Bankruptcy Act**”).

As for the transaction involving the assignment of the Receivables, the latter cannot be the subject of restitution other than by an action brought by the Originator's receivers, in accordance with the provisions of the Bankruptcy Act and after proving the existence of fraud in that transaction, all as set down in article 16.4 of Act 5/2015.

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

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

Section 3.3.1.3 of the Building Block provides that the Originator's assignment of the Receivables to the Fund will not be notified to the Obligors. However, in order to mitigate the consequences of the Originator being decreed insolvent on the rights of the Fund, in particular within the meaning of article 1527 of the Civil Code, in the event of insolvency, liquidation or substitution of the Originator as Servicer, or a termination process in terms of Credit Institution Restructuring and Termination and Investment Services Firms Act 11/2015, June 18 ("**Act 11/2015**"), or because the Management Company deems it reasonably justified, the Management Company may demand the Servicer to notify Obligors of the transfer to the Fund of the outstanding Receivables, and that Loan payments will only be effective as a discharge if made into the Treasury Account opened in the name of the Fund. However, both in the event of the Servicer failing to notify Obligors within five (5) Business Days of receiving the request and in the event of the Servicer becoming insolvent, the Management Company itself shall directly or, as the case may be, through a new servicer it shall have designated, notify the relevant Obligors.

In the event of insolvency of the Management Company, it must be replaced by another management company in accordance with the provisions of article 33 of Act 5/2015.

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

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

**e) Information sourced from a third party.**

The Fund will enter into agreements with BBVA for the provision of certain Bond services. These include the Start-Up Loan Agreement, the Subordinated Loan Agreement, the Bond Issue Paying Agent Agreement, the Guaranteed Interest Rate Account (Treasury Account) Agreement, the Guaranteed Interest Rate Account (Principal Account) Agreement, the Financial Intermediation Agreement and the Bond Issue Management and Subscription Agreement. In addition, BBVA shall be designated by the Management Company under the Receivables Servicing Agreement as servicer thereof.

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

## **2 Risks derived from the securities.**

### **a) Issue Price.**

The Bond Issue is made in order to be fully subscribed for by the Originator in order to have liquid assets available which may be used as security for Eurosystem transactions or be subsequently sold in the market, and, consequently, the terms of the Bond Issue are not an estimate of the prices at which those instruments could be sold in the secondary market or of the Eurosystem's valuations in due course for the purpose of using them as security instruments in its lending transactions to the banking system.

### **b) Liquidity.**

The Bond Issue shall be subscribed for by BBVA.

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

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

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

### **c) Yield and duration.**

Calculation of the yield (internal rate of return) of the Bonds in each Series contained in section 4.10 of the Securities Note is subject, inter alia, to assumed Receivable prepayment and delinquency rates that may not be fulfilled.

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

### **d) Late-payment interest.**

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

### **e) Subordination of the Bonds.**

Series B Bond interest payment and principal repayment are deferred with respect to Series A Bonds. There is however no assurance whatsoever that the subordination rules shall protect Series A and B Bondholders from the risk of loss.

The subordination rules among the different Series are established in the Priority of Payments and in the Fund Liquidation Priority of Payments in accordance with section 3.4.6 of the Building Block.

### **f) Deferment of interest.**

This Prospectus and all other supplementary documents relating to the Bonds provide for deferment in Series B Bond interest payment in the event of the circumstances provided for in section 3.4.6.2.1.2 of the Building Block being met.

Series A Bond interest will not be subject to these deferment rules.



**g) Bond Rating.**

The credit risk of the Bonds in each Series issued by the Fund has been assessed by the rating agencies DBRS and Moody's (the "**Rating Agencies**").

The Rating Agencies may revise, suspend or withdraw the final ratings assigned to the Bonds in each Series at any time, based on any information that may come to their notice.

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

**h) Ratings not confirmed.**

The Rating Agencies' failure to confirm the provisional ratings given to the Bonds in each Series by 2pm (CET) on July 28, 2015 shall be an event of termination of the establishment of the Fund and the Bond Issue.

**3 Risks derived from the assets backing the issue.**

**a) Receivable default risk.**

The holders of the Bonds issued by the Fund shall bear the risk of default on the Receivables pooled in the Fund.

BBVA, as Originator, shall accept no liability whatsoever for the Obligors' default of principal, interest or any other amount they may owe under the Receivables. Under article 348 of the Commercial Code and 1529 of the Civil Code, BBVA is liable to the Fund exclusively for the existence and lawfulness of the Loans, and for the personality with which the assignment is made. It will not be howsoever liable either directly or indirectly to guarantee that the transaction will be properly performed nor give any guarantees or security, nor indeed agree to repurchase the Receivables, other than the undertakings contained in section 2.2.9 of the Building Block regarding substitution of Receivables failing to conform, on the date of assignment to the Fund, to the representations contained in section 2.2.8 of the Building Block.

**b) Limited Liability.**

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

**c) Limited Hedging.**

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

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

**d) Receivable prepayment risk.**

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

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

**e) Delinquency.**

A 7.30% delinquency rate (delinquency rate of BBVA's retail loans at March 31, 2015) of the Outstanding Balance of Receivables within 17 months of the Fund being established and, in any event, the other assumed values referred to at the beginning of that section have been taken into account in calculating the amounts and details tabled in section 4.10 of the Securities Note. This delinquency rate would: (i) trigger early termination of the Receivables Revolving Period on the Payment Date falling on March 21, 2016, because neither March 19 nor March 20, 2016 are Business Days; and (ii) would not trigger a reduction of the Required Cash Reserve, as set down in section 3.4.2.2 of the Building Block. Additionally, assuming that 0.40% of the Outstanding Balance of the Receivables will fall in arrears monthly until the 7.30% delinquency rate is reached, Series B interest payment would be deferred in the Priority of Payments on the Payment Date falling on June 19, 2016, for CPRs of 7%, 8% and 9%, because the cumulative Outstanding Balance of Delinquent Receivables, reckoned at the amount of the Outstanding Balance at the Delinquent Loan classification date, since the Fund was established, exceeds 10.00% of the initial Outstanding Balance of the Receivables upon the Fund being established and the Bonds have not been fully amortised, as established in 3<sup>rd</sup> place of the Priority of Payments in section 3.4.6.2.2 of the Building Block.

**f) Nominal interest rate floor risk.**

Out of the selected loans, 6.95%, in terms of outstanding principal (99.01% of the floating-rate loans selected in terms of outstanding principal) have a nominal interest floor set limiting the downward variability of the applicable nominal interest rate. The nominal interest rate floors applicable to floating-rate loans selected at June 24, 2015 range between 1.26% and 4.00%.

**g) Geographical concentration risk.**

As detailed in section 2.2.2.1 j) of the Building Block, the Autonomous Communities having the largest concentration of the address of obligors of the loans selected to be assigned to the Fund upon being established are, as a percentage of the outstanding principal, as follows: Andalusia (19.05%), Catalonia (14.54%), Madrid (11.96%) and Valencian Community (10.91%), altogether representing 56.46%.

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

- That on the assignment date, the Outstanding Balance of the Receivables for Obligor domiciled in a same Autonomous Community is not in excess of twenty-five percent (25.00%) of the total Outstanding Balance of the Receivables.
- That on the assignment date, the Outstanding Balance of the Receivables for Obligor from the three (3) Autonomous Communities with the highest representation (Outstanding Balance) is not in excess of sixty percent (60.00%) of the total Outstanding Balance of the Receivables.

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

## **ASSET-BACKED SECURITIES REGISTRATION DOCUMENT**

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

### **1. PERSONS RESPONSIBLE**

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

Mr Mario Masiá Vicente, acting for and on behalf of EUROPEA DE TITULIZACIÓN, S.A., SOCIEDAD GESTORA DE FONDOS DE TITULIZACIÓN, the company sponsoring BBVA CONSUMO 7 FONDO DE TITULIZACIÓN, takes responsibility for the contents of this Registration Document.

Mr Mario Masiá Vicente, General Manager of the Management Company, is expressly acting for establishing the Fund pursuant to authorities conferred by the Board of Directors' Executive Committee on June 19, 2015.

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

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

### **2. STATUTORY AUDITORS**

#### **2.1 Fund's Auditors.**

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

The Fund's annual accounts shall be audited and reviewed every year by statutory auditors. The annual report referred to in article 35 of Act 5/2015, containing the Fund's annual accounts and their audit report, shall be filed with the CNMV.

The Management Company shall proceed to designate, for periods of not more than three (3) years, the statutory auditor who is for that period of time to audit the Fund's annual accounts, reporting that appointment to the 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. The Management Company shall duly notify the CNMV of that designation.

#### **2.2 Accounting policies used by the Fund.**

Income and expenditure will be accounted for by the Fund in accordance with the accounting principles applicable from time to time, currently set out mainly in CNMV Circular 2/2009, March 25, on Securitisation Fund accounting rules, annual accounts, public financial statements and non-public statistical information statements, as currently worded ("**Circular 2/2009**").

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

### **3. RISK FACTORS**

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

#### **4. INFORMATION ABOUT THE ISSUER**

##### **4.1 Statement that the Issuer shall be established as a securitisation fund.**

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

The Fund shall have open-end revolving assets and closed-end liabilities. Its assets shall comprise the Initial Receivables to be acquired upon being established, and, revolving upon repayment of the Receivables, such Additional Receivables as may be acquired on each Payment Date during the Revolving Period, which shall end on the Payment Date falling on December 19, 2016, inclusive, unless terminated early in accordance with the provisions of section 2.2.2.2.1 of the Building Block.

##### **4.2 Legal and commercial name of the Issuer.**

The Issuer's name is "BBVA CONSUMO 7 FONDO DE TITULIZACIÓN" and the following short names may also be used without distinction to identify the Fund:

- BBVA CONSUMO 7 FT
- BBVA CONSUMO 7 F.T.

##### **4.3 Place of registration of the Issuer and registration number.**

The place of registration of the Fund is the CNMV in Spain. The Fund has been entered in the Official Registers of the CNMV.

###### ***Companies Register***

For the record, the establishment of the Fund shall not be entered in the Companies Register, in pursuance of the facultative authority for which provision is made in article 22.5 of Act 5/2015.

##### **4.4 Date of establishment and existence of the Issuer.**

###### **4.4.1 Date of establishment of the Fund.**

The Management Company and BBVA, as Originator of the Receivables, shall proceed to execute on July 27, 2015 a public deed whereby BBVA CONSUMO 7 FONDO DE TITULIZACIÓN will be established, and the Fund will issue the Asset-Backed Bonds (the "**Deed of Constitution**").

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

As provided for in article 24 of Act 5/2015, the Deed of Constitution may be amended, upon request by the Management Company and subject to the requirements established in that article.

###### **4.4.2 Existence of the Fund.**

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

The Fund shall be in existence until September 19, 2028 or the following Business Day if that is not a Business Day (the "**Final Maturity Date**"), other than in the event of Early Liquidation before then as set forth in section 4.4.3 of this Registration Document or if any of the events laid down in section 4.4.4 hereof should occur.

#### **4.4.3 Early Liquidation of the Fund.**

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

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

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

- (ii) Where, in any event or circumstance whatsoever unrelated to the Fund's operations, a substantial alteration occurs or the financial balance of the Fund is permanently damaged. This event includes such circumstances as the existence of any change in the law or supplementary implementing regulations, the establishment of withholding obligations or other situations which might permanently affect the financial balance of the Fund.
- (iii) Mandatorily, in the event that the Management Company should be adjudged insolvent and/or have its licence to operate as a securitisation fund management company revoked by the CNMV, and if within a period of four months a new management company has not been designated in accordance with the provisions of section 3.7.1.3 of the Prospectus Building Block.
- (iv) If the Management Company should have the express consent and acceptance of all Bondholders and of all the Fund's lenders and other financial creditors there may be, as regards both payment of amounts resulting from, and the procedure for, Early Liquidation.
- (v) When a default occurs indicating a major permanent imbalance in relation to any of the Bond Series or that it is about to occur.
- (vi) Upon the lapse of eighteen (18) months from the date of the last maturity of the Receivables, even if they still have overdue amounts.

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

- (i) That Bondholders be given not less than fifteen (15) Business Days' notice, as prescribed in section 4.1.3.2 of the Building Block, of the Management Company's resolution to proceed to Early Liquidation of the Fund.
- (ii) That the Management Company previously advise the CNMV and the Rating Agencies of that notice.
- (iii) The notice of the Management Company's resolution to proceed to Early Liquidation of the Fund shall contain a description (i) of the event or events triggering Early Liquidation of the Fund, (ii) of the liquidation procedure, and (iii) of the manner in which the Bond payment obligations are to be honoured and settled in the Liquidation Priority of Payments.

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

- (i) Proceed to sell the Receivables remaining in the Fund at a reasonable market value price, initially not less than the sum of the principal still outstanding plus interest accrued and not paid on the relevant Receivables, subject to the provisions of paragraph (iv) below.
- (ii) Proceed to terminate such agreements as are not necessary for the Fund liquidation procedure.

- (iii) Be entitled to arrange for a loan, which shall be fully allocated to early amortisation of the Bonds in the Series then outstanding. Financial expenses due shall be paid and loan principal shall be repaid in accordance with the Liquidation Priority of Payments.
- (iv) Finally, both due to the preceding actions falling short and the existence of Receivables or other remaining assets of the Fund, the Management Company shall proceed to sell them and shall therefore invite a bid from at least five (5) entities who may, in its view, give a reasonable market price if the Early Liquidation Events should be other than (i) and (iv). The Management Company shall be bound to accept the best bid received for the Receivables and for the assets on offer. In order to set the reasonable market price, the Management Company may secure such valuation reports as it shall deem necessary.

In (i) and (iv) above, the Originator shall have a pre-emptive right and will therefore have priority over third parties, on such terms as may be established by the Management Company, to voluntarily acquire the Receivables and other of their assets still on the assets of the Fund, and in (iii) above, the Originator shall have priority to grant to the Fund, as the case may be, the loan designed for early amortisation of the Bonds in the Series then outstanding. To that end, the Management Company shall send the Originator a list of the assets and of third-party bids received, if any, and the latter may use that right for all of the Receivables and other remaining assets offered by the Management Company or the loan, within ten (10) Business Days of receiving said notice, and provided that its bid is at least equal to the best of the third-party bids, if any. The Originator shall notify the Management Company that the exercise of the pre-emptive right was subject to its usual credit revision procedures and that the exercise of the right is not designed to implicitly support securitisation.

- 4.4.3.4 The Management Company shall forthwith apply all proceeds from time to time from the sale of the Fund's assets to paying the various items, in such manner, amount and order as shall be requisite in the Liquidation Priority of Payments, other than the amounts, if any, drawn under the loan arranged for early amortisation of the Bonds in the outstanding Series, which shall be applied to honouring the payment obligations for the Bonds in those Series.

#### **4.4.4 Termination of the Fund.**

The Fund shall terminate in any case, and after the relevant legal procedure, where:

- (i) The Receivables pooled therein have been fully repaid and any other assets and securities making up its assets.
- (ii) All its liabilities have been paid in full.
- (iii) When the Early Liquidation procedure established in section 4.4.3 above is over.
- (iv) At all events, upon final liquidation of the Fund on the Final Maturity Date (on September 19, 2028 or the following Business Day if that is not a Business Day).
- (v) Upon the establishment of the Fund terminating in the event that the Rating Agencies should not confirm any of the provisional ratings assigned to each Bond Series as final ratings by 2pm CET on July 28, 2015. In this event, the Management Company shall terminate the establishment of the Fund, the assignment to the Fund of the Initial Receivables and the Bond issue.

In this case, termination of the establishment of the Fund shall be notified to the CNMV as soon as such is confirmed, and shall be publicised by means of the procedure specified in section 4.1.3.2 of the Building Block. Within not more than one (1) month after the occurrence of the event of termination, the Management Company shall execute a statutory declaration before a notary declaring that the Fund's obligations have been settled and terminated and that the Fund has terminated. However, the Management Company shall defray the Fund set-up and Bond issue expenses payable with the Start-Up Loan, and the Start-Up Loan agreement shall not be terminated but shall rather be cancelled after those amounts are settled, principal repayment being subordinated to fulfilment of all other obligations undertaken by the Management Company, acting for and on behalf of the Fund.

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

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

Upon a period of three (3) months elapsing from liquidation of the Fund's remaining assets and distribution of the Liquidation Available Funds, the Management Company shall execute a statutory declaration before a notary declaring (i) that the Fund has terminated, and the events prompting its termination, (ii) how Bondholders and the CNMV were notified, and (iii) how the Liquidation Available Funds were distributed in the Liquidation Priority of Payments; and all other appropriate administrative procedures being observed. The Management Company will submit that statutory declaration to the CNMV.

#### **4.5 Domicile, legal form and legislation applicable to the Issuer.**

In accordance with the provisions of article 15.1 of Act 5/2015, the Fund has no own legal personality and the Management Company is entrusted with establishing, managing and being the authorised representative of the Fund.

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

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

The establishment of the Fund is subject to Spanish Law and in particular is carried out pursuant to the legal system provided for by (i) Act 5/2015, (ii) Securities Market Act 24/1988, July 28, as currently worded (the "**Securities Market Act**"), (iii) Royal Decree 1310/2005, November 4, partly implementing Securities Market Act 24/1988, July 28, in regard to admission to trading of securities in official secondary markets, public offerings for sale or subscription and the prospectus required for that purpose, as currently worded ("**Royal Decree 1310/2005**"), (iv) Regulation 809/2004, and (v) all other legal and statutory provisions in force and applicable from time to time.

##### **4.5.1 Tax system of the Fund.**

In accordance with the provisions of article 15.1 of Act 5/2015, article 5.10 of Act 19/1992; article 7.1.h) of Corporation Tax Act 27/2014, November 27 ("**Act 27/2014**"), article 20.One.18 of Value Added Tax Act 37/1992, December 28, article 61 k of the Corporation Tax Regulations approved by Royal Decree 634/2015, July 30 ("**Corporation Tax Regulations**"), article 45.I.B).15 and 20.4 of the Consolidation of the Capital Transfer and Documents Under Seal Tax Act approved by Legislative Royal Decree 1/1993, September 24, and Personal Income Tax Act 35/2006, November 28, partly amending the Corporation, Non-Resident Income and Wealth Tax Acts, and all other applicable laws and provisions, the most relevant characteristics of each tax under the current tax system of the Fund are mainly as follows:

- (i) The establishment of the Fund and all transactions subject to the "corporate transactions" category of Capital Transfer and Documents under Seal Tax are exempt from that tax.
- (ii) Bond issue, subscription, transfer, repayment and redemption are not subject to or exempt from, as the case may be, payment of Value Added Tax and Capital Transfer and Documents Under Seal Tax.



- (iii) The Fund pays Corporation Tax, the taxable income being determined in accordance with the provisions of Title IV of Corporation Tax Act 27/2014, applying the general rate in force from time to time, which currently stands at 28% (25% for tax periods starting from 2016), and subject to common rules regarding tax credit, set-off of losses and other substantial constituent elements of the tax.

Rule 13 of CNMV Circular 2/2009, lays down the criteria based on which securitisation funds must make the relevant valuation adjustments for impairment in the value of financial assets. Article 13.1 of Act 27/2014, which applies to tax periods starting from January 1, 2015, lays down that the rules relating to the circumstances determining deductibility of valuation adjustments due to impairment in the value of debt instruments valued at their depreciated cost held by asset securitisation funds shall be established by way of regulations. Chapter III of the Corporation Tax Regulations refers to those circumstances. Additionally, pursuant to article 16.6 a) of Act 27/2014, the Fund shall not be applied the limitation regarding deductibility of financial expenses for tax periods starting from January 1, 2015.

- (iv) Returns on investments obtained by securitisation funds are subject to the general Corporation Tax withholding system, a particular feature being that article 61 k) of the Corporation Tax Regulations provides that “returns on mortgage participation certificates, loans or other receivables constituting securitisation fund income” shall not be liable to withholding.
- (v) The management and custody services provided to the Fund are exempt from Value Added Tax.
- (vi) The establishment and assignment of security is subject to the general tax system and no special provision is made for securitisation funds.
- (vii) Assignment of the Receivables to the Fund under an assignment certificate is a transaction subject to and exempt from Value Added Tax and no subject to Capital Transfer and Documents Under Seal Tax.
- (viii) The Fund shall be applied the reporting duties established by Additional Provision One of Credit Institution Arrangement, Supervision and Solvency Act 10/2014, June 26.

The procedure to satisfy those reporting duties is set out in Royal Decree 1065/2007, July 27, approving General Regulations for tax management and inspection actions and procedures and implementing rules common to procedures applicable to taxes, as currently worded.

#### **4.6 Issuer’s authorised and issued capital.**

Not applicable.

### **5. BUSINESS OVERVIEW**

#### **5.1 Brief description of the Issuer’s principal activities.**

The Fund’s activity is (i) to acquire a number of receivables owned by the Originator derived from loans granted to individuals resident in Spain (the “**Obligors**”) for retail purposes (which retail purposes shall be broadly construed, including, inter alia, financing the obligor’s expenses, the purchase of goods, including motor cars, or services) (the “**Loans**”), assigned by the Originator to the Fund (the “**Receivables**”), comprising the Receivables acquired by the Fund upon being established (the “**Initial Receivables**”) and the Receivables subsequently acquired during the Revolving Period (the “**Additional Receivables**”), and (ii) to issue asset-backed bonds (either the “**Asset-Backed Bonds**” or the “**Bonds**”) the underwritten subscription for which is designed to finance the acquisition of the Receivables.

Receivable interest and repayment income collected by the Fund shall be allocated quarterly on each Payment Date to paying Bond interest and other expenses and acquiring Additional Receivables during the Revolving Period and, upon the same ending, to repaying principal on the Asset-Backed Bonds issued in accordance with the specific terms of each Series into which the Issue of Asset-Back Bonds is divided, and in the order of priority established for Fund payments.

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

Additionally, the Fund may hold other amounts, real estate, assets, securities or rights received to pay for Receivable principal, interest or expenses, under a decision in any court or out-of-court proceedings instituted for collecting the Receivables.

## 5.2 Global overview of the parties to the securitisation program.

- EUROPEA DE TITULIZACIÓN, S.A., SOCIEDAD GESTORA DE FONDOS DE TITULIZACIÓN (“EUROPEA DE TITULIZACIÓN”) is the Management Company that will establish, manage and be the authorised representative of the Fund, has, together with BBVA, structured the financial terms of the Fund and the Bond Issue, and takes responsibility for the contents of the Prospectus.

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

TIN: A-80514466 Business Activity Code No.: 6630

Registered office: Calle Lagasca number 120, 28006 Madrid (Spain)

- BANCO BILBAO VIZCAYA ARGENTARIA, S.A. (“BBVA”) shall be the Lead Manager and Subscriber of the Bond Issue and also takes responsibility for the contents of the Securities Note.

Out of the functions and activities that lead managers may discharge in accordance with article 35.1 of Royal Decree 1310/2005, BBVA has, together with the Management Company, structured the financial terms of the Fund and the Bond Issue and will carry out all other actions and activities provided for in respect of the Lead Manager in the Securities Note.

In addition, BBVA shall be the originator of the Receivables to be acquired by the Fund and shall be the Fund's counterparty under the Guaranteed Interest Rate Account (Treasury Account), Guaranteed Interest Rate Account (Principal Account), Subordinated Loan, Start-Up Loan, Bond Paying Agent and Financial Intermediation Agreements. In addition, BBVA shall be designated by the Management Company under the Receivables Servicing Agreement as Servicer thereof.

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

TIN: A-48265169 Business Activity Code No.: 6419

Registered office: Plaza de San Nicolás number 4, 48005 Bilbao (Spain).

Principal places of business: Paseo de la Castellana number 81, 28046 Madrid (Spain).

Gran Vía number 1, 48001 Bilbao (Spain).

Paseo de Recoletos number 10, 28001 Madrid (Spain).

Calle de Saucedo number 28, 28050 Madrid (Spain).

Ratings for BBVA's short- and long-term unsecured and unsubordinated debt obligations assigned by the Rating Agencies, valid at the registration date of this Prospectus:

	DBRS Ratings	MOODY'S Ratings
<b>Short-term</b>	R-1 (low) (February 2015)	P-2 (June 2015)
<b>Long-term</b>	A (February 2015)	A3 (June 2015)
<b>Outlook</b>	Stable	Positive

- DBRS Ratings Limited (“**DBRS**”) is one of the Rating Agencies rating each Bond Issue Series.  
DBRS is a rating agency with place of business at 1 Minster Court, 10<sup>th</sup> Floor, Mincing Lane, London, EC3R 7AA, United Kingdom.  
DBRS Ratings Limited was registered and authorised on October 31, 2011 as a credit rating agency in the European Union in accordance with Regulation no. 1060/2009 of the European Parliament and of the Council of September 16, 2009 on credit rating agencies, as currently worded (“**Regulation 1060/2090**”).
- Moody’s Deutschland GmbH (“**Moody’s**”) is one of the Rating Agencies rating each Bond Issue Series.  
Moody’s is a rating agency with place of business at An der Welle 5, 60322 Frankfurt am Main, Germany.  
Moody’s Deutschland GmbH was registered and authorised on October 31, 2011 as a credit rating agency in the European Union in accordance with Regulation 1060/2009.
- The law firm J&A Garrigues, S.L.P. (“**Garrigues**”), an independent adviser, has provided legal advice for establishing the Fund and issuing the Bonds and has been involved in reviewing the legal, tax and contractual aspects of this Prospectus, the transaction and financial service agreements referred to herein, and the Deed of Constitution and the notarised certificate assigning the Initial Receivables.  
TIN: B-81709081  
Registered Office: Calle Hermosilla number 3, 28001 Madrid (Spain).
- Deloitte S.L. (“**Deloitte**”) has issued the audit report on certain features and attributes of a sample of all of BBVA’s selected loans from which the Initial Receivables will be taken to be assigned to the Fund upon being established.  
Deloitte is entered in the Official Register of Auditors (ROAC) of Spain under number S0692.  
TIN: B-79104469  
Registered Office: Plaza Pablo Ruiz Picasso s/n (Torre Picasso) 28020 Madrid (Spain).

BANCO BILBAO VIZCAYA ARGENTARIA, S.A. has an 87.86% interest in the share capital of EUROPEA DE TITULIZACIÓN.

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

## **6. ADMINISTRATION, MANAGEMENT AND SUPERVISORY BODIES**

The Management Company, EUROPEA DE TITULIZACIÓN, shall be responsible for managing and being the authorised representative of the Fund on the terms set in Act 5/2015, and other applicable laws, and on the terms of the Deed of Constitution and this Prospectus.

### **6.1 Incorporation and registration at the Companies Register.**

EUROPEA DE TITULIZACIÓN was incorporated in a public deed executed on January 19, 1993 before Madrid Notary Mr Roberto Blanquer Uberos, his document number 117, with the prior authorisation of the Economy and Finance Ministry, given on December 17, 1992, and entered in the Companies Register of Madrid at volume 5,461, book 0, folio 49, section 8, sheet M-89355, entry 1, on March 11, 1993; the company was re-registered as a Securitisation Fund Management Company, pursuant to an authorisation granted by a Ministerial Order dated October 4, 1999 and in a deed executed on October 25, 1999 before Madrid Notary Mr Luis Felipe Rivas Recio, his document number 3,289, which was entered under number 33 of the sheet opened for the Company in said Companies Register.

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

## 6.2 Audit.

The annual accounts of EUROPEA DE TITULIZACIÓN for the years ended December 31, 2014 and 2013 have been audited by the firm Deloitte.

In addition, Deloitte has audited BBVA's individual and consolidated annual accounts for the years ended December 31, 2014 and 2013.

## 6.3 Principal activities.

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

The following table itemises the 83 securitisation funds managed by EUROPEA DE TITULIZACIÓN at June 30, 2015, giving their date of establishment and the face amount of the bonds issued by those funds and their outstanding principal balances at that date.

Securitisation Fund	Establishment	Initial Bond Issue	Bond Issue Balance 30.06.2015		Bond Issue Balance 31.12.2014		Bond Issue Balance 31.12.2013
		EUR	EUR	Δ%	EUR	Δ%	EUR
<b>TOTAL</b>		<b>129,613,574,000.00</b>	<b>47,025,172,979.65</b>	<b>-2.68%</b>	<b>48,322,474,012.31</b>	<b>-1.65%</b>	<b>49,133,231,438.93</b>
BBVA RMBS 15 FTA	11/05/2015	3,280,000,000.00	3,280,000,000.00				
BBVA RMBS 14 FTA	24/11/2014	4,100,000,000.00	646,686,794.60	-7.62%	700,000,000.00		
BBVA CONSUMO 6 FTA	15/10/2014	300,000,000.00	300,000,000.00	0.00%	300,000,000.00		
BBVA RMBS 13 FTA	14/07/2014	4,100,000,000.00	3,951,211,758.50	-2.56%	4,054,904,797.00		
Rural Hipotecario XVII FTA	03/07/2014	101,124,000.00	96,071,238.00	-3.40%	99,457,227.00		
BANKIA PYME I FTA	20/12/2013	645,000,000.00	4,075,245,282.60	792.43%	456,645,261.75	-29.20%	645,000,000.00
BBVA RMBS 12 FTA	09/12/2013	4,350,000,000.00	347,640,790.65	-91.70%	4,187,915,628.75	-3.73%	4,350,000,000.00
Rural Hipotecario XVI FTA	24/07/2013	150,000,000.00	133,276,374.90	-4.57%	139,662,093.75	-5.81%	148,272,056.10
Rural Hipotecario XV FTA	18/07/2013	529,000,000.00	465,741,497.59	-3.93%	484,814,015.98	-6.48%	518,414,916.31
Rural Hipotecario XIV FTA	12/07/2013	225,000,000.00	196,055,642.25	-3.77%	203,745,377.25	-7.21%	219,567,390.75
BBVA Securitised Funding 1 FTA	11/03/2013	850,000,000.00	490,080,700.00	-20.82%	618,941,260.00	-27.18%	850,000,000.00
BBVA-9 PYME FTA	24/12/2012	470,000,000.00	177,170,600.00	-23.21%	230,732,440.00	-31.74%	338,028,200.00
BBVA RMBS 11 FTA	11/06/2012	1,400,000,000.00	1,235,716,969.20	-2.43%	1,266,508,185.60	-4.44%	1,325,381,979.60
BBVA EMPRESAS 6 FTA	19/12/2011	1,200,000,000.00	0.00	-100.00%	388,128,816.00	-37.36%	619,655,835.60
BBVA RMBS 10 FTA	20/06/2011	1,600,000,000.00	1,396,796,998.40	-2.06%	1,426,229,088.00	-3.81%	1,482,672,745.60
BBVA Empresas 5 FTA	14/03/2011	1,250,000,000.00	0.00	-100.00%	298,691,622.50	-40.06%	498,323,067.50
MBS BANCAJA 8 FTA	23/12/2010	450,000,000.00	321,657,168.15	-4.89%	338,179,213.35	-8.65%	370,186,599.60
MBS BANCAJA 7 FTA	23/07/2010	875,000,000.00	628,010,169.50	-4.72%	659,102,417.75	-8.49%	720,262,109.00
BBVA Empresas 4 FTA	19/07/2010	1,700,000,000.00	223,061,590.00	-15.90%	265,234,340.00	-33.40%	398,249,990.00
BBVA RMBS 9 FTA	19/04/2010	1,295,000,000.00	1,023,825,057.50	-2.45%	1,049,546,736.00	-4.89%	1,103,462,118.50
BBVA Empresas 3 FTA	21/12/2009	2,600,000,000.00	0.00	-100.00%	294,408,790.00	-33.05%	439,738,039.00
BBVA Consumo 4 FTA	09/12/2009	1,100,000,000.00	101,024,284.20	-28.52%	141,336,325.74	-46.10%	262,215,498.26
Rural Hipotecario XII FTA	04/11/2009	910,000,000.00	583,891,904.62	-4.57%	611,858,310.04	-9.14%	673,419,648.70
Bancaja Leasing 1 FTA	22/10/2009	800,000,000.00	0.00	-100.00%	319,456,678.40	-14.59%	374,048,518.40
VAL Bancaja 1 FTA	27/05/2009	300,000,000.00	202,371,163.71	-3.67%	210,085,961.20	-8.29%	229,064,138.92
Bancaja - BVA VPO 1 FTA	03/04/2009	390,000,000.00	232,186,086.18	-6.17%	247,462,436.70	-9.96%	274,831,794.06
BBVA Empresas 2 FTA	09/03/2009	2,850,000,000.00	0.00	-100.00%	467,802,534.00	-26.84%	639,446,570.16
Rural Hipotecario XI FTA	25/02/2009	2,200,000,000.00	1,216,593,266.02	-5.01%	1,280,789,455.33	-11.68%	1,450,215,066.30
MBS Bancaja 6 FTA	02/02/2009	1,000,000,000.00	542,068,494.40	-5.73%	574,990,999.20	-12.07%	653,910,560.80
Valencia Hipotecario 5 FTA	17/12/2008	500,000,000.00	0.00	-100.00%	0.00	-100.00%	330,907,388.00
Bancaja 13 FTA	09/12/2008	2,895,000,000.00	1,897,811,683.68	-4.13%	1,979,541,090.67	-8.43%	2,161,749,298.81
Bankinter 4 FTPYME FTA	15/09/2008	400,000,000.00	0.00	-100.00%	128,074,630.80	-19.01%	158,137,683.40
BBVA-8 FTPYME FTA	21/07/2008	1,100,000,000.00	106,603,085.05	-15.53%	126,199,991.09	-27.12%	173,169,886.34
Rural Hipotecario X FTA	25/06/2008	1,880,000,000.00	970,654,754.88	-5.40%	1,026,081,080.64	-11.26%	1,156,267,798.08
BBVA RMBS 5 FTA	26/05/2008	5,000,000,000.00	2,928,922,640.00	-3.04%	3,020,881,760.00	-6.40%	3,227,376,510.00
BBVA Consumo 3 FTA	14/04/2008	975,000,000.00	37,911,498.30	-33.21%	56,758,531.05	-49.32%	111,989,597.85
BBVA-7 FTGENCAT FTA	11/02/2008	250,000,000.00	0.00	-100.00%	24,089,271.93	-32.03%	35,441,609.49
Bankinter 3 FTPYME FTA	12/11/2007	617,400,000.00	166,836,992.91	-8.54%	182,417,746.68	-17.31%	220,597,490.40
BBVA Empresas 1 FTA	05/11/2007	1,450,000,000.00	0.00	-100.00%	82,683,965.43	-40.92%	139,961,241.60

Securitisation Fund	Establishment	Initial Bond Issue	Bond Issue Balance 30.06.2015		Bond Issue Balance 31.12.2014		Bond Issue Balance 31.12.2013
		EUR	EUR	Δ%	EUR	Δ%	EUR
FTPYME Bancaja 6 FTA	26/09/2007	1,027,000,000.00	118,037,559.61	-7.83%	128,068,213.30	-20.36%	160,802,572.30
BBVA RMBS 3 FTA	23/07/2007	3,000,000,000.00	1,966,226,630.40	-2.47%	2,015,955,352.05	-4.67%	2,114,644,751.25
PYME Valencia 1 FTA	20/07/2007	865,300,000.00	121,945,015.24	-11.32%	137,506,288.24	-16.09%	163,880,066.56
Bancaja 11 FTA	16/07/2007	2,022,900,000.00	1,090,426,021.30	-3.77%	1,133,098,438.30	-7.22%	1,221,245,867.90
BBVA Leasing 1 FTA	25/06/2007	2,500,000,000.00	204,033,425.56	-13.43%	235,699,104.22	-24.79%	313,382,311.36
BBVA-6 FTPYME FTA	11/06/2007	1,500,000,000.00	82,600,000.00	-7.16%	88,974,145.20	-35.23%	137,376,852.64
BBVA Finanzia Autos 1 FTA	30/04/2007	800,000,000.00	26,656,925.28	-33.51%	40,094,060.64	-45.77%	73,932,260.00
MBS Bancaja 4 FTA	27/04/2007	1,873,100,000.00	714,785,094.24	-6.70%	766,124,623.20	-11.74%	867,987,260.66
Rural Hipotecario IX FTA	28/03/2007	1,515,000,000.00	669,151,450.79	-5.18%	705,739,038.64	-10.86%	791,709,372.12
BBVA RMBS 2 FTA	26/03/2007	5,000,000,000.00	2,601,603,600.00	-3.78%	2,703,754,320.00	-6.91%	2,904,606,720.00
BBVA RMBS 1 FTA	19/02/2007	2,500,000,000.00	1,344,975,100.00	-3.35%	1,391,627,020.00	-6.14%	1,482,708,080.00
Bancaja 10 FTA	26/01/2007	2,631,000,000.00	1,270,781,900.50	-4.20%	1,326,517,363.00	-7.60%	1,435,645,285.20
BBVA Consumo 2 FTA	27/11/2006	1,500,000,000.00	0.00	-100.00%	44,377,144.25	-57.42%	104,216,127.62
Ruralpyme 2 FTPYME FTA	24/11/2006	617,050,000.00	79,863,719.88	-12.35%	91,114,304.85	-19.20%	112,767,449.76
Bankinter 13 FTA	20/11/2006	1,570,000,000.00	762,683,314.25	-4.04%	794,787,388.38	-7.74%	861,501,919.44
Valencia Hipotecario 3 FTA	15/11/2006	911,000,000.00	367,740,647.51	-5.13%	387,613,678.29	-10.43%	432,726,740.07
BBVA-5 FTPYME FTA	23/10/2006	1,900,000,000.00	62,710,647.60	-19.53%	77,926,592.40	-31.77%	114,219,254.75
PYME Bancaja 5 FTA	02/10/2006	1,178,800,000.00	90,489,402.40	-7.49%	97,814,768.80	-15.48%	115,725,000.04
Bankinter 2 PYME FTA	26/06/2006	800,000,000.00	129,640,780.20	-10.01%	144,059,010.40	-18.49%	176,728,515.40
Consumo Bancaja 1 FTA	26/06/2006	612,900,000.00	13,727,187.84	-2.71%	14,109,264.00	-26.12%	19,097,366.40
Rural Hipotecario VIII FTA	26/05/2006	1,311,700,000.00	485,553,498.36	-6.23%	517,816,549.72	-10.82%	580,670,750.52
BBVA Consumo 1 FTA	08/05/2006	1,500,000,000.00	0.00	-100.00%	44,441,818.80	-47.82%	85,172,535.75
MBS Bancaja 3 FTA	03/04/2006	810,000,000.00	253,766,487.60	-6.38%	271,070,626.80	-10.70%	303,547,116.80
Bancaja 9 FTA	02/02/2006	2,022,600,000.00	692,753,820.00	-5.77%	735,186,500.00	-9.70%	814,198,420.00
BBVA Autos 2 FTA	12/12/2005	1,000,000,000.00	0.00	-100.00%	25,958,793.00	-56.85%	60,154,516.00
Valencia Hipotecario 2 FTH	07/12/2005	950,000,000.00	298,203,641.75	-6.40%	318,583,444.90	-11.47%	359,866,923.20
EdT FTPYME Pastor 3 FTA	05/12/2005	520,000,000.00	15,870,893.86	-17.06%	19,134,457.12	-22.62%	24,729,482.53
Bankinter 11 FTH	28/11/2005	900,000,000.00	366,577,998.13	-5.54%	388,092,908.26	-9.04%	426,679,902.45
Rural Hipotecario Global I FTA	18/11/2005	1,078,000,000.00	326,682,022.28	-6.25%	348,456,579.04	-12.45%	398,019,714.73
BBVA-4 PYME FTA	26/09/2005	1,250,000,000.00	0.00	-100.00%	26,234,779.96	-34.57%	40,098,493.32
Bankinter 10 FTA	27/06/2005	1,740,000,000.00	600,401,722.36	-5.30%	633,995,674.82	-9.24%	698,510,855.45
MBS Bancaja 2 FTA	27/06/2005	809,200,000.00	182,935,896.16	-7.33%	197,405,288.16	-11.92%	224,114,744.72
BBVA Hipotecario 3 FTA	13/06/2005	1,450,000,000.00	63,706,198.53	-18.24%	77,920,784.88	-32.56%	115,545,213.39
Rural Hipotecario VII FTA	29/04/2005	1,100,000,000.00	297,254,810.96	-6.69%	318,579,843.07	-12.65%	364,697,004.48
Bancaja 8 FTA	22/04/2005	1,680,100,000.00	494,528,957.54	-5.43%	522,901,610.80	-9.34%	576,751,213.18
Bankinter 9 FTA	14/02/2005	1,035,000,000.00	338,048,671.70	-5.92%	359,303,750.75	-9.61%	397,500,283.92
BBVA-3 FTPYME FTA	29/11/2004	1,000,000,000.00	0.00	-100.00%	14,556,430.62	-43.11%	25,587,706.14
FTPYME Bancaja 3 FTA	11/10/2004	900,000,000.00	24,953,252.78	-11.38%	28,157,405.16	-30.18%	40,329,875.20
Bancaja 7 FTA	12/07/2004	1,900,000,000.00	422,120,164.76	-6.46%	451,281,021.66	-10.92%	506,616,918.92
Rural Hipotecario VI FTA	07/07/2004	950,000,000.00	225,759,006.92	-7.07%	242,925,273.83	-12.10%	276,350,954.18
MBS Bancaja 1 FTA	17/05/2004	690,000,000.00	66,046,731.12	-10.99%	74,203,037.64	-18.23%	90,747,080.88
Valencia Hipotecario 1 FTA	23/04/2004	472,000,000.00	86,155,080.40	-9.17%	94,856,197.44	-15.45%	112,185,470.91
Bankinter 8 FTA	03/03/2004	1,070,000,000.00	256,562,388.15	-6.27%	273,725,519.01	-10.86%	307,088,538.01
Bankinter 7 FTH	18/02/2004	490,000,000.00	114,851,831.70	-7.18%	123,735,920.06	-10.94%	138,933,790.90
Bancaja 6 FTA	03/12/2003	2,080,000,000.00	338,430,737.32	-6.64%	362,498,652.36	-11.86%	411,270,258.36
Rural Hipotecario V FTA	28/10/2003	695,000,000.00	131,309,799.10	-7.07%	141,302,007.46	-12.91%	162,241,044.44
Bankinter 6 FTA	25/09/2003	1,350,000,000.00	317,929,625.85	-6.63%	340,516,051.33	-11.58%	385,119,051.45
FTPYME Bancaja 2 FTA	19/09/2003	500,000,000.00	14,631,682.90	-16.37%	17,495,991.65	-28.78%	24,565,274.15
Bancaja 5 FTA	14/04/2003	1,000,000,000.00	147,363,591.75	-7.00%	158,452,756.35	-12.83%	181,777,165.65
Bankinter 5 FTH	16/12/2002	710,000,000.00	125,141,659.46	-7.01%	134,578,816.09	-12.50%	153,811,878.94
Rural Hipotecario IV FTH	14/11/2002	520,000,000.00	69,222,825.85	-8.36%	75,534,772.01	-15.02%	88,889,509.18
Bancaja 4 FTH	05/11/2002	1,000,000,000.00	123,162,975.80	-7.57%	133,255,981.70	-13.76%	154,512,357.95
Bankinter 4 FTH	24/09/2002	1,025,000,000.00	173,579,033.19	-7.55%	187,754,100.50	-13.38%	216,756,691.49
Bancaja 3 FTA	29/07/2002	520,900,000.00	89,258,377.48	-10.97%	100,254,363.91	-19.68%	124,812,686.60
Rural Hipotecario III FTH	14/05/2002	325,000,000.00	31,770,287.20	-10.46%	35,482,878.37	-18.89%	43,748,303.86
Bankinter 3 FTH	22/10/2001	1,322,500,000.00	157,436,400.30	-8.37%	171,809,136.59	-15.36%	202,997,099.43

Securitisation Fund	Establishment	Initial Bond Issue	Bond Issue Balance 30.06.2015		Bond Issue Balance 31.12.2014		Bond Issue Balance 31.12.2013
		EUR	EUR	Δ%	EUR	Δ%	EUR
BCL Municipios I FTA	21/06/2000	1,205,000,000.00	0.00	-100.00%	61,540,080.00	-22.53%	79,440,630.00
Bankinter 2 FTH	25/10/1999	320,000,000.00	0.00	-100.00%	25,156,010.75	-17.04%	30,322,861.25

#### 6.4 Share capital and equity.

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

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

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

(EUR)	31.12.2014	Δ%	31.12.2013	Δ%	31.12.2012
<b>Equity</b>	<b>31,736,426.20</b>	<b>8.97%</b>	<b>29,122,908.50</b>	<b>11.74%</b>	<b>26,063,642.39</b>
Capital	1,803,037.50	0.00%	1,803,037.50	0.00%	1,803,037.50
Reserves	29,933,388.70	9.57%	27,319,871.00	12.61%	24,260,604.89
<i>Legal</i>	360,607.50	0.00%	360,607.50	0.00%	360,607.50
<i>Voluntary</i>	29,572,781.20	9.69%	26,959,263.50	12.80%	23,899,997.39
Previous financial year's result					
<b>Year's profit</b>	<b>3,851,783.77</b>	<b>-11.57%</b>	<b>4,355,862.83</b>	<b>-14.57%</b>	<b>5,098,776.85</b>

The Management Company' total equity and share capital are sufficient to carry on its business as required by article 29 d) of Act 5/2015.

#### 6.5 Existence or not of shareholdings in other companies.

There are no shareholdings in any other company.

#### 6.6 Administrative, management and supervisory bodies.

Under the articles of association, the General Shareholders' Meeting and the Board of Directors are entrusted with governing and managing the Management Company. Their duties and authorities are as prescribed for those bodies in the Companies Act and in Act 5/2015, in relation to the objects.

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

### **Board of Directors:**

The Board of Directors shall have the following membership:

<b>Chairman:</b>	Mr Sergio Fernández-Pacheco Ruiz-Villar <sup>(*) (**)</sup>
<b>Vice-Chairman:</b>	Mr Pedro María Urresti Laca <sup>(**)</sup>
<b>Directors (**):</b>	Mr Ignacio Echevarría Soriano <sup>(*) (**)</sup>
	Mr Carlos José Alsina Costa <sup>(*) (**)</sup>
	Mr Luis Manuel Megías Pérez <sup>(**)</sup>
	Mr Christian Terribas Sala <sup>(**)</sup>
	Mr Mario Masiá Vicente <sup>(*)</sup>
	Mr Antonio Muñoz Calzada, on behalf of Bankinter, S. A.
	Mr Ignacio Benlloch Fernández-Cuesta, on behalf of Banco Cooperativo Español, S.A.

**Non-Director Secretary:** Ms Belén Rico Arévalo

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

(\*\*) Proprietary Directors on behalf of BBVA.

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

### **General Manager.**

The Management Company's General Manager is Mr Mario Masiá Vicente.

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

Mr Sergio Fernández-Pacheco Ruíz-Villar, Mr Pedro María Urresti Laca, Mr Carlos José Alsina Costa, Mr Luis Manuel Megías Pérez, Mr Christian Terribas Sala and Mr Ignacio Echevarría Soriano are currently members of staff of BBVA, in turn the Originator of the assets to be pooled in the Fund, Lead Manager, Subscriber and Paying Agent of the Bond Issue and counterparty to the remaining agreements entered into by the Fund, represented by the Management Company. The following are the positions held in BBVA by the persons responsible for or directly involved in selecting the assets to be pooled in or financially structuring the Fund:

- Mr Ignacio Echevarría Soriano is currently Director, Capital and Securitizations Management at BBVA.

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

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

#### **6.9 Litigation in the Management Company.**

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

## 7. MAJOR SHAREHOLDERS

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

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

Name of shareholder company	Holding (%)
Banco Bilbao Vizcaya Argentaria, S.A.	87,86
J.P. Morgan España, S.A.	4,00
Banco de Sabadell, S.A.	3,07
Bankinter, S.A.	1,56
Banco Cooperativo Español, S.A.	0,81
Banco Popular Español, S.A.	0,78
CaixaBank, S.A.	0,77
BNP Paribas España, S.A.	0,77
Banco de Caja España de Inversiones, Salamanca y Soria, S.A.	0,38
<b>TOTAL</b>	<b>100,00</b>

For the purposes of Commercial Code article 42, EUROPEA DE TITULIZACIÓN is a member of BBVA Group.

EUROPEA DE TITULIZACIÓN has established an Internal Code of Conduct in fulfilment of the provisions of Chapter III of Royal Decree 217/2008, February 15, on the legal system of investment services companies and other undertakings providing investment services and partially amending the implementing Regulations of Undertakings for Collective Investment Act 35/2003, November 4, approved by Royal Decree 1309/2005, November 4, which has been notified to the CNMV.

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

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

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

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

Not applicable.

### 8.2 bis Historical financial information for issues of securities having a denomination per unit of at least EUR 100,000.

Not applicable.

### 8.3 Legal and arbitration proceedings.

Not applicable.

### 8.4 Material adverse change in the Issuer's financial position.

Not applicable.



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

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

No statement or report is included.

**9.2 Information sourced from a third party.**

No information sourced from a third party is included.

**10. DOCUMENTS ON DISPLAY**

**10.1 Documents on display.**

If necessary, the following documents or copies thereof shall be on display during the period of validity of this Registration Document and/or throughout the life of the Fund:

- a) the Deed of Constitution of the Fund and the notarised certificates assigning Receivables;
- b) the transcripts of the Management Company's and the Originator's corporate resolutions;
- c) this Prospectus;
- d) the audit report on certain features and attributes of a sample of all of BBVA's selected loans from which the Receivables will be taken in order to be assigned to the Fund upon being established and the audit report, as the case may be, on the Additional Receivables acquired during the years 2015 and 2016, in the Revolving Period, which remain outstanding at December 31 of each of those years;
- e) the letter from BBVA taking responsibility, with the Management Company, for the Securities Note (including the Building Block);
- f) the notarial certificate recording payment of the Bond Issue, once the Bond Issue is paid up;
- g) the annual reports and the quarterly reports provided for in article 35 of Act 5/2015;
- h) the Rating Agencies' letters notifying the provisional and final ratings assigned to each Bond Issue Series;
- i) the Management Company's annual accounts and the relevant audit reports; and
- j) the Management Company's articles of association and memorandum of association.

Those documents are physically on display at the registered office of EUROPEA DE TITULIZACIÓN at Madrid, calle Lagasca number 120.

Moreover, the Prospectus is also on display at the website of EUROPEA DE TITULIZACIÓN, at [www.edt-sg.com](http://www.edt-sg.com), and of the CNMV at [www.cnmv.es](http://www.cnmv.es).

The Deed of Constitution of the Fund is available at EUROPEA DE TITULIZACIÓN's website at [www.edt-sg.com](http://www.edt-sg.com) and is physically on display at the place of business of Iberclear in Madrid, Plaza de la Lealtad number 1, and at the CNMV's headquarters.

In addition, the documents listed in a) to g) are on display at the CNMV.

## **SECURITIES NOTE**

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

### **1 PERSONS RESPONSIBLE**

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

1.1.1 Mr Mario Masiá Vicente, acting for and on behalf of EUROPEA DE TITULIZACIÓN, S.A., SOCIEDAD GESTORA DE FONDOS DE TITULIZACIÓN, the company sponsoring BBVA CONSUMO 7 FONDO DE TITULIZACIÓN, takes responsibility for the contents of this Securities Note and of the Building Block.

Mr Mario Masiá Vicente, General Manager of the Management Company, is acting pursuant to authorities conferred by the Board of Directors' Executive Committee on June 19, 2015.

1.1.2 Ms Fátima Martín Calamardo and Mr Ángel María Tejada Calvo, duly authorised for these presents, acting for and on behalf of BANCO BILBAO VIZCAYA ARGENTARIA S.A., Lead Manager of the Bond Issue by BBVA CONSUMO 7 FONDO DE TITULIZACIÓN, take responsibility for the contents of this Securities Note (including the Building Block).

Ms Fátima Martín Calamardo is acting as attorney-in-fact for the Lead Manager BBVA using the powers conferred on her before Madrid Notary Mr Carlos Rives Gracia on December 22, 2014, his document number 2993.

Mr Ángel María Tejada Calvo is acting as attorney-in-fact for the Lead Manager BBVA using the powers conferred on him before Madrid Notary Mr Ramón Corral Beneyto on November 13, 2009, his document number 3090.

#### **1.2 Declaration by those responsible for the Securities Note.**

1.2.1 Mr Mario Masiá Vicente declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Securities Note (including the Building Block) is, to the best of his knowledge, in accordance with the facts and contains no omission likely to affect its import.

1.2.2 Ms Fátima Martín Calamardo and Mr Ángel María Tejada Calvo declare that, having taken all reasonable care to ensure that such is the case, the information contained in this Securities Note (including the Building Block) is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import.

### **2 RISK FACTORS**

The risk factors linked to the assets backing the Bond Issue are described in paragraph 3 of the preceding Risk Factors section of this Prospectus.

The other risk factors attached to the securities are described in paragraph 2 of the preceding Risk Factors section of this Prospectus.

### **3 KEY INFORMATION**

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

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

a) EUROPEA DE TITULIZACIÓN is the Fund Management Company.

- b) BBVA and EUROPEA DE TITULIZACIÓN have structured the financial terms of the Fund and the Bond Issue.
- c) BBVA is the Originator of the Receivables to be pooled in the Fund and shall be the Fund's counterparty under the Subordinated Loan, Start-Up Loan, Guaranteed Interest Rate Account (Treasury Account), Guaranteed Interest Rate Account (Principal Account) and Financial Intermediation Agreements. In addition, BBVA is involved as the Lead Manager and shall be the Subscriber of the Bond Issue and the Bond Issue Paying Agent, and shall be designated by the Management Company as the Servicer under the Receivables Servicing Agreement.
- d) GARRIGUES, as independent legal adviser, has provided legal advice for the establishment of the Fund and the Bond Issue and has been involved in reviewing the legal, tax and contractual elements of this Prospectus, the transaction and financial service agreements referred to herein, the Deed of Constitution and the notarised certificate assigning the Initial Receivables.
- e) Deloitte has prepared the audit report on certain features and attributes of a sample of all of BBVA's selected loans from which the Initial Receivables will be taken to be assigned to the Fund upon being established.
- f) DBRS and Moody's are the Rating Agencies that have assigned the ratings to each Bond Issue Series.

The Management Company is not aware of the existence of any other significant link or economic interest between the aforesaid institutions involved in the Bond Issue, other than as detailed in section 5.2 of the Registration Document.

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

##### **4.1 Total amount of the securities and underwriting.**

###### **4.1.1 Total amount of the securities.**

The total face value amount of the Issue of Asset-Backed Bonds (the "**Bond Issue**") is EUR one billion four hundred and fifty million (1,450,000,000.00), consisting of fourteen thousand five hundred (14,500) Bonds denominated in Euros and pooled in two Series, distributed as follows:

- i) Series A, with ISIN ES0305086003, having a total face amount of EUR one billion two hundred and thirty-nine million seven hundred thousand (1,239,700,000.00) comprising twelve thousand three hundred and ninety-seven (12,397) Bonds having a unit face value of EUR one hundred thousand (100,000), represented by means of book entries (either "**Series A**" or "**Series A Bonds**").
- ii) Series B, with ISIN ES0305086011, having a total face amount of EUR two hundred and ten million three hundred thousand (210,300,000.00) comprising two thousand one hundred and three (2,103) Bonds having a unit face value of EUR one hundred thousand (100,000), represented by means of book entries (either "**Series B**" or "**Series B Bonds**").

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

###### **4.1.2 Bond issue price.**

The Bonds are issued at 100 percent of their face value. The issue price of each Bond in Series A and B shall be EUR one hundred thousand (100,000.00) per Bond, clear of taxes and subscription costs for the subscriber through the Fund.

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

#### **4.1.3 Subscription for the Bond Issue.**

The Bond Issue shall be subscribed for by BBVA (the “**Subscriber**”) under the Bond Issue management and subscription agreement (the “**Management and Subscription Agreement**”) to be entered into with the Management Company for and on behalf of the Fund.

BBVA shall receive no fee for subscribing for the Bond Issue and shall pay to the Fund on the Closing Date, for same day value, the total price for subscribing for the Bonds at face value. BBVA shall receive no fees for leading the Bond Issue.

The Management and Subscription Agreement shall be fully terminated in the event that the Rating Agencies should not confirm the provisional ratings assigned to each Series as final ratings by 2pm CET on July 28, 2015.

#### **4.2 Description of the type and class of the securities.**

The Bonds legally qualify as marketable fixed-income securities with an explicit yield and are subject to the system prescribed in the Securities Market Act, and implementing regulations.

#### **4.3 Legislation under which the securities have been created.**

The establishment of the Fund and the Bond Issue are subject to Spanish Law and in particular are carried out in accordance with the legal system provided for by (i) Act 5/2015, (ii) the Securities Market Act and applicable implementing regulations, (iii) Royal Decree 1310/2005, (iv) Regulation 809/2004 and (v) all other legal and statutory provisions in force and applicable from time to time.

The Deed of Constitution, the Bond issue and the agreements relating to transactions for hedging financial risks and provision of services to the Fund shall be subject to Spanish Law and shall be governed by and construed in accordance with Spanish Laws.

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

The Bonds issued by the Fund will be exclusively represented by means of book entries, and will become such Bonds when entered at Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores S.A. Unipersonal (“**Iberclear**”), the institution in charge of the accounting record, in accordance with article 11 of Royal Decree 116/1992. In this connection, and for the record, the Deed of Constitution shall have the effects prescribed by article 6 of the Securities Market Act.

Iberclear, with place of business at Plaza de la Lealtad, no. 1, Madrid, shall be the institution designated in the Deed of Constitution to account for the Bonds in order for the Bonds to be cleared and settled in accordance with the operating rules regarding securities admitted to trading on the AIAF and represented by means of book entries, established now or henceforth by Iberclear or AIAF.

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

#### **4.5 Currency of the issue.**

The Bonds shall be denominated in Euros.

#### **4.6 Order of priority of the securities and extent of subordination.**

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

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

Payment of interest accrued by Series A Bonds is (i) second (2<sup>nd</sup>) in the application of Available Funds in the Priority of Payments established in section 3.4.6.2.1.2 of the Building Block, and (ii) third (3<sup>rd</sup>) in the application of Liquidation Available Funds in the Liquidation Priority of Payments established in section 3.4.6.3 of the Building Block.

Payment of interest accrued by Series B Bonds is (i) third (3<sup>rd</sup>) in the application of Available Funds in the Priority of Payments established in said section 3.4.6.2.1.2 of the Building Block, other than in the event provided for therein for the same to be deferred, in which case it shall be fifth (5<sup>th</sup>), and (ii) fifth (5<sup>th</sup>) in the application of Liquidation Available Funds in the Liquidation Priority of Payments established in section 3.4.6.3 of the Building Block.

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

The Principal Withholding amount designed for acquiring Additional Receivables and, after the Revolving Period ends, for amortising the Bonds as a whole is fourth (4<sup>th</sup>) in the application of Available Funds in the Priority of Payments established in section 3.4.6.2.1.2 of the Building Block.

Bond principal repayment in each Series shall take place in accordance with the rules for Distribution of Principal Available Funds contained in section 4.9.3.1.5 of this Securities Note and in section 3.4.6.2.2.2 of the Building Block.

Series A Bond principal repayment is fourth (4<sup>th</sup>) in the application of Liquidation Available Funds in the Liquidation Priority of Payments established in section 3.4.6.3 of the Building Block.

Series B Bond principal repayment is sixth (6<sup>th</sup>) in the application of Liquidation Available Funds in the Liquidation Priority of Payments established in section 3.4.6.3 of the Building Block.

**4.7 Description of the rights attached to the securities.**

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

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

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

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

All matters, disagreements, actions and claims arising out of the Management Company establishing, managing and being the authorised representative of BBVA CONSUMO 7 FONDO DE TITULIZACIÓN and the Bond Issue by the same shall be heard and ruled upon by the competent Spanish Courts and Tribunals in the city of Madrid.

#### 4.8 Nominal interest rate and provisions relating to interest payable.

##### 4.8.1 Bond nominal interest rate.

The Bonds in each Series shall, from the Closing Date until they mature fully, accrue fixed yearly nominal interest, payable quarterly, which shall be as established hereinafter for each Series.

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

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

##### 4.8.1.1 Interest accrual.

For interest accrual purposes, the duration of each Bond Series shall be divided into successive interest accrual periods (“**Interest Accrual Periods**”) comprising the exact number of days elapsed between every two consecutive Payment Dates, each Interest Accrual Period including the beginning Payment Date but not including the ending Payment Date. Exceptionally, the duration of the first Interest Accrual Period shall be equivalent to the exact number of days elapsed between the Closing Date, July 29, 2015, inclusive, and the first Payment Date, December 21, 2015, because neither December 19 nor December 20, 2015 are Business Days, exclusive.

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

##### 4.8.1.2 Nominal Interest Rate.

The Nominal Interest Rate applicable to the Bonds in each Series shall be:

- **For Series A:** 1.00% margin.
- **For Series B:** 1.50% margin.

##### 4.8.1.3 Formula for calculating interest.

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

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

*Where:*

*I = Interest payable on a given Payment Date or on the settlement date.*

*P = Outstanding Principal Balance of the Series at the Determination Date preceding that Payment Date or on the settlement date.*

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

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

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

Interest on the Bonds in each Series will be paid until finally amortised by Interest Accrual Periods in arrears on March 19, June 19, September 19 and December 19 in each year, or the following Business Day if any of those is not a Business Day (each of those dates, a “**Payment Date**”), and interest for the

then-current Interest Accrual Period will accrue until the aforementioned first Business Day, not inclusive, on the terms established in section 4.8.1.2 of this Securities Note.

The first interest Payment Date for the Bonds in each Series shall be December 21, 2015, because neither December 19 nor December 20, 2015 are Business Days, and interest will accrue at the applicable Nominal Interest Rate between the Closing Date, July 29, 2015, inclusive, and December 21, 2015, because neither December 19 nor December 20, 2015 are Business Days, exclusive.

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

- public holiday in the city of Madrid, or
- non-business day in the TARGET 2 calendar (or future replacement calendar).

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

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 or on the date on which the Fund is liquidated in the Liquidation Priority of Payments.

In the event that on a Payment Date the Fund should be unable to make full or partial payment of interest accrued on the Bonds in either Series, in the Priority of Payments, unpaid interest amounts shall be accumulated on the following Payment Date to interest in the actual Series, if any, payable 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.

Overdue interest amounts shall not earn additional or late-payment interest and shall not be accumulated to the Outstanding Principal Balance of the Bonds in the relevant Series.

The Fund, through its Management Company, may not defer Bond interest payment beyond September 19, 2028, the Final Maturity Date, or the following Business Day if that is not a Business Day.

The Bond Issue shall be serviced through the Paying Agent, and therefore the Management Company shall, for and on behalf of the Fund, enter into a Paying Agent Agreement with BBVA as set out in section 5.2.1 of this Securities Note.

#### **4.9 Maturity date and amortisation of the securities.**

##### **4.9.1 Bond redemption price.**

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

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

##### **4.9.2 Characteristics specific to the amortisation of each Bond Series.**

###### **4.9.2.1 Amortisation of Series A Bonds.**

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

The first partial amortisation of Series A Bonds shall occur on the Payment Date falling on March 19, 2017 or on a previous Payment Date in the event of early termination of the Receivables Revolving Period.

Notwithstanding partial or total amortisation resulting from partial amortisation as provided for in the preceding paragraph, final amortisation of Series A Bonds shall occur on the Final Maturity Date (September 19, 2028 or the following Business Day if that is not a Business Day), or before the Final Maturity Date, in accordance with the provisions of section 4.9.3.2 of this Securities Note, upon Early Liquidation and Early Amortisation of the Bond Issue, in both cases in the Liquidation Priority of Payments.

#### 4.9.2.2 **Amortisation of Series B Bonds.**

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

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

Notwithstanding partial or total amortisation resulting from partial amortisation as provided for in the preceding paragraph, final amortisation of Series B Bonds shall occur on the Final Maturity Date (September 19, 2028 or the following Business Day if that is not a Business Day), or before the Final Maturity Date, in accordance with the provisions of section 4.9.3.2 of this Securities Note, upon Early Liquidation and Early Amortisation of the Bond Issue, in both cases in the Liquidation Priority of Payments.

#### 4.9.3 **Common characteristics applicable to Bond amortisation in each Series.**

##### 4.9.3.1 **Partial amortisation.**

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

##### 4.9.3.1.1 **Determination Dates and Determination Periods.**

Determination dates (the “**Determination Dates**”) will be the dates falling on the seventh (7<sup>th</sup>) Business Day preceding each Payment Date on which the Management Company on behalf of the Fund will make all necessary calculations to distribute or withhold the Available Funds and the Principal Available Funds which the Fund shall dispose of on the relevant Payment Date, in the Priority of Payments. The first Determination Date shall be December 10, 2015.

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

- (i) the duration of the first Determination Period shall be equal to the days elapsed between the date of establishment of the Fund, inclusive, and the first Determination Date, December 10, 2015, inclusive, and
- (ii) the duration of the last Determination Period shall be equal to the days elapsed a) until the Final Maturity Date or the date on which Early Liquidation of the Fund concludes, as provided for in section 4.4.3 of the Registration Document, on which the Receivables and the assets remaining in the Fund have been liquidated and all the Liquidation Available Funds have been distributed in the Liquidation Priority of Payments of the Fund, b) from the Determination Date preceding the Payment Date preceding the date referred to in a), including the first date a) but not including the last date b).

##### 4.9.3.1.2 **Outstanding Principal Balance of the Bonds.**

The outstanding principal balance (the “**Outstanding Principal Balance**”) of a Series shall be the sum of the principal pending repayment (outstanding balance) at a date of all the Bonds making up that Series.



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

#### 4.9.3.1.3 **Principal Withholding on each Payment Date.**

On each Payment Date, the Available Funds shall be used in fourth (4<sup>th</sup>) place in the Priority of Payments for withholding the amount designed for acquiring Additional Receivables and, after the Revolving Period ends, for amortising the Bonds as a whole ("**Principal Withholding**"), in an amount equal to the positive difference, if any, on the Determination Date preceding the relevant Payment Date, between (i) the Outstanding Principal Balance of the Bond Issue, and (ii) the sum of a) the Outstanding Balance of Non-Doubtful Receivables and b) the Principal Account balance.

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

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

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

- a) the Principal Withholding amount actually applied in fourth (4<sup>th</sup>) place of the Available Funds on the relevant Payment Date, and
- b) until the Payment Date next succeeding the end of the Revolving Period, inclusive, the Principal Account balance.

#### 4.9.3.1.5 **Distribution of Principal Available Funds.**

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

1. During the Receivables Revolving Period, the Principal Available Funds shall be applied to payment of the assignment price comprising the face value of the outstanding capital or principal of the Additional Receivables acquired by the Fund on the relevant Payment Date.

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

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

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

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

#### 4.9.3.3 **Final Maturity Date.**

The final maturity date (the "**Final Maturity Date**") and consequently final amortisation of the Bonds is September 19, 2028 or the following Business Day if that is not a Business Day, without prejudice to the Management Company, for and on behalf of the Fund, and in accordance with the provisions of sections 4.9.3.1 and 4.9.3.2 of this Securities Note, proceeding to amortise Series A or the entire Bond Issue before the Final Maturity Date. Final amortisation of the Bonds on the Final Maturity Date shall be made subject to the Liquidation Priority of Payments.

#### 4.10 Indication of yield.

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

- i) Acquisition by the Fund of Additional Receivables during the Revolving Period in order to replace the decrease in the amounts of the Receivables.
- ii) The repayment schedule and system of each Receivable established in the relevant Loan agreements.
- iii) The Obligors' capacity to prepay the Receivables in whole or in part and the aggregate prepayment pace throughout the life of the Fund. In this sense, Receivable prepayments by Obligors, subject to continual changes, and estimated in this Prospectus using several performance assumptions of the future effective constant annual early amortisation or prepayment rate (hereinafter also "CPR"), are very significant and shall directly affect the pace at which Bonds are amortised, and therefore their average life and duration.
- iv) Changes, if any, in Receivable interest rates resulting in every instalment repayment amount differing.
- v) Obligors' delinquency in payment of Receivable instalments.

The following assumed values have been used for the above-mentioned factors in calculating the amounts tabled in section 4.10.1:

- Loan (Receivables) interest rate: the interest rate in force for each selected loan at June 24, 2015 has been used in calculating the repayment instalments and interest of each of the selected loans;
- Receivable portfolio delinquency: 7.30% -BBVA's retail loan delinquency rate at March 31, 2015- of the Outstanding Balance of the Receivables starting from 17 months after the Fund is established (monthly increases of 0.40% of the Outstanding Balance of the delinquent Receivables up to the aforesaid 7.30%). The assumption is that 70% of the portfolio arrears is recovered within 18 months of becoming delinquent, the remaining receivables not recovered becoming doubtful. Assuming that 0.40% of the Outstanding Balance of the Receivables will fall in arrears monthly until the 7.30% delinquency rate is reached, Series B interest payment would be deferred in the Priority of Payments on the Payment Date falling on June 19, 2016, for CPRs of 7%, 8% and 9%, because the cumulative Outstanding Balance of Delinquent Receivables, reckoned at the amount of the Outstanding Balance at the Delinquent Loan classification date, since the Fund was established, exceeds 5.00% of the initial Outstanding Balance of the Receivables upon the Fund being established and Series A Bonds have not been fully amortised, as established in 3<sup>rd</sup> place of the Priority of Payments in section 3.4.6.2.2 of the Building Block;
- Receivable portfolio doubtful rate: 2.19% per annum (arrived at on BBVA's retail loan delinquency rate at March 31, 2015 set out in the preceding paragraph and the percentage of receivables not recovered) 30% of the Outstanding Balance of Doubtful Receivables being recovered per annum within 36 months of becoming delinquent as set out in the preceding paragraph, the cumulative Receivable portfolio doubtful rates from the establishment of the Fund with respect to the initial Outstanding Balance of the Loans at the establishment of the Fund being: 10.93% for a 7% CPR; 10.85% for an 8% CPR; and 10.78% for a 9% CPR;
- that the Receivable prepayment rate remains constant throughout the life of the Bonds;
- that the Bond Closing Date is July 29, 2015;
- that the Receivables Revolving Period would end early on the Payment Date falling on March 21, 2016, because neither March 19 nor March 20, 2016 are Business Days upon the occurrence of event b) provided for in section 2.2.2.2.1 of the Building Block, and until that Payment Date, exclusive, Additional Receivables shall be acquired on each Payment Date and in the aggregate Principal Available Funds on each such dates; and
- that the final maturity of the additional Receivables acquired during the Revolving Period is 5 years;
- that the interest rates applicable to each Bond Series are as established in section 4.8.1.2 of this Securities Note:

	Series A Bonds	Series B Bonds
Nominal interest rate	1.00%	1.50%

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

Assuming that the Management Company shall exercise the Early Liquidation of the Fund and Early Amortisation of the Bond Issue option provided in section 4.4.3.1(i) of the Registration Document when the Outstanding Balance of the Receivables is less than 10% of their initial Outstanding Balance upon the Fund being established, the average life, return (IRR) for the Bond subscriber, duration and final maturity of the Bonds for different CPRs of the Receivables, based on the performance over the last twelve months of similarly characterised loans previously securitised by the Originator, would be as follows:

% CPR:	7.00%	8.00%	9.00%
<b>Series A</b>			
<b>Average life (years)</b>	1.97	1.94	1.92
<b>IRR</b>	1.018%	1.018%	1.018%
<b>Duration (years)</b>	1.93	1.90	1.88
<b>Final maturity</b>	19 09 2019	19 06 2019	19 06 2019
<b>(in years)</b>	4.15	3.89	3.89
<b>Series B</b>			
<b>Average life (years)</b>	4.34	4.33	4.32
<b>IRR</b>	1.529%	1.529%	1.529%
<b>Duration (years)</b>	4.15	4.14	4.13
<b>Final maturity</b>	19 12 2019	19 12 2019	19 12 2019
<b>(in years)</b>	4.39	4.39	4.39

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

- Whereas Receivable CPRs are assumed to be constant respectively at 7%, 8% and 9% throughout the life of the Bond Issue, as explained above actual prepayment changes continually.
- The Outstanding Principal Balance of each Bond Series on each Payment Date and hence interest payable on each such dates shall depend on the actual Receivable prepayment, delinquency and default rates.
- It is assumed that the Management Company will exercise the Early Liquidation option of the Fund and thereby Early Amortisation of the Bond Issue when the Outstanding Balance of the Receivables is less than 10% of the initial Outstanding Balance upon the Fund being set up, as provided in section 4.4.3(i) of the Registration Document.

**ESTIMATED FLOWS FOR EVERY BOND WITHOUT WITHHOLDING FOR THE HOLDER  
(AMOUNTS IN EUR)  
CPR = 7.00%**

Payment Date	Series A Bonds			Series B Bonds		
	Principal Repaid	Gross Interest	Total Flow	Principal Repaid	Gross Interest	Total Flow
<b>TOTALS:</b>	100,000.00	1,994.89	101,994.89	100,000.00	6,605.44	106,605.44
29/07/2015						
21/12/2015	0.00	402.78	402.78	0.00	604.17	604.17
21/03/2016	11,073.38	252.78	11,326.16	0.00	379.17	379.17
20/06/2016	10,437.92	224.79	10,662.71	0.00	379.17	379.17
19/09/2016	9,612.53	198.40	9,810.93	0.00	379.17	379.17
19/12/2016	8,905.80	174.10	9,079.91	0.00	379.17	379.17
20/03/2017	8,273.63	151.59	8,425.22	0.00	379.17	379.17
19/06/2017	7,731.14	130.68	7,861.82	0.00	379.17	379.17
19/09/2017	7,101.28	112.36	7,213.63	0.00	383.33	383.33
19/12/2017	6,574.23	93.18	6,667.41	0.00	379.17	379.17
19/03/2018	6,051.44	75.73	6,127.17	0.00	375.00	375.00
19/06/2018	5,586.54	61.94	5,648.48	0.00	383.33	383.33
19/09/2018	5,098.39	47.67	5,146.06	0.00	383.33	383.33
19/12/2018	4,690.59	34.26	4,724.85	0.00	379.17	379.17
19/03/2019	4,360.34	22.16	4,382.49	0.00	375.00	375.00
19/06/2019	4,124.27	11.51	4,135.77	0.00	383.33	383.33
19/09/2019	378.53	0.97	379.50	20,542.93	383.33	20,926.27
19/12/2019	0.00	0.00	0.00	79,457.07	301.27	79,758.34

**ESTIMATED FLOWS FOR EVERY BOND WITHOUT WITHHOLDING FOR THE HOLDER  
(AMOUNTS IN EUR)  
CPR = 8.00%**

Payment Date	Series A Bonds			Series B Bonds		
	Principal Repaid	Gross Interest	Total Flow	Principal Repaid	Gross Interest	Total Flow
<b>TOTALS:</b>	100,000.00	1,971.48	101,971.48	100,000.00	6,591.95	106,591.95
29/07/2015						
21/12/2015	0.00	402.78	402.78	0.00	604.17	604.17
21/03/2016	11,309.86	252.78	11,562.64	0.00	379.17	379.17
20/06/2016	10,630.19	224.19	10,854.38	0.00	379.17	379.17
19/09/2016	9,762.90	197.32	9,960.22	0.00	379.17	379.17
19/12/2016	9,017.51	172.64	9,190.15	0.00	379.17	379.17
20/03/2017	8,350.77	149.85	8,500.61	0.00	379.17	379.17
19/06/2017	7,778.72	128.74	7,907.46	0.00	379.17	379.17
19/09/2017	7,124.94	110.27	7,235.21	0.00	383.33	383.33
19/12/2017	6,575.01	91.06	6,666.07	0.00	379.17	379.17
19/03/2018	6,033.72	73.63	6,107.35	0.00	375.00	375.00
19/06/2018	5,553.44	59.84	5,613.28	0.00	383.33	383.33
19/09/2018	5,053.79	45.65	5,099.44	0.00	383.33	383.33
19/12/2018	4,634.44	32.38	4,666.82	0.00	379.17	379.17
19/03/2019	4,291.97	20.44	4,312.41	0.00	375.00	375.00
19/06/2019	3,882.75	9.92	3,892.67	937.14	383.33	1,320.47
19/09/2019	0.00	0.00	0.00	22,217.42	379.74	22,597.16
19/12/2019	0.00	0.00	0.00	76,845.44	291.37	77,136.82

**ESTIMATED FLOWS FOR EVERY BOND WITHOUT WITHHOLDING FOR THE HOLDER  
(AMOUNTS IN EUR)  
CPR = 8.00%**

Payment Date	Series A Bonds			Series B Bonds		
	Principal Repaid	Gross Interest	Total Flow	Principal Repaid	Gross Interest	Total Flow
<b>TOTALS:</b>	100,000.00	1,949.11	101,949.11	100,000.00	6,570.50	106,570.50
29/07/2015						
21/12/2015	0.00	402.78	402.78	0.00	604.17	604.17
21/03/2016	11,549.27	252.78	11,802.05	0.00	379.17	379.17
20/06/2016	10,823.84	223.58	11,047.42	0.00	379.17	379.17
19/09/2016	9,913.43	196.22	10,109.65	0.00	379.17	379.17
19/12/2016	9,128.51	171.16	9,299.67	0.00	379.17	379.17
20/03/2017	8,426.61	148.09	8,574.70	0.00	379.17	379.17
19/06/2017	7,824.53	126.79	7,951.32	0.00	379.17	379.17
19/09/2017	7,146.56	108.19	7,254.75	0.00	383.33	383.33
19/12/2017	6,573.70	88.95	6,662.65	0.00	379.17	379.17
19/03/2018	6,013.93	71.53	6,085.47	0.00	375.00	375.00
19/06/2018	5,518.32	57.75	5,576.07	0.00	383.33	383.33
19/09/2018	5,007.25	43.65	5,050.91	0.00	383.33	383.33
19/12/2018	4,576.60	30.52	4,607.12	0.00	379.17	379.17
19/03/2019	4,222.28	18.74	4,241.02	0.00	375.00	375.00
19/06/2019	3,275.17	8.37	3,283.54	4,027.55	383.33	4,410.89
19/09/2019	0.00	0.00	0.00	21,659.53	367.89	22,027.43
19/12/2019	0.00	0.00	0.00	74,312.91	281.77	74,594.68

#### 4.11 Representation of security holders.

The Deed of Constitution does not make provision for a creditors' meeting to be convened on the terms set down in article 37 of Act 5/2015.

On the terms provided for in article 26.1 of Act 5/2015, it shall be the Management Company's duty to act using its best endeavours and transparently in enforcing Bondholders' and financiers' interests. In addition, in accordance with article 26.2 of Act 5/2015, the Management Company shall be liable to Bondholders and other creditors of the Fund for all losses caused to them by a breach of its duties.

#### 4.12 Resolutions, authorisations and approvals for issuing the securities.

##### a) Corporate resolutions.

###### ***Resolution to set up the Fund and issue the Bonds:***

The Executive Committee of EUROPEA DE TITULIZACIÓN's Board of Directors resolved on June 19, 2015 that:

- i) BBVA CONSUMO 7 FONDO DE TITULIZACIÓN be set up in accordance with the legal system for which provision is made in Act 5/2015, and all other legal and statutory provisions in force and applicable from time to time.
- ii) Receivables assigned by BBVA derived from loans reported on the assets of BBVA granted to individuals to finance general retail transactions or for the purchase of goods, including motor cars, or services, be pooled in the Fund.
- iii) The Bonds be issued by the Fund.

###### ***Resolution to assign the Receivables:***

Using the powers conferred by the Board of Directors, BBVA's Standing Executive Committee resolved at a meeting held on June 15, 2015 that the assignment, once or several times, of receivables from retail loans and/or credits without mortgage security, granted to individuals by BBVA, to one or several open-end securitisation funds, sponsored by BBVA and set up ad hoc, be authorised to pool the aforesaid assets. These assignments shall be formally carried out by perfecting, in a public or private document, agreements for the assignment of receivables from loans and/or credits altogether amounting to not more than one billion five hundred million euros (€1,500,000,000) and falling due within not more than 10 years, irrespective of the average life of the transaction, the possibility being provided for a revolving period to be established for a term not in excess of 18 months from the establishment of the securitisation fund or funds, during which BBVA may assign additional receivables from retail loans and/or credits amounting to not more than the same amounts of the receivables from retail loans and/or credits assigned and repaid during that revolving period, authorising, during that period, the assignment in a public or private document of those additional receivables from retail loans and/or credits to individuals.

##### b) Registration by the CNMV.

There is a condition precedent for the Fund to be established, inter alia, that this Prospectus be approved by and entered at the CNMV, in accordance with the provisions of article 22.1 of Act 5/2015.

This Prospectus has been entered in the CNMV's Official Registers.

##### c) Execution of the Fund public deed of constitution.

Upon the CNMV registering this Prospectus, the Management Company shall proceed, with BBVA, as Originator of the Receivables, to execute on July 27, 2015 a public deed whereby BBVA CONSUMO 7 FONDO DE TITULIZACIÓN will be established and the Fund will issue the Asset-Backed Bonds, and the relevant notarised certificate whereby BBVA will assign the Initial Receivables to the Fund.

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

The Management Company shall submit a copy of the Deed of Constitution and the notarised certificate whereby BBVA will assign the Initial Receivables to the Fund, to the CNMV to be entered in the Official Registers.

#### **4.13 Issue date of the securities.**

The Bonds shall be issued in pursuance of the Deed of Constitution on July 27, 2015.

The Bond Issue shall be fully subscribed for by BBVA.

BBVA shall pay to the Fund on July 29, 2015 (the “**Closing Date**”), for same day value, the issue price comprising the face value of the Bonds subscribed for.

#### **4.14 Restrictions on the free transferability of the securities.**

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

### **5 ADMISSION TO TRADING AND DEALING ARRANGEMENTS.**

#### **5.1 Market where the securities will be traded.**

The Management Company shall, upon the Bonds having been paid up, apply for this Bond Issue to be listed on AIAF Mercado de Renta Fija S.A. (“**AIAF**”), which is a qualified official secondary securities market pursuant to the Securities Market Act. The Management Company undertakes to do all such things as may be necessary in order that definitive admission to trading is achieved not later than one month after the Closing Date.

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

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

#### **5.2 Paying agents and depository agents.**

##### **5.2.1 Bond Issue Paying Agent.**

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



The Management Company shall, for and on behalf of the Fund, enter with BBVA into a paying agent agreement to service the Bond Issue, the most significant terms of which are given in section 3.4.7.2 of the Building Block.

**6 EXPENSE OF THE OFFERING AND OF ADMISSION TO TRADING.**

The expected expenses deriving from setting up the Fund and issue and admission to trading of the Bond Issue amount to EUR five hundred and sixty thousand (€560,000.00). These expenses include, inter alia, the initial Management Company fee, notary's fees, rating and legal advice fees, CNMV fees, AIAF and Iberclear fees, the initial fee payable to European DataWarehouse ("EDW") and Prospectus translation expenses.

**7 ADDITIONAL INFORMATION.**

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

GARRIGUES, as independent adviser, has provided legal advice for establishing the Fund and issuing the Bonds and has been involved in reviewing this Prospectus, the transaction and financial service agreements referred to herein, the Deed of Constitution and the notarised certificate assigning the Initial Receivables.

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

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

Not applicable.

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

Deloitte has audited the most significant features of a sample of the selected loans, on the terms set forth in section 2.2 of the Building Block. In addition, Deloitte audited the Management Company's and BBVA's annual accounts for the years ended December 31, 2014 and 2013.

**7.4 Information sourced from a third party.**

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

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

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

## 7.5 Credit ratings assigned to the securities by rating agencies.

DBRS and Moody's have, on July 21, 2015, assigned the following provisional ratings to each Bond Series, and expect to assign the same final ratings by 2pm CET on July 28, 2015.

Bond Series	DBRS Ratings	Moody's Ratings
Series A	A (sf)	Aa3 (sf)
Series B	BB (high) (sf)	B1 (sf)

If the Rating Agencies should not confirm any of the assigned provisional ratings as final by 2pm CET on July 28, 2015, this circumstance would forthwith be notified to the CNMV and be publicised in the manner for which provision is made in section 4.1.2.2 of the Building Block. Furthermore, this circumstance would result in the establishment of the Fund, the Bond Issue and the assignment of the Initial Receivables terminating, as provided for in section 4.4.4 (v) of the Registration Document.

### Rating considerations.

The ratings assigned to the Bonds by DBRS are an opinion as to timely interest payment and principal payment by or on the Final Maturity Date, in accordance with the transaction documents.

DBRS' Bond ratings are not an opinion as to the probability or frequency of repayments on the underlying obligations occurring or as to the possibility of the Bondholder obtaining a return below what is expected.

As described in Moody's Rating Symbols & Definitions, available at [www.moody.com](http://www.moody.com), Moody's long-term ratings reflect the probability of default with respect to the promise to pay established by contract and the expected financial loss in the event of default.

The credit ratings issued by Moody's incorporate Moody's current opinions as to the credit risk, credit or debt commitments and debt-related securities of each entity analysed and do not reflect present or past events. Moody's credit risks assess the credit risk only, but do not address non-credit risk elements, including, but not limited to, liquidity risk, market value risk or price volatility. Those non-credit risks may have a significant effect on the yield to investors.

The Rating Agencies were registered and authorised on October 31, 2011 as credit rating agencies in the European Union in accordance with Regulation (EC) no. 1060/2009.

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 can 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.

In carrying on the rating and monitoring process, the Rating Agencies rely on the accuracy and wholeness of the information provided by BBVA, the Management Company and Deloitte, as auditor of certain features of the selected loans, and on GARRIGUES' legal opinion, as independent legal adviser.

The ratings take into account the structure of the Bond Issue, the transaction documents (including this Prospectus and the transaction and financial service agreements referred to herein), the legal aspects thereof and of the issuing Fund, the characteristics of the selected loans to be assigned to the Fund and the regularity and continuity of the operating flows.

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

## **ASSET-BACKED SECURITIES NOTE BUILDING BLOCK**

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

### **1. SECURITIES**

#### **1.1 Minimum denomination of the issue.**

The Fund shall be set up with the Initial Receivables which BBVA shall assign to the Fund upon being established and their total principal or capital shall be equal to or slightly under EUR one billion four hundred and fifty million (1,450,000,000.00), the face value amount of the Bond Issue.

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

Not applicable.

### **2. UNDERLYING ASSETS**

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

Based on the selected loan information supplied by the Originator and the requirements laid down for replacement with other loans, the Management Company confirms that, having regard to their contractual characteristics, the flows of principal, interest and any other amounts generated by the securitised Receivables allow the payments due and payable on the Bonds issued to be satisfied.

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

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

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

#### **2.2 Assets backing the issue.**

The Receivables to be pooled in the Fund, represented by the Management Company, shall exclusively consist of Receivables owned by and shown on the assets of BBVA derived from Loans granted to individuals resident in Spain to finance retail activities (construing these retail activities in the broad sense and including, inter alia, financing the obligor's expenses, purchase of goods, including motor cars, or services), comprising the Initial Receivables assigned to the Fund upon being established and the Additional Receivables later assigned during the Revolving Period.

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

### **Maximum Receivable Amount.**

The maximum amount of the Outstanding Balance of the Receivables pooled in the Fund shall be EUR one billion four hundred and fifty million (1,450,000,000.00) (the “**Maximum Receivable Amount**”), equivalent to the face value of the Bond Issue.

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

The securitised assets are governed by Spanish Law and Consumer Credit Act 7/1995, March 23, Consumer Credit Contracts Act 16/2011, June 24, and Chattels Hire Purchase Act 28/1998, July 13, shall apply, as the case may be. The latter does not apply to contracts in force on the effective date of Act 16/2011 other than as provided for in its Transitional Provision.

Part of the Loans are originated in a loan agreement certified by a commissioner for oaths whereas others, not exceeding a certain amount (EUR 20,000 if the loan finances a motor car purchase and EUR 10,000 in all other loans), may be originated in a private agreement.

Part of the Loans are arranged under the general terms of a master loan transaction agreement, as set out in section 2.2.7.1 of this Building Block, whereby BBVA gives the obligor, for a period of time, the possibility of entering into one or several loan transactions for a maximum overall amount. The master agreement for such Loans is certified by a public commissioner for oaths. However, each Loan is taken out by the obligor under a private agreement, which may be arranged by personal signature or on line (at automatic cash dispensers, on the Internet or by telephone). Each drawing within the maximum overall limit is considered a legally independent Loan, with a specific interest rate and repayment term. These Loans have no collateral security.

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

Upon executing the Deed of Constitution and by executing a notarised receivables assignment certificate, the Management Company, for and on behalf of the Fund, and the Originator shall perfect the agreement to assign to the Fund an as yet indeterminate number of Initial Receivables whose total principal or capital shall be equal to the Maximum Receivable Amount (EUR 1,450,000,000.00) or a slightly lower amount closest thereto. The amount of the Initial Receivables assigned upon the Fund being established may be slightly less than the Maximum Receivable Amount given how difficult it is to exactly adjust to that amount because each of the Loans will be assigned at each of their total outstanding capital or principal upon being assigned. The difference between the Maximum Receivable Amount and the amount of the Initial Receivables shall be credited to the Principal Account.

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

The selected loan portfolio from which the Initial Receivables shall be taken comprises 213,974 loans, their outstanding principal as at June 24, 2015 being EUR 1,555,602,644.47 and their overdue principal being EUR 297,594.05.

Out of the selected portfolio loans, 97.50%, in terms of outstanding principal, are loans granted to individuals with Spanish nationality, whereas the remaining 2.50% are loans granted to resident foreign individuals in Spain.

The contractual provisions of 94.86%, in terms of outstanding principal, of the fixed-rate selected loans (92.98% of the selected loans, in terms of outstanding principal of the selected portfolio), include a potential reduction of the interest rate applicable to the loan provided that the obligor is in good standing in payments under the loan or other transactions entered into with BBVA and has purchased the products and/or services listed below:

- Payroll. Direct deposit of pay, pension, unemployment benefit or direct debit of self-employed worker contribution: rebate of up to not more than 3.00% of the interest rate.

- Loan repayment insurance purchased from BBVA Seguros, S.A.: rebate of up to not more than 1.00% of the interest rate.

The contractual provisions of 95.64%, in terms of outstanding principal, of the floating-rate selected loans (7.02% of the selected loans, in terms of outstanding principal of the selected portfolio), include a potential reduction of the interest rate applicable to the loan by reducing the margin over the 1-year Euribor benchmark index provided that the obligor is in good standing in payments under the loan or other transactions entered into with BBVA and has purchased the products/ services listed below:

- Payroll. Direct deposit of pay, pension, unemployment benefit or direct debit of self-employed worker contribution: rebate of up to not more than 3.00% of the interest rate.

If the maximum interest rate rebates referred to in the preceding paragraphs should apply, the average rate weighted by the selected portfolio principal at June 24, 2015 would be 8.78% instead of 9.09% as set out in subparagraph 2.2.2.1 e) below.

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

Deloitte has audited the 213,974 selected loans from which the Initial Receivables shall be taken.

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

The audit results are set out in a report prepared by Deloitte, this being one of the documents on display referred to in section 10 of the Registration Document.

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

**a) Information as to number and distribution of the selected loan obligors, selected loan collaterals and type of employment of obligors.**

The selected loan obligors are individuals. The following table gives the concentration of the ten obligors weighing most in the portfolio of selected loans as at June 24, 2015.

Selected loan portfolio at 24.06.2015				
Classification by Obligor				
	Loans		Outstanding principal	
		%	(EUR)	%
Obligor 1	3	0.0014	98,310.49	0.0063
Obligor 2	2	0.0009	86,331.97	0.0055
Obligor 3	3	0.0014	80,860.24	0.0052
Obligor 4	3	0.0014	80,248.37	0.0052
Obligor 5	3	0.0014	76,220.00	0.0049
Obligor 6	2	0.0009	72,448.64	0.0047
Obligor 7	2	0.0009	71,644.15	0.0046
Obligor 8	2	0.0009	70,223.12	0.0045
Obligor 9	2	0.0009	69,470.43	0.0045
Obligor 10	2	0.0009	68,600.49	0.0044
Rest: 191,567 obligors	213,950	99.9888	1,554,828,286.57	99.9502
<b>Total 191,577 obligors</b>	<b>213,974</b>	<b>100.00</b>	<b>1,555,602,644.47</b>	<b>100.00</b>

The outstanding principal of each obligor is the result of the sum of the outstanding principal of each selected loan granted to a same obligor. The concentration of the ten obligors weighing most in the portfolio of selected loans is 0.50%, in terms of outstanding principal.

The following table gives the distribution of the selected loans according to loan collateral.

<b>Selected loan portfolio at 24.06.2015</b>				
<b>Classification by type of collateral</b>				
<b>Collateral</b>	<b>Loans</b>		<b>Outstanding principal</b>	
		<b>%</b>	<b>(EUR)</b>	<b>%</b>
No special collateral	208,344	97.37	1,505,787,490.90	96.80
Bond or guarantee	5,630	2.63	49,815,153.57	3.20
<b>Total</b>	<b>213,974</b>	<b>100.00</b>	<b>1,555,602,644.47</b>	<b>100.00</b>

The following table gives the distribution of the selected loans according to the obligor's type of employment.

<b>Selected loan portfolio at 24.06.2015</b>				
<b>Classification by type of employment of the obligor</b>				
	<b>Loans</b>		<b>Outstanding principal</b>	
		<b>%</b>	<b>(EUR)</b>	<b>%</b>
Salaried employment under an indefinite contract	106,050	49.56	784,448,626.71	50.43
Salaried employment under contracts other than an indefinite contract	24,749	11.57	162,279,475.13	10.43
Self-employed	10,707	5.00	81,875,006.69	5.26
Civil Servant	26,924	12.58	252,128,237.40	16.21
Unemployed	5,556	2.60	28,053,107.10	1.80
Student	737	0.34	4,702,738.78	0.30
Pensioner	34,746	16.24	214,179,979.27	13.77
Landlord	809	0.38	4,932,587.47	0.32
Other	3,696	1.73	23,002,885.92	1.48
<b>Total</b>	<b>213,974</b>	<b>100.00</b>	<b>1,555,602,644.47</b>	<b>100.00</b>

**b) Information regarding selected loan purpose.**

The following table gives the distribution of the purpose of the selected loan portfolio as at June 24, 2015.

<b>Selected loan portfolio at 24.06.2015</b>				
<b>Classification by purpose</b>				
	<b>Loans</b>		<b>Outstanding principal</b>	
		<b>%</b>	<b>(EUR)</b>	<b>%</b>
Acquisition of goods (excluding vehicles)	5,508	2.57	38,031,138.51	2.44
Acquisition of services	3,742	1.75	21,829,924.97	1.40
Acquisition of a vehicle	44,184	20.65	327,480,193.38	21.05
Financing obligor's expenses	160,540	75.03	1,168,261,387.61	75.10
<b>Total</b>	<b>213,974</b>	<b>100.00</b>	<b>1,555,602,644.47</b>	<b>100.00</b>

**c) Information regarding selected loan origination date.**

The following table gives the selected loan distribution based on origination date by six-monthly intervals, and the average, minimum and maximum age at June 24, 2015.

<b>Selected loan portfolio at 24.06.2015</b>				
<b>Classification by loan origination date</b>				
<b>Origination Year</b>	<b>Loans</b>		<b>Outstanding principal</b>	
		<b>%</b>	<b>(EUR)</b>	<b>%</b>
2005	2,364	1.10	2,765,195.22	0.18
2006	6,814	3.18	20,409,772.87	1.31
2007	4,353	2.03	22,548,664.17	1.45
2008	2,853	1.33	13,513,916.81	0.87
2009	3,995	1.87	26,468,631.87	1.70
2010	13,060	6.10	92,391,366.78	5.94
2011	22,583	10.55	144,993,987.30	9.32
2012	30,308	14.16	203,910,720.11	13.11
2013	42,628	19.92	286,600,594.26	18.42
2014	70,267	32.84	594,361,980.40	38.21
2015	14,749	6.89	147,637,814.68	9.49
<b>Total</b>	<b>213,974</b>	<b>100.00</b>	<b>1,555,602,644.47</b>	<b>100.00</b>
	<b>2.22</b>	<b>Years</b>	<b>Weighted average age</b>	
	<b>9.98</b>	<b>Years</b>	<b>Maximum age</b>	
	<b>0.27</b>	<b>Years</b>	<b>Minimum age</b>	

**d) Information regarding selected loan principal.**

The following table gives the outstanding loan principal distribution as at June 24, 2015 by EUR 5,000 intervals, and the average, minimum and maximum amount.

<b>Selected loan portfolio at 24.06.2015</b>				
<b>Classification by outstanding principal</b>				
<b>Principal interval</b>	<b>Loans</b>		<b>Outstanding principal</b>	
	<b>(EUR)</b>	<b>No.</b>	<b>%</b>	<b>(EUR)</b>
0.00 - 4,999.99	106,083	49.58	267,683,729.10	17.21
5,000.00 - 9,999.99	54,016	25.24	388,433,795.42	24.97
10,000.00 - 14,999.99	28,376	13.26	348,238,734.27	22.39
15,000.00 - 19,999.99	13,915	6.50	240,643,141.84	15.47
20,000.00 - 24,999.99	6,241	2.92	138,117,868.44	8.88
25,000.00 - 29,999.99	2,718	1.27	73,970,518.90	4.76
30,000.00 - 34,999.99	1,287	0.60	41,312,738.53	2.66
35,000.00 - 39,999.99	635	0.30	23,638,157.14	1.52
40,000.00 - 44,999.99	326	0.15	13,725,900.57	0.88
45,000.00 - 49,999.99	169	0.08	7,973,974.94	0.51
50,000.00 - 54,999.99	90	0.04	4,717,226.04	0.30
55,000.00 - 59,999.99	59	0.03	3,365,806.62	0.22
60,000.00 - 64,999.99	34	0.02	2,110,769.08	0.14
65,000.00 - 69,999.99	25	0.01	1,670,283.58	0.11
<b>Total</b>	<b>213,974</b>	<b>100.00</b>	<b>1,555,602,644.47</b>	<b>100.00</b>
	<b>Average principal:</b>		<b>7,270.05</b>	
	<b>Minimum principal:</b>		<b>500.04</b>	
	<b>Maximum principal:</b>		<b>68,358.38</b>	



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

The selected loans are fixed- and floating-rate loans. The following table gives selected loan distribution at June 24, 2015 according to the aforementioned class of interest rate.

<b>Selected loan portfolio at 24.06.2015</b>				
<b>Classification by interest rate class</b>				
	<b>Loans</b>		<b>Outstanding principal</b>	
		<b>%</b>	<b>(EUR)</b>	<b>%</b>
FIXED-rate loans	205,504	96.04	1,446,328,960.62	92.98
FLOATING-rate loans	8,470	3.96	109,273,683.85	7.02
<b>Total</b>	<b>213,974</b>	<b>100.00</b>	<b>1,555,602,644.47</b>	<b>100.00</b>

The following table gives selected loan distribution by 1.00% nominal interest rate intervals applicable as at June 24, 2015 and their average, minimum and maximum values.

<b>Selected loan portfolio at 24.06.2015</b>					
<b>Classification by applicable nominal interest rate</b>					
	<b>Loans</b>		<b>Outstanding principal</b>		<b>% Interest Rate*</b>
		<b>%</b>	<b>(EUR)</b>	<b>%</b>	
4.00 - 5.00	7,894	3.69	104,250,224.05	6.70	4.38
5.00 - 6.00	2,292	1.07	12,263,951.19	0.79	5.52
6.00 - 7.00	16,694	7.80	152,275,386.03	9.79	6.46
7.00 - 8.00	24,176	11.30	214,263,216.14	13.77	7.16
8.00 - 9.00	36,556	17.08	288,350,003.51	18.54	8.19
9.00 - 10.00	27,430	12.82	184,700,956.67	11.87	9.30
10.00 - 11.00	32,187	15.04	207,644,797.72	13.35	10.26
11.00 - 12.00	21,694	10.14	134,634,455.98	8.65	11.19
12.00 - 13.00	19,170	8.96	115,115,271.02	7.40	12.16
13.00 - 14.00	14,065	6.57	82,266,285.01	5.29	13.14
14.00 - 15.00	6,351	2.97	34,503,395.62	2.22	14.16
15.00 - 16.00	2,765	1.29	14,538,445.46	0.93	15.17
16.00 - 17.00	1,353	0.63	6,237,581.44	0.40	16.22
17.00 - 18.00	469	0.22	1,840,018.42	0.12	17.35
18.00 - 19.00	376	0.18	1,319,843.09	0.08	18.36
19.00 - 20.00	332	0.16	1,006,288.27	0.06	19.13
20.00 - 21.00	81	0.04	215,809.37	0.01	20.38
21.00 - 22.00	79	0.04	158,418.13	0.01	21.00
22.00 - 23.00	10	0.00	18,297.35	0.00	22.00
<b>Total</b>	<b>213,974</b>	<b>100.00</b>	<b>1,555,602,644.47</b>	<b>100.00</b>	
	<b>Weighted average:</b>				<b>9.09</b>
	<b>Simple average:</b>				<b>9.61</b>
	<b>Minimum:</b>				<b>4.00</b>
	<b>Maximum:</b>				<b>22.00</b>

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

The following table gives the distribution of the margin applicable to the 1-year Euribor benchmark index for determining the nominal interest rate by 0.50% intervals of the floating-rate selected loans. No details are given of intervals with no content.

Selected loan portfolio at 24.06.2015 Classification by margin						
Margin interval	Loans	Outstanding principal	%	%	Weighted	
	%	(EUR)	%	Interest Rate*	average margin*	
<b>For FIXED-rate loans</b>	<b>205,504</b>	<b>96.04</b>	<b>1,446,328,960.62</b>	<b>92.98</b>	<b>9.43</b>	<b>-</b>
<b>For floating-rate loans (on 1-year Euribor index)</b>	<b>8,470</b>	<b>3.96</b>	<b>109,273,683.85</b>	<b>7.02</b>	<b>4.51</b>	<b>4.135</b>
≥4.00 y <4.50	7,758	3.63	102,846,351.05	6.61	4.38	4,000
≥4.50 y <5.00	5	0.00	76,826.20	0.00	4.80	4,643
≥5.00 y <5.50	12	0.01	348,658.88	0.02	5.36	5,034
≥5.50 y <6.00	6	0.00	232,240.08	0.01	5.78	5,500
≥6.00 y <6.50	419	0.20	3,342,548.10	0.21	6.32	6,000
≥6.50 y <7.00	1	0.00	10,322.73	0.00	6.94	6,600
≥7.00 y <7.50	269	0.13	2,416,736.81	0.16	7.31	7,000
<b>Total</b>	<b>213,974</b>	<b>100.00</b>	<b>1,555,602,644.47</b>	<b>100.00</b>		

\*Interest rate and margin are averages weighted by the outstanding principal of the interval

As detailed in the table regarding classification of the loans by interest rate class, 8,470 loans out of the selected loans (3.96% of the total selected portfolio loans) accounting for an outstanding principal of EUR 109,273,683.85 (7.02% of the total selected portfolio), are floating-rate loans.

BBVA has advised the Management Company that in the event that the benchmark index should be negative, in order to determine the interest rate applicable to the floating-rate loan (i) the provisions of the relevant agreement would govern; and (ii) in the event that the loan agreement should not refer specifically to any such event and the benchmark index should be negative, the interest rate applicable to the loan would be the result of adding the negative benchmark index to the margin, notwithstanding which the applicable interest rate could at no event be less than zero (0).

The nominal interest rate caps applicable to the floating-rate loans selected at June 24, 2015 range between 12.00% and 25.00%. The following tables give the distribution of those selected loans by 1.00% intervals of the nominal interest rate cap. No details are given of intervals with no content.

Selected loan portfolio at 24.06.2015 Classification by applicable interest rate caps					
% interest rate cap interval	Loans	Outstanding principal	%	%	% Interest Rate* Cap
	%	(EUR)	%		
11.01 - 12.00	1	0.01	2,842.81	0.00	12.00
14.01 - 15.00	3	0.04	174,271.37	0.16	15.00
19.01 - 20.00	8,434	99.57	108,315,030.71	99.12	20.00
20.01 - 25.00	32	0.38	781,538.96	0.72	25.00
<b>Total</b>	<b>8,470</b>	<b>100.00</b>	<b>109,273,683.85</b>	<b>100.00</b>	

\*Applicable average interest rate cap in the interval weighted by the outstanding principal.

Similarly, most selected floating-rate loans have a nominal interest floor set limiting the downward variability of the applicable nominal interest rate. The nominal interest rate floors applicable to floating-rate loans selected at June 24, 2015 range between 1.26% and 4.00%. The following tables give the distribution of those loans by 1.00% intervals of the nominal interest floor applicable for determining the nominal interest rate. No details are given of intervals with no content.

Selected loan portfolio at 24.06.2015					
Classification by applicable interest rate floors					
% interest rate floor interval	Loans		Outstanding principal		% Interest Rate* Floor
		%	(EUR)	%	
No floor	40	0,47	1.086.448,81	0,99	0,00
1.01 - 2.00	415	4,90	3.300.323,99	3,02	1,26
2.01 - 3.00	368	4,34	3.913.087,27	3,58	2,99
3.01 - 4.00	7.647	90,28	100.973.823,78	92,40	4,00
<b>Total</b>	<b>8,470</b>	<b>100.00</b>	<b>109,273,683.85</b>	<b>100.00</b>	

\*Applicable average interest rate floor in the interval weighted by the outstanding principal.

**g) Information regarding selected loan instalment payment frequency.**

The following table gives the selected loan distribution based on payment frequency of the loan instalment (comprising interest and principal).

Loan portfolio at 24.06.2015				
Classification by instalment payment frequency				
Instalment payment frequency	Loans		Outstanding principal	
		%	(EUR)	%
Monthly	213,974	100.00	1,555,602,644.47	100.00
<b>Total</b>	<b>213,974</b>	<b>100.00</b>	<b>1,555,602,644.47</b>	<b>100.00</b>

None of the selected loans has an interest or principal exclusion period at June 24, 2015.

**h) Information regarding selected loan repayment system.**

The following table gives the selected loan distribution based on loan repayment system.

Loan portfolio at 24.06.2015				
Classification by repayment system				
	Loans		Outstanding principal	
		%	(EUR)	%
French*	213,974	100.00	1,555,602,644.47	100.00
<b>Total</b>	<b>213,974</b>	<b>100.00</b>	<b>1,555,602,644.47</b>	<b>100.00</b>

\* French: fixed instalment repayment system, established based on the interest rate applied, instalment frequency and the time until final maturity of the loan.

**i) Information regarding selected loan final maturity date.**

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

Selected loan portfolio at 24.06.2015						
Classification by final repayment date						
Final Repayment Year	Loans		Outstanding principal		Residual Life wa*	
		%	(EUR)	%	Years	Date
2015	14,374	6.72	16,623,970.55	1.07	0.38	11.11.2015
2016	44,445	20.77	112,896,089.15	7.26	1.10	30.07.2016
2017	42,241	19.74	196,442,425.35	12.63	2.09	26.07.2017
2018	35,461	16.57	230,216,673.74	14.80	3.06	13.07.2018
2019	29,122	13.61	267,358,541.58	17.19	4.06	13.07.2019
2020	17,346	8.11	215,403,751.10	13.85	5.01	26.06.2020
2021	11,179	5.22	170,653,694.61	10.97	6.03	04.07.2021
2022	12,616	5.90	199,840,702.02	12.85	7.05	10.07.2022

Selected loan portfolio at 24.06.2015						
Classification by final repayment date						
Final Repayment Year	Loans		Outstanding principal		Residual Life wa*	
		%	(EUR)	%	Years	Date
2023	4,409	2.06	80,375,793.53	5.17	7.85	30.04.2023
2024	2,347	1.10	54,968,919.40	3.53	9.11	30.07.2024
2025	434	0.20	10,822,083.44	0.70	9.66	18.02.2025
<b>Total</b>	<b>213,974</b>	<b>100.00</b>	<b>1,555,602,644.47</b>	<b>100.00</b>		
<b>Weighted average:</b>					<b>4.55</b>	<b>11.01.2020</b>
<b>Simple average:</b>					<b>3.11</b>	<b>03.08.2018</b>
<b>Minimum:</b>					<b>9.74</b>	<b>18.03.2025</b>
<b>Maximum:</b>					<b>0.10</b>	<b>31.07.2015</b>

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

**j) Information regarding geographical distribution by Autonomous Communities and Cities.**

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

Selected loan portfolio at 24.06.2015					
Classification by Autonomous Communities and Cities					
	Loans		Outstanding principal		
		%	(EUR)	%	
Andalusia	40,871	19.10	296,377,431.68	19.05	
Catalonia	31,954	14.93	226,215,461.86	14.54	
Madrid	24,921	11.65	186,027,566.38	11.96	
Valencian Community	24,219	11.32	169,744,095.16	10.91	
Canary Islands	20,854	9.75	153,096,082.42	9.84	
Galicia	13,695	6.40	95,920,629.98	6.17	
Castile León	9,576	4.48	66,817,213.13	4.30	
Basque Country	6,724	3.14	51,176,652.79	3.29	
Castile La Mancha	6,755	3.16	49,713,639.19	3.20	
Asturies	6,717	3.14	48,465,574.31	3.12	
Balearic Isles	5,237	2.45	39,101,201.91	2.51	
Extremadura	5,186	2.42	38,026,898.36	2.44	
Murcia	4,844	2.26	37,582,374.43	2.42	
Aragón	3,953	1.85	28,865,101.01	1.86	
Cantabria	2,699	1.26	20,890,225.22	1.34	
Melilla	1,787	0.84	16,903,183.50	1.09	
Ceuta	1,435	0.67	13,003,105.02	0.84	
Navarre	1,515	0.71	10,558,040.72	0.68	
La Rioja	1,032	0.48	7,118,167.40	0.46	
<b>Total</b>	<b>213,974</b>	<b>100.00</b>	<b>1,555,602,644.47</b>	<b>100.00</b>	

Madrid is the province with the highest concentration, in terms of outstanding principal, at 11.96% of the total selected portfolio. The three Autonomous Communities having the largest concentration of the address of obligors of the loans selected to be assigned to the Fund upon being established are, as a percentage of the outstanding principal, as follows: Andalusia (19.05%), Catalonia (14.54%), Madrid (11.96%) and Valencian Community (10.91%), altogether representing 56.46%.

**k) Information regarding delays, if any, in collecting selected loan interest or principal instalments and loan principal amount, if any, that is currently more than 30 days overdue.**

The following table gives the number of loans, the outstanding principal and the overdue principal on selected loans with any overdue payment as at June 24, 2015.

Arrears in payment of instalments due at 24.06.2015					
Interval	Loans	Outstanding	Outstanding	Principal not due and	
Days		Principal	principal	overdue	
			not collected	% on total outstanding	
				principal	
In good standing	211,721	1,541,382,420.06	0.00		
1 to 15 days	243	1,201,368.89	35,727.19	1,237,096.08	0.08
16 to 30 days	2,010	13,018,855.52	261,866.86	13,280,722.38	0.85
<b>Total</b>	<b>213,974</b>	<b>1,555,602,644.47</b>	<b>297,594.05</b>	<b>14,517,818.46</b>	<b>0.93</b>

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

**2.2.2.2 Additional Receivables.**

After being established, the Fund, represented by the Management Company, shall on each Payment Date during the Revolving Period make subsequent acquisitions of Additional Receivables to replace the decrease in the Outstanding Balance of the Receivables up to the Maximum Receivable Amount.

**2.2.2.2.1 Revolving Period.**

The Management Company shall, for and on behalf of the Fund, make quarterly acquisitions of Additional Receivables, designed for replacing the decrease in the Outstanding Balance of the Receivables up to the Maximum Receivable Amount, on each Payment Date within the time-period comprised between the first Payment Date, December 21, 2015, because neither December 19 nor December 20, 2015 are Business Days, and the Payment Date falling on December 19, 2016, both inclusive (the "Revolving Period").

However, there will be an early, definitive termination of the Revolving Period on the Payment Date in the Revolving Period, inclusive, on which any of the following circumstances occurs, as the case may be:

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

- f) That BBVA should have been declared insolvent, in liquidation or in a position which might result in its credit institution authorisation being revoked or in a termination process in terms Act 11/2015.
- g) That BBVA shall have been replaced as Servicer under the Receivables Servicing Agreement.
- h) That the Spanish tax laws shall have been modified to such an extent that the assignment of Additional Receivables is exceedingly burdensome for the Originator.
- i) That, on the preceding Payment Date, the Outstanding Balance of Non-Doubtful Receivables is less than eighty percent (80.00%) of the Outstanding Principal Balance of the Bond Issue.
- j) That the audited annual accounts of BBVA closed at December 31, 2015 shall be howsoever qualified regarding its credit rating.

#### 2.2.2.2.2 Acquisition Amount.

The maximum amount (the “**Acquisition Amount**”) that the Management Company may allocate, for and on behalf of the Fund, out of the Principal Available Funds on each Payment Date in the Revolving Period, to the acquisition of Additional Receivables shall amount to the difference between:

- (i) the Maximum Receivable Amount, and
- (ii) the Outstanding Balance of the Receivables at the Determination Date preceding the relevant Payment Date.

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

#### 2.2.2.2.3 Eligibility Requirements.

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

##### 1. Individual Requirements

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

1. That the Obligor is an individual resident in Spain other than an employee, officer or director of the Originator.
2. That the Loan is denominated in Euros.
3. That the Loan has not matured before and is not to finally mature on the date of assignment to the Fund and that there are at least twelve (12) months between the date of assignment to the Fund and the date of final maturity of the Loan.
4. That the Loan principal has already been fully drawn down.
5. That the outstanding principal balance of the Loan is between EUR five hundred (500) and EUR eighty thousand (80,000), both inclusive, and in the case of Loans arranged under a master agreement, the initial principal balance of the Loan is at least as high as EUR one thousand (1,000).
6. That the Loan is established at a fixed interest rate or 1-year Euribor referenced floating rate.
7. That where the Loans are fixed-rate Loans, the rate is not less than 4.00%, deducting the maximum applicable rebate, if any.
8. That where the Loans are floating-rate Loans, the margin above 1-year Euribor applicable for determining the nominal interest rate is not less than 4.00% and the resulting interest rate is not less than 4.00%, deducting the maximum applicable rebate, if any.
9. That at least one (1) instalment has fallen due on the Loan and is not overdue.
10. That the Loan has no payments more than thirty (30) days overdue.

11. That the final maturity date of the Loan does not extend beyond ten (10) years after the date of assignment to the Fund.
12. That Loan interest and repayment instalment frequency is monthly.
13. 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.
14. That the Loan is not in an interest or repayment exclusion period.
15. That the Loan does not include clauses allowing regular interest payment and principal repayment to be deferred.

## **2. Global Requirements.**

In addition to satisfying the Individual Requirements, the following are the Eligibility Requirements which the Receivables, both the Initial Receivables and the Additional Receivables to be acquired by the Fund on the assignment date, must satisfy as a whole (the “**Global Requirements**”):

1. That the prevailing average interest rate of the Receivables weighted by the Outstanding Balance of each Receivable on the assignment date is not less than 7.50%.
2. That on the assignment date the average time remaining until the final maturity date of the Receivables weighted by the Outstanding Balance of each Receivable is not in excess of seven (7) years.
3. That the Outstanding Balance of Receivables for Obligors domiciled in a same Autonomous Community on the assignment date is not in excess of twenty-five percent (25.00%) of the total Outstanding Balance of the Receivables.
4. That on the assignment date, the average time elapsed from the origination date of the Receivables until the assignment date weighted by the Outstanding Balance of each Receivable is not less than six (6) months.
5. That on the assignment date, the Outstanding Balance of the Receivables for Obligors domiciled in 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 Receivables.
6. That on the assignment date (i) the Outstanding Balance of the Receivables for a same Obligor does not exceed 0.007% of the total Outstanding Balance of the Receivables, and (ii) the sum of the Outstanding Balance of the Receivables of the group of ten obligors with the highest amounts does not exceed 0.06% of the total Outstanding Balance of the Receivables.
7. That on the assignment date the Outstanding Balance of the Receivables for obligors who are foreign individuals resident in Spain does not exceed 4.00% of the total Outstanding Balance of the Receivables.
8. That on the assignment date the Outstanding Balance of floating-rate Receivables is not in excess of 10.00% of the total Outstanding Balance of the Receivables.
9. That on the assignment date the Outstanding Balance of the Receivables for Obligors who are civil servants, pensioners or salaried workers on an indefinite contract of employment, upon the loan being granted, is not less than fifty per cent (50,00%) of the total Outstanding Balance of the Receivables.

And exclusively in regard to the Additional Receivables:

10. That the average time elapsed between the origination date of the Additional Receivables and the assignment date weighted by the Outstanding Balance of each Additional Receivable on the assignment date, is not less than three (3) months.
11. That the average life of the Additional Receivables from the assignment date weighted by the Outstanding Balance of each Additional Receivable on the assignment date, is not in excess of 3.85 years, assuming a CPR of 0%.

#### 2.2.2.2.4 Offer Dates.

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

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

#### 2.2.2.2.5 Procedure for acquiring Additional Receivables.

1. On each Offer Request Date, the Management Company shall send the Originator a written notice demanding the assignment of Additional Receivables for the Fund, specifying the estimated Acquisition Amount and the Payment Date on which the assignment to the Fund and payment for the assignment shall be made.
2. By 9am (CET) on the Offer Date, the Originator shall send the Management Company a written notice offering to assign Additional Receivables, along with a data file detailing the selected loans and their characteristics included in the assignment offer and which shall satisfy the Individual Requirements and the other characteristics given in section 2.2.8.2 of this Building Block.
3. By the second (2<sup>nd</sup>) Business Day preceding the Payment Date, the Management Company shall send the Originator a written notice accepting the assignment of Additional Receivables, along with a data file with the details of the Additional Receivables accepted and their characteristics notified by the Originator.

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

- (i) Check that the Loans listed in the assignment offer satisfy the Individual Requirements numbered from 2 to 14 and the Global Requirements in conformity with the characteristics notified by the Originator, without this entailing checking compliance with the other characteristics of the Loans given in section 2.2.8.2 of this Building Block, which shall be reaffirmed by the Originator upon the purchase of Additional Receivables.
- (ii) Determine the Additional Receivables that are acceptable and eligible for assignment to the Fund for a total amount equal or as near as possible to the Acquisition Amount.

#### 2.2.2.2.6 Annual audit of the Additional Receivables.

The Management Company shall on the Fund’s behalf annually commission an audit, using sampling techniques, of Additional Receivables acquired during the years 2015 and 2016, this being the Revolving Period, which shall remain outstanding as of December 31 in each of those years.

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

That audit shall be undertaken by an audit firm registered in the Official Register of Auditors (ROAC) and sent to the CNMV in addition to the audit report on the Fund’s annual accounts, included in the annual report referred to in article 35 of Act 5/2015.

#### 2.2.2.3 Outstanding Balance of the Receivables.

The outstanding balance (the “**Outstanding Balance**”) of a Receivable shall be the sum of the capital or principal not yet due and the capital or principal due and not paid to the Fund on the specific Loan at a date.

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

Delinquent Receivables (the “**Delinquent Receivables**”) shall be deemed to be Receivables that are delinquent at a date with a period of arrears in excess of three (3) months in payment of overdue amounts, excluding Doubtful Receivables. Non-delinquent Receivables (the “**Non-Delinquent Receivables**”) shall be deemed to be Receivables that are not deemed to be either Delinquent Receivables or Doubtful Receivables at a date.



Doubtful Receivables (the “**Doubtful Receivables**”) shall be deemed to be Receivables that are delinquent at a date with a period of arrears equal to or greater than eighteen (18) months in payment of overdue amounts or classified as bad debts by the Management Company because there are reasonable doubts as to their full repayment based on indications or information obtained from the Servicer. Non-doubtful Receivables (the “**Non-Doubtful Receivables**”) shall be deemed to be Receivables that are not deemed to be Doubtful Receivables at a date.

### **2.2.3 Legal nature of the pool of assets.**

The selected loans to be securitised through the Fund can be classified, having regard to their collaterals, into:

- (i) Loans without special security.
- (ii) Loans secured with personal third-party bonds (sureties and/or guarantors).

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

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

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

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

The final maturity date of the loans selected to be assigned to the Fund upon being established lies between July 31, 2015 and March 18, 2025. The final maturity date of the Loans assigned to the Fund upon acquisitions being subsequently made during the Revolving Period may not extend beyond ten (10) years after the date of assignment to the Fund.

### **2.2.5 Amount of the assets.**

The Maximum Amount of the Outstanding Balance of the Receivables pooled in the Fund shall be EUR one billion four hundred and fifty million (1,450,000,000.00), equivalent to the face value of the Bond Issue.

### **2.2.6 Loan to value ratio or level of collateralisation.**

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

There is no overcollateralisation in the Fund since the Maximum Receivable Amount shall be EUR one billion four hundred and fifty million (1,450,000,000), the face value amount of the Bond Issue.

### **2.2.7 Method of creation of the assets.**

The loans selected to be assigned to the Fund have been granted by BBVA following its usual credit risk analysis and assessment procedures for granting loans and credits without mortgage security to individuals for financing retail transactions or the purchase of goods, including motor cars, or services. A summary of the procedures currently in place at BBVA is described below:

#### **1. Introduction.**

BBVA has a multi-channel distribution model, with the following marketing channels, inter alia:

- *Network of Branches*

BBVA has an extensive network of branches covering the entire territory of Spain. This is a consolidated and widely experienced marketing channel, with a proactive management model targeting customers and non-customers.

The BBVA network of branches is the basic point in selling consumer credit, and is the main channel for receiving transactions and is therefore the basic reference for customers, and in turn the branches are the ultimate recipient of all personal credit transactions arriving through the other distribution channels.

- *BBVA Crédito Line*

For processing and pre-authorising over the telephone credits applied for by customers and non-customers over the telephone, which are always originated at the network of branches.

## 2. Approval System.

Transactions are assessed by means of two systems:

- *Proactive Scoring.*

Based on internal information of BBVA, risk limits are assigned, among other products, for consumer loans. This is used as an instrument supporting management and sale of lending products offering financing.

This tool scores each customer, within the consumer unit in which the customer is integrated, based on the customer's performance and relationships with BBVA, scoring the risk and assigning risk limits to the products: consumer, credit cards and current account overdrafts. If at the time of the application the customer has a sufficient available limit, the scoring opinion is positive. Otherwise, reactive scoring is used for the assessment.

- *Reactive Scoring.*

This system analyses each party involved having regard to their social and demographic and employment characteristics, and the economic situation of the family unit (income and expenditure).

The system provides a joint valuation for all parties involved and for the transaction and issues an opinion that may be:

Positive: favourable profile of the applicants/transaction and sufficient payment capacity.

Doubtful: Weak points in the borrowers and/or the transaction.

Negative: derives from unfavourable aspects in the applicants and/or the transaction mainly due to a lack of payment capacity or more unstable social, employment or economic risk profiles.

The family unit's payment capacity is arrived at by dividing the cash balance by the loan payment.

The cash balance is the difference between monthly income and expenditure.

The income is arrived at by weighting the proved net fixed and variable income according to the type of occupation. Expenditure is established based on the expenses declared by the applicant and the system estimate considering the level of income, the family unit size, the province of residence, etc.

The system relates the scoring opinion to internal and external filters and policy rules and issues a final automatic opinion which may be:

Positive: positive scoring, no internal and external filters and satisfies risk acceptance requirements.

Doubtful: positive scoring with mild default filters or doubtful scoring and/or mild default filters.

Negative: positive or doubtful scoring with worrying filters or negative scoring.

The account manager's/analyst's capacity to authorise these transactions shall be determined by the empowerment figures conferred (in regard to both customer and product).

### 3. Origination of consumer loan transactions.

Transactions shall be originated in contractual documents created ad hoc which are automatically printed out from the IT application. Transactions shall always be originated at the branch to which customers are naturally linked, based on:

Applicants' usual family residence (or workplace).

Previous relationships with that Branch.

The following paragraphs summarise key sections of risk decision principles, procedures and operation in consumer loan transactions.

#### **Empowerment for risks.**

Empowerment is personally conferred based on the officer's experience and qualification and need to be so empowered for discharging his or her duties, having regard to the characteristics of the unit in which he or she belongs. Since it is conferred on the individual as opposed to the position, the empowerment figure can vary when various individuals hold the same positions.

The empowerment for accepting risks originates in BBVA Group's political bodies and is cascaded down the hierarchic line. The empowerment figure shall be determined based on the officer's capability and the characteristics of the assigned market and segment.

Empowerment is conferred and used personally and accountability for its use shall also be personal. This personal liability is not lost or diluted even where decisions are made on the risks committee, which decisions shall never be collegiate decisions. Liability for the decision extends not only to the outcome but also to the appropriateness of the route chosen to study the decision and the documents provided.

Transactions which are not covered by the empowerment because of their amount, form or term or relating to customers for whom there is no empowerment shall be submitted to the next immediate empowerment level or whoever the same shall have established.

Along with the empowerment for accepting customer risks which may be generically given, there may be specific empowerments for given products or risk forms, the characteristics of which as to amount, term and method of analysis shall be defined on a case by case basis.

#### *Exceptions to the power to delegate and cancellation*

Generally, branches are delegated consumer loan approval authorities provided that they do not exceed a 3-year term. That generic limitation can be scaled up according to borrower.

The above exception to the empowerment shall not affect the territorial retail banking management offices, regional corporate banking management offices and institutional banking and corporate branch management offices (saving for transactions for the benefit of relatives up to the second degree of consanguinity or affinity, by whoever uses the empowerment).

#### *Certificate – Record of Transactions / Committees*

This document shall list in chronological order all transactions proposed, whether they are authorised, or refused using the empowerment or submitted to be analysed and for a decision to be made by higher levels.

#### *Instructions affecting the BBVA-retail-banking-specific consumer empowerments*

The following requirements have to be satisfied for using consumer loan empowerment:

All transactions (including refused transactions) shall be dealt with by the Group Platform ("Group Platform") arrangement system integrated in the retail administration.

There is no empowerment for transactions with a negative opinion.

The maximum empowerment amount and term for this product shall at no event be exceeded

**Consumer credit “El Crédito”.**

Group Platform is a computerised system to integrally process consumer credit transactions which, through automatic connection and interrelationship with several applications of BBVA, includes:

A procedure for scoring the risk for decision analysis and support.

An automatic search in internal and internal default files (BBVA delinquency, RAI, BDI, ASNEF).

An instant search system for customers' basic relationships (customer flash).

An automated credit transaction operational and administrative processing procedure (origination, accounting, etc.).

*Studying / Authorising the Transaction:*

Although the administrative procedure for these credit transactions is now computerised, the risk must be studied independently of the support procedure for analysis and the decision obtained with the scoring procedure.

It must be taken into account whether the amount, term, purpose or use, the class of customer applying, etc., comply with acceptable standards and are within the patterns established by BBVA for granting those credits.

Upon receiving a loan application, the system is provided with the necessary details on-line. The system will analyse personal and economic particulars (scoring) and check whether the applicant is already a BBVA customer or is included in any list of defaulters, issuing an automatic opinion that may be positive, negative or doubtful.

Transactions with a negative opinion are not delegated to branches.

Branches may decide on transactions receiving positive-doubtful opinions with amounts fitting in the figures for which the respective branches are empowered.

*File minimum*

A file shall at least have the following documents:

Group Platform application / proposal form (the applicants' signature must be affixed to the Group Platform application or proposal form).

Identity Documents: Spanish ID, etc. (checked against the originals).

Proof of income (payslip, personal income tax return, etc.).

Title deeds (where appropriate).

Pro forma invoice/Quote.

Proof of entries in filters.

*Contractual documents*

In general, all transactions channelled through branches, whatever the amount and term may be, shall be originated in a loan document certified by a Commissioner for Oaths. This circumstance may only be avoided when the following circumstances (both) concur in the same transaction, in which case the use of a promissory note and an additional clause may be exceptionally considered:

- In the case of old BBVA customers (not less than two years) with whom BBVA has had a verified positive experience.
- For amounts of not more than EUR 6,000 and a term of up to 5 years.

## **PIDE Product**

The BBVA PIDE immediate loan is a form of financing, governed by a master agreement, offering the customer the possibility of taking out personal loans 24 hours a day, 365 days a year, for a three-year period. It may be accessed through any of the channels made available to the customer by BBVA, namely BBVA branches, all BBVA automatic cash dispensers, on the internet at BBVA Net or by telephone through Línea BBVA.

The prospect is a customer already known to BBVA, as the user of any lending/saving product, with a minimum seniority period.

The offer, pre-granted through a proactive scoring system, based on historic customer credit growth information, financial terms and social and demographic variables, is communicated to the same by post:

- Maximum amount pre-granted in the master agreement, under which subsequent personal loans may be taken out.
- Fixed interest rate offered (for the applicable period offered).
- Maximum and minimum repayment term for each loan.
- Deadline for drawing the pre-granted amount under PIDE.

Product terms:

- The maximum pre-granted amount under the master agreement ranges between EUR 6,000 and EUR 24,000, the minimum drawing amount under a loan being EUR 600.
- Maximum repayment term for each loan under the master agreement:
  1. 8 years for amounts above EUR 12,000.
  2. 5 years for amounts below EUR 12,000.
- Monthly payment (minimum 12 Euros/month)
- No exclusion period.
- Cancellation fee: 3%.

## **4. Recovery Procedure**

### **4.1 General**

The recovery philosophy at BBVA for unpaid loans consists of defining a working system allowing irregular situations to be swiftly and efficiently corrected. This is based on a highly personalised management in which the recovery agent plays a key role and in which the latter liaises permanently with the debtor.

### **4.2 Irregular investment debt**

Before becoming delinquent and from the first day of default, a check is made using daily lists of failed payments (irregular investment). The client is contacted and progress is regularly monitored. In addition, letters claiming debts are centrally sent out at three different times (the last of these being an ultimatum letter), and telephone calls are made using an external services company.

### **4.3 Debt in Arrears**

If the above steps are unsuccessful and the debt finally falls in arrears, proactive steps are simultaneously taken with the debtors in order for the arrears to be made good through either the outsourcing unit or one of the Recovery Centres.

Lastly, if the debt remains outstanding and this is deemed to be useful, all documents are immediately prepared to institute legal procedures: settlement and closure of accounts, notarised payment request and notice of legal actions (operations unit) and drawing up of the complaint with the lawyer (judicial unit).

The legal procedure to be used shall be whichever is most appropriate in view of the circumstances and the Civil Procedure Act.

The procedural stages for enforcement are the following:

- Submission of the complaint.
- Issue or admission of enforcement.
- Court summons to the debtor for payment (attachment of assets).
- Auction: application, scheduling of date for auction to be held and notice to debtor, following publication of edicts as provided for by Law.

The duration of these stages varies and overly depends on each procedure, the average being around 18 months.

#### **4.3.1 Units involved and tools available to them**

Recovery actions at BBVA are undertaken through different IT applications and centres.

There are three types of recovery units or centres:

- Operations centre: centrally carries out all tasks involved in the pre-judicial stage (preparing the judicial case file), managing friendly recovery with debtors (where appropriate), and administering and booking all collections and payments in arrears.
- Outsourcing centre: controls and monitors all matters not outsourced to external companies. It acts with respect to clients not assigned to operations, with matters involving small amounts and at no event in mortgage loan transactions.
- Recovery Centres (CER): their function combines friendly and court collection. The latter includes instituting and monitoring all legal proceedings commenced as a result of debts in arrears claimed (relying on in-house lawyers, external lawyers and court attorneys).

These centres may act independently, each within their sphere, working with each other combining actions by one centre and the other.

The recovery procedure relies on the following tools:

- Arrears/bad debts application: manages the accounts of all matters that are deemed doubtful assets in accordance with the Bank of Spain circular.
- Recovery management agenda: this tool is designed to boost recovery management, monitoring and control of matters rated doubtful assets/bad debts. It allows, inter alia, the exact management status of a particular matter to be known, the steps taken to be updated, management portfolios to be set up, alerts systems to be activated, accounting movements to be looked up, etc.  
To do so, it takes accounting information from the arrears/bad debts application and in turn transmits information to other tools.
- IMAS: workflow managing and ordering the pre-judicial procedure.
- Outsourcing applications: Set of applications automatically assigning and removing matters to and from external collection agencies.
- Information centre: collects information assigned by the recovery management agenda relating to delinquent accounts and legal proceedings in order to combine the same and to allow different searches to be made. It manages both daily and monthly information, providing statistical summaries and inventories of accounts. It also stands out because of its specific alerts menu for delinquent accounts or legal proceedings with arrears.

## **2.2.8 Indication of representations and warranties given to the Issuer relating to the assets.**

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

### **1. The Originator in relation to itself.**

- (1) That it is a credit institution duly incorporated in Spain in accordance with the laws in force for the time being, entered in the Companies Register of Biscay and in the Bank of Spain's Register of Credit Institutions.
- (2) That neither at today's date nor at any time since it was incorporated has it been decreed insolvent, in bankruptcy or in suspension of payments, nor has it been in any circumstance generating a liability which might result in the credit institution authorisation being revoked a restructuring process in terms of Credit Institution Restructuring and Termination Act 9/2012, November 14 or a termination process in terms of Act 11/2015.
- (3) That it has obtained all necessary authorisations, including those required of their corporate bodies and third parties, if any, affected by the assignment of the Receivables to the Fund, to be present validly at the execution of the Deed of Constitution and the Initial Receivables assignment certificate and at the execution of the subsequent notarised Additional Receivables assignment certificates, the relevant agreements relating to the establishment of the Fund and to fulfil the undertakings made.
- (4) That it has audited annual accounts for the last three financial years ended December 31, 2014 and 2013. The audit reports on the annual accounts for both financial years are unqualified. The audited annual accounts for said financial years have been filed with the CNMV and with the Companies Register.

### **2. The Originator in relation to the Loans and to the Loan Receivables assigned to the Fund.**

- (1) That the grant of the Loans and all aspects relating thereto are ordinary actions in the course of its business and 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 is the unrestricted legal and beneficial owner of all the Loans, free and clear of any and all liens and claims.
- (4) That the details of the Loans included in the schedules to the Deed of Constitution and the Initial Receivables assignment certificate and in subsequent notarised certificates assigning Additional Receivables truly and accurately reflect the status of those Loans at the assignment date.
- (5) That the Obligor or Obligors shall be liable for fulfilling the Loans with all their current or future assets, some of the Loans also being secured by means of personal security (bond or guarantee) and which will under no circumstances consist of mortgage security on real estate properties.
- (6) That the Loans are duly supported and partly originated in a loan agreement certified by a commissioner for oaths, whereas others are originated in a private agreement. Some Loans are arranged under the general terms of a master loan transaction agreement perfected in a document certified by a public commissioner for oaths.
- (7) That the agreements or private documents recording the Loans contain no clauses preventing their assignment or requiring any authorisation or communication for the Loan to be assigned.
- (8) That the Obligors under the Loans are all individuals resident in Spain and are not employees, managers or officers of the Originator.

- (9) That the Loans have been granted to individuals resident in Spain for retail purposes (which retail purposes shall be broadly construed, including, inter alia, financing the obligor's expenses, the purchase of goods, including motor cars, or services).
- (10) That the Loans have been directly granted to the Obligors.
- (11) That on the date of assignment to the Fund, it has not learned that any Obligor has been declared insolvent.
- (12) That the Loans are all denominated and payable exclusively in Euros and their capital or principal has been fully drawn down.
- (13) That all the Loan payment obligations are satisfied by directly debiting an account at the Originator itself.
- (14) That on the date of assignment to the Fund, none of the Loans have any payments more than thirty (30) days overdue.
- (15) That 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 agreements or private documents originating the Loans have all been duly filed in the Originator's archives suitable therefor, and are at the Management Company's disposal, for and on behalf of the Fund, and the Loans are all clearly identified both in data files and by means of their agreements or private documents.
- (17) That the outstanding principal balance of each Loan is equivalent to the principal figure for which the Receivable is assigned to the Fund.
- (18) That the final maturity date of the Receivables shall at no event extend beyond ten (10) years after the date of assignment to the Fund.
- (19) That after being granted, the Loans have been serviced and are still being serviced by the Originator 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 enforceability or may result in the application of Civil Code article 1535.
- (21) That the Loans all have a fixed interest rate or benchmark index, in the case of floating-rate loans, for determining the final Loan interest rate.
- (22) That on the assignment date of the Receivables, at least one (1) instalment has fallen due on each Loan and is not overdue.
- (23) That to the best of its knowledge nobody has a preferred right over the Fund as holder of the Loan Receivables.
- (24) That the Originator has received no notice whatsoever of full or partial repayment of the Loans from the Obligors.
- (25) That the Loan has not matured before and does not mature on the date of assignment to the Fund.
- (26) That the outstanding principal balance of the Loan is between EUR five hundred (500) and EUR eighty thousand (80,000), both inclusive, and in the case of Loans arranged under a master agreement the initial principal balance of the Loan is at least as high as EUR one thousand (1,000).



- (27) That loan interest and repayment instalment frequency is monthly.
- (28) 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.
- (29) That none of the Loans includes clauses allowing regular interest payment and principal repayment to be deferred, other than the principal repayment exclusion period, if any, existing at the origination date of each Loan.
- (30) That to the best of its knowledge no Obligor has any receivable owing from the Originator whereby the Obligor may be entitled to a set-off adversely affecting the rights vested in the Fund upon the Loans being assigned.
- (31) That the Loans are not finance lease transactions.
- (32) That the assignment of the Loan Receivables to the Fund is an ordinary action in the course of business of BBVA and is carried out at arm's length.
- (33) That none of the Loans are an extension or reinstatement of previous loans in arrears.
- (34) That upon being assigned, the Receivables all satisfy the set Eligibility Requirements.

## **2.2.9 Substitution of the securitised assets.**

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

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

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

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

- c) In the event that any Receivable should not be substituted on the terms set in rule b) of this section, the Originator shall proceed to automatically terminate the assignment of the affected Receivable not replaced. That termination shall take place by a cash repayment to the Fund of the outstanding principal, interest accrued and not settled, and any other amount theretofore owing to the Fund on the relevant Receivable, which shall be paid into the Treasury Account.
  - d) In the event of termination of Receivables due to both substitution and repayment, the Originator shall be vested in all the rights attaching to those Receivables accruing from the termination date or accrued and not due or overdue on that same date.
3. In particular, the amendment by the Servicer during the life of the Receivables of their terms without regard to the limits established in the special laws applicable and, in particular, to the terms agreed between the Fund, represented by the Management Company, and the Originator in this Prospectus, in the Deed of Constitution and in the Servicing Agreement, which would therefore be an absolutely exceptional amendment, would constitute a unilateral breach by the Originator of its duties as Servicer which should not be borne by the Fund or by the Management Company.

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

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

**2.2.10 Relevant insurance policies relating to the assets.**

Not applicable.

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

Not applicable.

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

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

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

Not applicable.

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

Not applicable.

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

Not applicable.

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

Not applicable.

**2.3 Actively managed assets backing the issue.**

Not applicable.

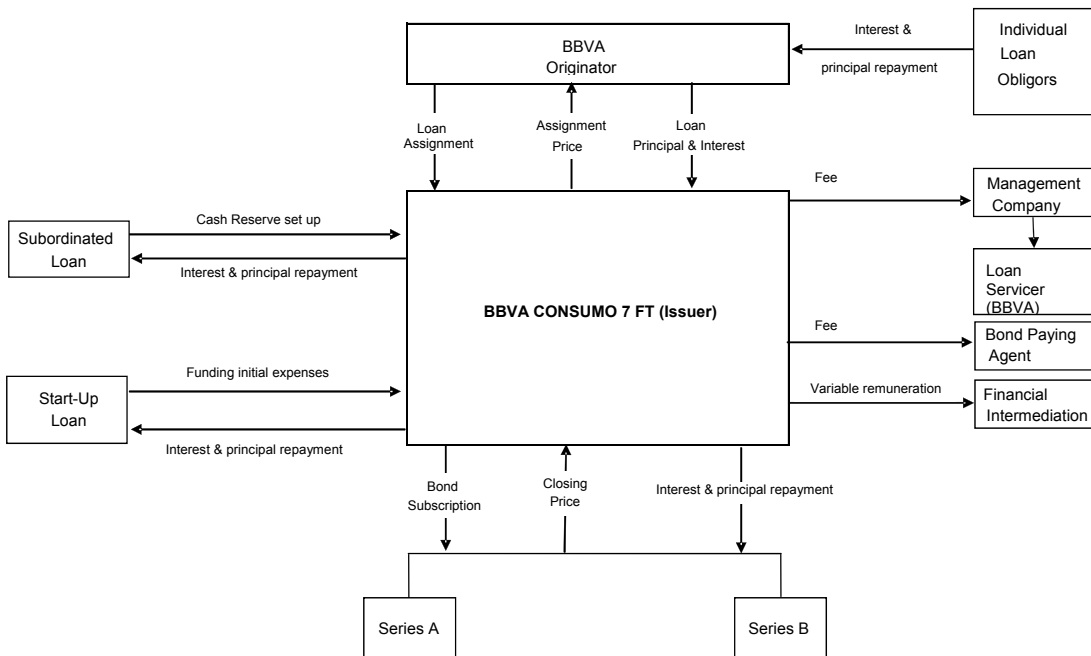
**2.4 Where the Issuer proposes to issue further securities backed by the same assets, statement to that effect and description of how the holders of that class will be informed.**

Not applicable.

**3. STRUCTURE AND CASH FLOW**

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

Transaction structure diagram.



**Initial balance sheet of the Fund.**

The Fund's balance sheet at the end of the Closing Date will be as follows:

ASSETS		LIABILITIES	
<b>Receivables</b>	<b>1,450,000,000.00</b>	<b>Obligations and securities</b>	<b>1,450,000,000.00</b>
Receivables	1,450,000,000.00	Series A Bonds	1,239,700,000.00
		Series B Bonds	210,300,000.00
Treasury Account (Cash Reserve and interest timing difference 1 <sup>st</sup> Payment Date)	73,000,000.00	Start-Up Loans	8,310,000.00
Principal Account	to be determined	Subordinated Loan	65,250,000.00
Funds for paying the Fund's initial expenses	560,000.00		
		<b>Short-term creditors</b>	<b>To be determined</b>
		Receivables interest accrued	to be determined
<b>TOTAL</b>	<b>1,523,560,000.00</b>	<b>TOTAL</b>	<b>1,523,560,000.00</b>

**(Amounts in EUR)**

\* Assuming that all Fund set-up and Bond issue and admission expenses are not met on the Closing Date, as detailed in section 6 of the Securities Note.

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

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

- (i) EUROPEA DE TITULIZACIÓN is the Management Company that will establish, manage and be the authorised representative of the Fund, has, together with BBVA, financially structured the Fund and the Bond Issue, and takes responsibility for the contents of this Prospectus.
- (ii) BBVA is the Originator of the Receivables to be acquired by the Fund and the Subscriber of the Bond Issue.

In addition, BBVA shall be the Fund's counterparty under the Subordinated Loan, Start-Up Loan, Financial Intermediation, Guaranteed Interest Rate Account (Treasury Account), Guaranteed Interest Rate Account (Principal Account) and Bond Paying Agent Agreements and shall be designated by the Management Company as the Servicer under the Receivables Servicing Agreement.

- (iii) BBVA shall be the Lead Manager and also takes responsibility for the contents of the Securities Note (including the Building Block).

Out of the functions and activities that lead managers may discharge in accordance with article 35.1 of Royal Decree 1310/2005, BBVA has, together with the Management Company, structured the financial terms of the Fund and the Bond Issue and will carry out all other actions and activities provided for in respect of the Lead Manager in the Securities Note.

- (iv) GARRIGUES, as independent legal adviser, has provided legal advice for the establishment of the Fund and the Bond Issue and has been involved in reviewing the legal, tax and contractual elements of this Prospectus, the transaction and financial service agreements referred to herein, the Deed of Constitution and the notarised certificate assigning the Initial Receivables.
- (v) Deloitte has prepared the audit report on certain features and attributes of a sample of all of BBVA's selected loans from which the Initial Receivables will be taken to be assigned to the Fund upon being established.

- (vi) DBRS and Moody's are the Rating Agencies that have assigned the ratings to each Bond Issue Series

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

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

#### **3.3.1 Perfecting the assignment of the Receivables.**

##### **3.3.1.1 Assignment of the Initial Receivables.**

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

##### **3.3.1.2 Assignment of the Additional Receivables.**

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

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

On each new acquisition of Additional Receivables, the Management Company shall deliver to the CNMV, on the following Business Day, the notarised assignment certificate with details of each Additional Receivable assigned to the Fund with the main features allowing them to be identified. The Originator shall ratify, in each notarised assignment certificate, in relation to the Originator proper and the Additional Receivables assigned under that notarised certificate, upon the assignment being made, the representations and warranties set out in section 2.2.8 of this Building Block.

Additionally, each notarised certificate shall include a statement by the Management Company, also signed by the Originator, that the Additional Receivables satisfy all the set (Individual and Global) Eligibility Requirements to be assigned to the Fund.

- 3.3.1.3 The Originator's assignment of the Receivables to the Fund shall not be notified to the Obligors. However, in the event of insolvency, liquidation, substitution of the Servicer, or a termination process in terms of Act 11/2015, or because the Management Company deems it reasonably justified, the Management Company may demand that the Servicer notify Obligors of the transfer to the Fund of the outstanding Receivables, and that payments derived therefrom will only be effective as a discharge if made into the Treasury Account opened in the name of the Fund. However, both in the event of the Servicer failing to notify Obligors within five (5) Business Days of receiving the request and in the event of the Servicer becoming insolvent, the Management Company itself shall directly or, as the case may be, through a new Servicer it shall have designated, notify Obligors.

#### **3.3.2 Receivable assignment terms.**

1. The Receivables will be fully and unconditionally assigned for the entire term remaining until maturity of each Loan.
2. The Originator shall be liable to the Fund for the existence and lawfulness of the Receivables to the same extent laid down in articles 348 of the Commercial Code and 1529 of the Civil Code.

3. The Originator shall not bear the risk of default on the Receivables and shall therefore have no liability whatsoever for Obligors' default of principal, interest or any other Loan amount owing to them by the Obligors. The Originator will also have no liability whatsoever to directly or indirectly guarantee that the transaction will be properly performed, and will give no guarantees or security, nor indeed agree to replace or repurchase the Receivables, other than as provided in section 2.2.9 of this Building Block.
4. The Receivables under each Loan shall be assigned for all outstanding capital yet to be repaid at the assignment date and for all ordinary and late-payment interest on each Loan, and for all rights derived from any right collateral to the Loans and the rights derived from the death and total and permanent disability insurance contracts, if any, attached to the Loans.

Specifically, for illustration, without limitation, assignment of the Receivables shall provide the Fund with the following rights in relation to each Loan:

- (i) To receive all Loan capital or principal repayment amounts due.
- (ii) To receive all Loan capital ordinary interest amounts due.
- (iii) To receive all Loan late-payment interest amounts due.
- (iv) To receive any other amounts, assets or rights received as payment for Loan principal, interest or expenses.
- (v) To receive all possible Loan rights or compensations accruing for the Originator under the Loans, including those derived from any ancillary right attached to the Loans, including all payments, if any, made by third-party guarantors, but not including prepayment or early cancellation fees if any such should be established for each Loan, which shall remain for the benefit of the Originator.

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

Loan returns constituting Fund income shall not be subject to a Corporation Tax withholding as established in Royal Decree 634/2014, July 10, approving the Corporation Tax Regulations.

5. The Fund's rights resulting from the Receivables are linked to the Obligors' payments and are therefore directly affected by Loan evolution, delays, prepayments or any other Loan-related incident.
6. The Fund shall bear any and all expenses or costs defrayed by the Originator in connection with 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.

### **3.3.3 Loan Receivable sale or assignment price.**

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

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

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

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

#### **3.3.4 Compliance with Regulation 575/2013.**

In compliance with the provisions of article 405 of Regulation (EU) No. 575/2013 of the European Parliament and of the Council, of June 26, 2013, on prudential requirements for credit institutions and investment firms and amending Regulation (EU) no. 648/2012 ("**Regulation 575/2013**"), the Originator has notified the Management Company that it shall on an ongoing basis retain a material net economic interest in the Fund on the terms required by Regulation 575/2013. In this regard, the Originator has notified the Management Company that "on an ongoing basis" shall be construed in the sense that the net economic interest retained shall not be subject to any credit risk mitigation or any short positions or any other hedge and shall not be sold. The Originator shall agree in the Deed of Constitution to include at its website a reference to the location where all the updated details concerning retention of a net economic interest may be found.

Notwithstanding the above, a number of details shall be provided hereinafter as to such retention. In particular:

- That, pursuant to article 405d), BBVA, as originator of the securitisation, shall agree in the Deed of Constitution to retain on an ongoing basis Series B Bonds and the Subordinated Loan principal (first loss tranche), in order for the retention to initially equal 19% of the Outstanding Balance of the Loans (securitised exposures) and at all times a ratio of not less than five percent (5%) of the Outstanding Balance of the Loans.
- That the Originator shall agree in the Deed of Constitution to notify the Management Company, on a quarterly basis, of fulfilment of the retention commitment taken on in order for the latter in turn to post that information at its website [www.edf-sg.com](http://www.edf-sg.com). In connection with such notice, the Originator shall explicitly declare that it has not taken any action (credit risk cover, sale, short positions, etc.) undermining the application of the retention requirement.

In compliance with the provisions of article 409 of Regulation 575/2013, the Originator shall make sure that potential investors may readily access all relevant data as to credit quality and performance of the different underlying exposures, cash flows and such information as may be necessary to conduct comprehensive and well informed stress tests on the cash flows.

### **3.4 Explanation of the flow of funds.**

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

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

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

#### **3.4.2 Information on any credit enhancement.**

##### **3.4.2.1 Description of the credit enhancement.**

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

- (i) Cash Reserve set up by drawing down the Subordinated Loan.

Mitigates the credit risk derived from Receivable delinquency and default and the interest rate risk occurring in the Fund because part of the Receivables, during the life of the Fund, are subject to 1-year Euribor benchmark index interest and different reset and settlement periods with respect to the interest established for fixed-rate Bonds and with quarterly accrual and settlement periods.

- (ii) Treasury Account.

Mitigates the loss of return on the Fund's liquidity due to the timing difference between income received on the Receivables until payment of Bond interest and acquisition of Additional Receivables on the next succeeding Payment Date during the Revolving Period or, when it is over, Bond principal repayment.

- (iii) Principal Account:

Mitigates the loss of return on the amounts of the Principal Available Funds not applied to acquiring Additional Receivables during the Revolving Period.

- (iv) Subordination and deferment in interest payment and principal repayment between the Bonds in each Series, derived from their place in the application of the Available Funds as well as the rules for Distribution of Principal Available Funds in the Priority of Payments, or in the application of the Liquidation Available Funds in the Liquidation Priority of Payments, are a means for distinctly hedging the different Series.

##### **3.4.2.2 Cash Reserve.**

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

The characteristics of the Cash Reserve shall be as follows:

###### **Cash Reserve amount.**

1. The Cash Reserve shall be set up on the Closing Date in an amount equal to EUR sixty-five million two hundred and fifty thousand (65,250,000.00) ("**Initial Cash Reserve**").
2. Subsequently to being set up, on each Payment Date, the Cash Reserve shall be provisioned until it reaches the Required Cash Reserve amount established hereinafter out of the Available Funds in the Fund Priority of Payments.



The required Cash Reserve amount on each Payment Date (the “**Required Cash Reserve**”) shall be the lower of:

- (i) EUR sixty-five million two hundred and fifty thousand (65,250,000.00).
- (ii) The higher of:
  - a) 9.00% of the Outstanding Principal Balance of the Bond Issue.
  - b) EUR thirty-two million six hundred and twenty-five thousand (32,625,000.00).

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

- i) That on the Determination Date preceding the relevant Payment Date the amount of the Outstanding Balance of Delinquent Receivables is higher than 1.00% of the Outstanding Balance of Non-Doubtful Receivables.
- ii) That, on the preceding Payment Date, the Cash Reserve was not provisioned up to the Required Cash Reserve amount at that Payment Date, or it cannot be provisioned on the relevant Payment Date.
- iii) That two (2) years have not elapsed since the date of establishment of the Fund.

#### **Yield.**

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

#### **Application.**

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

### **3.4.3 Details of any subordinated finance.**

#### **3.4.3.1 Subordinated Loan.**

The Management Company shall on the date of establishment of the Fund, for and on behalf of the Fund, enter with the Originator into an agreement whereby the Originator shall grant to the Fund a commercial subordinated loan (the “**Subordinated Loan**”) amounting to EUR sixty-five million two hundred and fifty thousand (65,250,000.00) (the “**Subordinated Loan Agreement**”). The Subordinated Loan amount shall be delivered on the Closing Date and be applied to setting up the Initial Cash Reserve on the terms for which provision is made in section 3.4.2.2 of this Building Block, although granting of the Loan by no means guarantees performance of the securitised Receivables.

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

The Subordinated Loan shall at all events be finally due on the Final Maturity Date or, as the case may be, on the date on which the Management Company proceeds to Early Liquidation subject to the Liquidation Priority of Payments.

Outstanding Subordinated Loan principal shall earn 0.50% fixed annual nominal interest. Interest shall be settled and be payable on the expiry date of each Interest Accrual Period on each Payment Date, and shall be calculated based on: (i) the exact number of days in each Interest Accrual Period and (ii) a three-hundred-and-sixty- (360-) day year. The first interest settlement date shall be December 21, 2015, because neither December 19 nor December 20, 2015 are Business Days. Interest shall be paid provided that the Fund has sufficient liquidity on the relevant Payment Date in the Priority of Payments and, upon liquidation of the Fund, in the Liquidation Priority of Payments.

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

All Subordinated Loan amounts due and not paid by the Fund because of a shortfall of Available Funds shall be paid on the following Payment Dates on which the Available Funds allow payment in the Priority of Payments. Payment of amounts not paid on preceding Payment Dates shall take precedence over Subordinated Loan amounts falling due on that Payment Date, honouring firstly overdue interest and secondly principal repayment, in the Priority of Payments and, upon liquidation of the Fund, in the Liquidation Priority of Payments.

The Subordinated Loan Agreement shall be fully terminated in the event that the Rating Agencies should not confirm the provisional ratings assigned to the Bonds in each Series as final ratings by 2pm CET on July 28, 2015.

#### **3.4.3.2 Start-Up Loan.**

The Management Company shall on the date of establishment of the Fund, for and on behalf of the Fund, enter with the Originator into an agreement whereby the Originator shall grant to the Fund a commercial loan (the "**Start-Up Loan**") amounting to EUR eight million three hundred and ten thousand (8,310,000.00) (the "**Start-Up Loan Agreement**"). The Start-Up Loan amount shall be delivered on the Closing Date and be allocated to financing the Fund set-up and Bond issue and admission expenses, and cover the existing timing difference between Loan interest collection and Bond interest payment on the first Payment Date.

Outstanding Start-Up Loan principal shall earn 0.50% fixed annual nominal interest. Interest shall be settled and be payable on the expiry date of each Interest Accrual Period on each Payment Date, and shall be calculated based on: (i) the exact number of days in each Interest Accrual Period and (ii) a three-hundred-and-sixty- (360-) day year. The first interest settlement date shall be December 21, 2015, because neither December 19 nor December 20, 2015 are Business Days. Interest shall be paid provided that the Fund has sufficient liquidity on the relevant Payment Date in the Priority of Payments and, upon liquidation of the Fund, in the Liquidation Priority of Payments.

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

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

- (i) The portion of Start-Up Loan principal actually used to finance the Fund set-up and Bond issue and admission expenses and the portion designed to cover the existing timing difference between Loan interest collection and Bond interest payment on the first Payment Date 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 21, 2015, because neither December 19 nor December 20, 2015 are Business Days, and the following until the Payment Date falling on September 19, 2018, inclusive.
- (ii) The portion of Start-Up Loan principal not used shall be repaid on the first Payment Date, December 21, 2015, because neither December 19 nor December 20, 2015 are Business Days.

All Start-Up Loan amounts due and not paid by the Fund because of a shortfall of Available Funds shall be paid on the following Payment Dates on which the Available Funds allow payment in the Fund Priority of Payments. Payment of amounts not paid on preceding Payment Dates shall take precedence over Start-Up Loan amounts falling due on that Payment Date, honouring firstly overdue interest and secondly principal repayment, in the Priority of Payments or, upon liquidation of the Fund, in the Liquidation Priority of Payments.

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

### 3.4.3.3 Subordination of Series B Bonds.

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

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

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

#### 3.4.4.1 Treasury Account.

The Management Company, for and on behalf of the Fund, and BBVA shall, on the date of establishment of the Fund, enter into a guaranteed interest rate account agreement (the “**Guaranteed Interest Rate Account (Treasury Account) Agreement**”) whereby BBVA will pay a fixed annual nominal interest rate on the amounts paid in for the benefit of the Fund through its Management Company into a financial account. The Guaranteed Interest Rate Account (Treasury Account) Agreement shall specifically determine that all amounts received by the Fund will be paid into a financial account in Euros (the “**Treasury Account**”) opened at BBVA, in the name of the Fund by the Management Company, which amounts shall mostly consist of the following items:

- (i) cash amount received upon subscription for the Bond Issue being paid up;
- (ii) Receivable principal repaid and ordinary and late payment interest collected;
- (iii) any other Receivable amounts owing to the Fund;
- (iv) Subordinated Loan principal drawn down and the Cash Reserve amount from time to time;
- (v) Start-Up Loan principal drawn down;
- (vi) the amounts of the returns obtained on actual Treasury Account and Principal Account balances; and
- (vii) the amounts, if any, of interim withholdings on the return on investments to be effected on each relevant Payment Date on the Bond interest paid by the Fund, until due for payment to the Tax Administration.

BBVA shall pay a 0.50% fixed annual nominal interest rate, settled quarterly, other than for the first interest accrual period, the duration of and the interest settlement for which shall be based on the duration of that period, applicable for each interest accrual period (differing from the Interest Accrual Period established for the Bonds) to the positive daily balances if any on the Treasury Account. Interest shall be settled on the expiry date of each interest accrual period on each of the Fund Determination Dates, and shall be calculated based on: (i) the exact number of days in each interest accrual period, and (ii) a three-hundred-and-sixty-five (365-) day year or a three-hundred-and-sixty-six (366-) day year if it is a leap year. The first interest accrual period shall comprise the days elapsed between the date of establishment of the Fund and the first Determination Date, December 10, 2015, exclusive.

In the event that the rating of the long-term unsecured and unsubordinated debt obligations of BBVA or of the substitute institution in which the Treasury Account is opened (both the “**Treasury Account Provider**”) should, at any time during the life of the Bond Issue, be downgraded below Baa3 by Moody’s, or below BBB according to the public rating assigned by DBRS or, where there is no such rating, the private ratings or the internal assessments made by DBRS (the “**DBRS Rating**”), or Moody’s rating or the DBRS Rating should be removed, the Management Company shall, within not more than thirty (30) calendar days from the day of the occurrence of either event, after notifying the relevant Rating Agency, do one of the following in order to allow a suitable level of guarantee to be maintained with respect to the commitments derived from the Guaranteed Interest Rate Account (Treasury Account) Agreement in order for the rating given to the Bonds by the Rating Agencies not to be adversely affected:

- a) Obtain from an institution with long-term unsecured and unsubordinated debt obligations rated at least as high as Baa3 by Moody’s, and/or with a long-term DBRS Rating at least as high as BBB (such rating not to be “Under Review (Negative)”), an unconditional, irrevocable and first demand guarantee securing for the Fund, merely upon the Management Company so requesting, prompt payment by the Treasury Account Provider of its obligation to repay the amounts credited to the

Treasury Account, for such time as the Treasury Account Provider's debt obligations remain downgraded below Baa3 by Moody's and/or BBB by DBRS.

- b) Transfer the Treasury Account to an institution with long-term unsecured and unsubordinated debt obligations rated at least as high as Baa3 by Moody's, and with a long-term DBRS Rating at least as high as BBB (such rating not to be "Under Review (Negative)"), arranging a yield for its balances, which may differ from that arranged with the Treasury Account Provider under the Guaranteed Interest Rate Account (Treasury Account) Agreement.

In this regard, the Treasury Account Provider shall irrevocably agree to notify the Management Company of any change or removal of the Bond rating given by the Rating Agencies, forthwith upon that occurrence throughout the life of the Bond issue.

In the event of b) above occurring and BBVA's unsecured and unsubordinated debt obligations thereafter being upgraded back to Baa3 or above in the long-term by Moody's, and the long-term DBRS Rating being upgraded back to BBB or above, the Management Company shall subsequently transfer the balances back to BBVA under the Guaranteed Interest Rate Account (Treasury Account) Agreement.

All costs, expenses and taxes incurred in connection with putting in place and arranging the above options shall be borne by BBVA or, as the case may be, the substituted Treasury Account Provider.

BBVA shall agree, forthwith upon the Treasury Account Provider's credit rating being downgraded, to use commercially reasonable efforts in order that the Management Company may do either of a) or b) above.

#### **3.4.4.2 Principal Account.**

The Management Company, for and on behalf of the Fund, and BBVA shall, on the date of establishment of the Fund, enter into a guaranteed interest rate account agreement (the "**Guaranteed Interest Rate Account (Principal Account) Agreement**") whereby BBVA will pay a fixed annual nominal interest rate on the amounts paid by the Fund through its Management Company into a financial account. The Guaranteed Interest Rate Account (Principal Account) Agreement shall specifically determine that the amounts of the Principal Available Funds not applied to acquiring Additional Receivables during the Revolving Period will be paid into a financial account in Euros (the "**Principal Account**") opened at BBVA in the name of the Fund by the Management Company. Exceptionally, the amounts of the difference between the face values of the Bond Issue and of the initial Receivables acquired shall also be credited on the Closing Date.

BBVA shall pay a 0.50% fixed annual nominal interest rate, 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 (equal to the Interest Accrual Period established for the Bonds) to the positive daily balances if any on the Principal Account. Interest shall be settled on the expiry date of each Interest Accrual Period on each Payment Date and shall be calculated based on: (i) the exact number of days in each Interest Accrual Period, and (ii) a three-hundred-and-sixty-five (365-) day year or a three-hundred-and-sixty-six (366-) day year if it is a leap year.

In the event that the rating of the long-term unsecured and unsubordinated debt obligations of BBVA or of the institution in which the Principal Account is opened (the "**Principal Account Provider**") should, at any time during the life of the Bond Issue, be downgraded below Baa3 by Moody's, or below BBB according to the DBRS Rating, or Moody's rating or the DBRS Rating should be removed, the Management Company shall, within not more than thirty (30) calendar days from the day of the occurrence of either event, after notifying the relevant Rating Agency, do one of the following in order to allow a suitable level of guarantee to be maintained with respect to the commitments derived from the Guaranteed Interest Rate Account (Principal Account) Agreement in order for the rating given to the Bonds by the Rating Agencies not to be adversely affected:

- a) Obtain from an institution with long-term unsecured and unsubordinated debt obligations rated at least as high as Baa3 by Moody's, and/or with a long-term DBRS Rating at least as high as BBB (such rating not to be "Under Review (Negative)"), an unconditional, irrevocable and first demand guarantee securing for the Fund, merely upon the Management Company so requesting, prompt payment by the Principal Account Provider of its obligation to repay the amounts credited to the

Principal Account, for such time as the Principal Account Provider's debt obligations remain downgraded below Baa3 by Moody's and/or BBB by DBRS.

- b) Transfer the Principal Account to an institution with long-term unsecured and unsubordinated debt obligations rated at least as high as Baa3 by Moody's, and with a long-term DBRS Rating at least as high as BBB (such rating not to be "Under Review (Negative)"), arranging a yield for its balances, which may differ from that arranged with the Principal Account Provider under the Guaranteed Interest Rate Account (Principal Account) Agreement.

In this regard, the Principal Account Provider shall irrevocably agree to notify the Management Company of any change or removal of the Bond rating given by the Rating Agencies, forthwith upon that occurrence throughout the life of the Bond issue.

In the event of b) above occurring and BBVA's unsecured and unsubordinated debt obligations thereafter being upgraded back to Baa3 or above in the long-term by Moody's, and the long-term DBRS Rating being upgraded back to BBB or above, the Management Company shall subsequently transfer the balances back to BBVA under the Guaranteed Interest Rate Account (Principal Account) Agreement.

All costs, expenses and taxes incurred in connection with putting in place and arranging the above options shall be borne by BBVA or, as the case may be, the substituted Principal Account Provider.

BBVA shall agree, forthwith upon the Principal Account Provider's credit rating being downgraded, to use commercially reasonable efforts in order that the Management Company may do either of a) or b) above.

Income received on the amounts deposited in the Principal Account shall be paid into the Treasury Account.

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 Bond Series as final ratings by 2pm CET on July 28, 2015. In addition, the Principal Account shall be cancelled on the Payment Date following the Payment Date on which the Revolving Period ends, once it has been settled by the Management Company.

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

Asset payment collection management by the Fund is detailed in section 3.7.2.1.2 of the Building Block.

#### **3.4.6 Order of priority of payments made by the Issuer.**

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

The source of the amounts available to the Fund on the Bond Issue Closing Date and their application until the first Payment Date, exclusive, shall be as follows:

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

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

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

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

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

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

#### **3.4.6.2.1 Available Funds: source and application.**

##### **1. Source.**

The available funds on each Payment Date (the “**Available Funds**”) to meet the payment or withholding obligations listed in section 2 below shall be the following amounts credited to the Treasury Account identified as such by the Management Company (based on information received from the Servicer concerning the items applied):

- a) Receivable principal repayment income during the Determination Period preceding the relevant Payment Date.
- b) Receivable ordinary and late-payment interest received during the Determination Period preceding the relevant Payment Date.
- c) The returns received on amounts credited to the Treasury Account.
- d) The returns received on amounts credited to the Principal Account.
- e) The Cash Reserve amount on the Determination Date preceding the relevant Payment Date.
- f) Any other amounts received by the Fund during the Determination Period preceding the relevant Payment Date, including those resulting from the sale or utilisation of assets or rights awarded to the same.
- g) Additionally, on the first Payment Date, the portion of Start-Up Loan principal drawn not used until that date.

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

##### **2. Application.**

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

1. Payment of the Fund’s properly supported taxes and ordinary<sup>(1)</sup> and extraordinary<sup>(2)</sup> expenses, whether or not they were disbursed by the Management Company, including parts (ii) and (iv) of the management fee due to the latter, and all other expenses and service fees, including those derived from the Paying Agent Agreement. Only expenses prepaid or disbursed on the Fund’s behalf by and Receivable amounts reimbursable to the Management Company or, as the case may be, the Servicer, provided they are all properly supported, and part (iii) of the management fee payable to the Management Company in the event that BBVA should be replaced as Servicer, shall be settled in this priority.
2. Payment of interest due on Series A Bonds.
3. Payment of interest due on Series B Bonds unless this payment is deferred to 5<sup>th</sup> place in the order of priority.

This payment shall be deferred to 5<sup>th</sup> place when, on the Determination Date preceding the relevant Payment Date the cumulative Outstanding Balance of Delinquent Receivables, classified as such since the Fund was established and reckoned at the amount of the Outstanding Balance as at the classification date, is in excess of 5.00% of the Maximum Amount of the Receivables upon the Fund being established and provided that Series A Bonds have not been and are not to be fully amortised on the relevant Payment Date.

4. Bond Principal Amortisation Due in an amount equivalent to the positive difference existing at the Determination Date preceding the relevant Payment Date between:
  - (i) the Outstanding Principal Balance of the Bond Issue, and
  - (ii) the sum of a) the Outstanding Balance of Non-Doubtful Receivables and b) the Principal Account balance.

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

5. Payment of interest due on Series B Bonds when this payment is deferred from 3<sup>rd</sup> place in the order of priority as established therein.
6. Withholding of an amount sufficient for the Required Cash Reserve amount to be maintained.
7. Payment of Subordinated Loan interest due.
8. Repayment of Subordinated Loan principal to the extent amortised.
9. Payment of Start-Up Loan interest due.
10. Repayment of Start-Up Loan principal to the extent amortised.
11. Payment to the Management Company of part (iii) of the management fee established in section 3.7.1.5 of this Building Block.

In the event that BBVA should be replaced as Loan Servicer by a third party, payment of part (iii) of the management fee payable to the Management Company shall be moved up to 1<sup>st</sup> place above, along with the other payments included therein.

12. Payment of the Financial Intermediation Margin.

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

- (1) The following shall be considered ordinary expenses of the Fund:
  - a) Any expenses deriving from mandatory administrative verifications, registrations and authorisations, other than payment of the Fund set-up and Bond issue and admission expenses and the ongoing fee payable to EDW.
  - b) Parts (ii), (iii) and (iv) of the Fund management fee due to the Management Company.
  - c) Rating Agency fees for monitoring and maintaining the rating of the Bonds.
  - d) Expenses relating to keeping the Bond accounting record representing the Bonds by means of book entries, admission to trading in organised secondary markets and maintaining all of the foregoing.
  - e) Expenses of auditing the annual accounts and the Additional Receivables.
  - f) Bond amortisation expenses.
  - g) Expenses deriving from announcements and notices relating to the Fund and/or the Bonds.

- h) Fees due to notarisation of the certificates assigning Additional Receivables.

The Fund's ordinary expenses in its first year, including those derived from the Paying Agent Agreement, are estimated at EUR three hundred and fifty thousand (350,000.00). Because a significant part of those expenses are directly related to the Outstanding Principal Balance of the Bond Issue and that balance shall fall throughout the life of the Fund, the Fund's ordinary expenses will also fall as time goes by.

- (2) The following shall be considered extraordinary expenses of the Fund:
- a) Expenses, if any, derived from preparing and perfecting an amendment to the Deed of Constitution and the agreements, and from entering into additional agreements.
  - b) Expenses required to enforce the Receivables and deriving from any recovery actions required.
  - c) Expenses required to manage, administer, maintain, value, market and dispose of or operate real properties, assets, securities or rights awarded to or given to the Fund in a deed-in-lieu-of-foreclosure transaction on the Loans.
  - d) Extraordinary expenses of audits and legal advice.
  - e) The remaining amount, if any, of the initial Fund set-up and Bond issue and admission expenses in excess of the Start-Up Loan principal.
  - f) In general, any other extraordinary expenses required borne by the Fund or by the Management Company for and on behalf of the Fund.

#### **3.4.6.2.2 Principal Available Funds: source and application.**

##### **1. Source.**

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

- a) The Principal Withholding amount actually applied in fourth (4<sup>th</sup>) place of the Available Funds on the relevant Payment Date, and
- b) Until the Payment Date next succeeding the end of the Revolving Period, inclusive, the Principal Account balance on the preceding Determination Date.

##### **2. Distribution of Principal Available Funds.**

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

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

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

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

#### **3.4.6.3 Fund Liquidation Priority of Payments.**

The Management Company shall proceed to liquidate the Fund upon the Fund being liquidated on the Final Maturity Date or upon Early Liquidation in accordance with the provisions of sections 4.4.3 and 4.4.4 of the Registration Document, by applying the following available funds (the "**Liquidation Available Funds**"): (i) the Available Funds, (ii) the amounts obtained by the Fund from time to time upon disposing of the Receivables and the remaining assets and, as the case may be, (iii) the amount drawn under the loan arranged and exclusively used for final amortisation of the Bonds then outstanding, in accordance with the provisions of section 4.4.3.3.(iii) of the Registration Document, in the following order of priority of payments (the "**Liquidation Priority of Payments**"):

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



2. Payment of the Fund's properly supported taxes and ordinary and extraordinary expenses, whether or not they were disbursed by the Management Company, including parts (ii) and (iv) of the management fee due to the latter, and all other expenses and service fees, including those derived from the Paying Agent Agreement. Only expenses prepaid or disbursed on the Fund's behalf by and Receivable amounts reimbursable to the Management Company or, as the case may be, the Servicer, provided they are all properly supported, and part (iii) of the management fee payable to the Management Company in the event that BBVA should be replaced as Servicer, shall be settled in this priority.
3. Payment of interest due on Series A Bonds.
4. Repayment of Series A Bond principal.
5. Payment of interest due on Series B Bonds.
6. Repayment of Series B Bond principal.
7. In the event of the loan being arranged for early amortisation of the Bonds then outstanding as provided for in section 4.4.3.3.(iii) of the Registration Document, payment of financial expenses accrued and repayment of principal on the loan arranged.
8. Payment of Subordinated Loan interest due.
9. Repayment of Subordinated Loan principal.
10. Payment of Start-Up Loan interest due.
11. Repayment of Start-Up Loan principal.
12. Payment to the Management Company of part (iii) of the servicing fee established in section 3.7.1.5 of this Building Block.

In the event that BBVA should be replaced as Loan Servicer by a third party, payment of part (iii) of the management fee payable to the Management Company shall be moved up to 1<sup>st</sup> place above, along with the other payments included therein.

13. Payment of the Financial Intermediation Margin.

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

#### **3.4.6.4 Financial Intermediation Margin.**

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

The Originator shall be entitled to receive from the Fund a variable subordinated remuneration (the "**Financial Intermediation Margin**") which shall be determined and shall accrue upon expiry of every quarterly accrual period, which shall comprise, except for the first period, the three calendar months next preceding each Payment Date, in an amount equal to the positive difference, if any, between the income and expenditure in each period, including losses, if any, brought forward from previous years, accrued by the Fund with reference to its accounts and before the close of the last day of the calendar month next preceding every Payment Date. The Financial Intermediation Margin accrued at the close of the months of February, May, August and November, these being the last calendar month in each interest accrual

period, shall be settled on the next succeeding Payment Date, provided that the Fund has sufficient liquidity in the Fund Priority of Payments.

Exceptionally: (i) the first Financial Intermediation Margin accrual period shall be comprised between the date on which the Fund is established, inclusive, and November 30, 2015, inclusive, this being the last day in the calendar month preceding the first Payment Date, and (ii) the last Financial Intermediation Margin accrual period shall comprise a) until the Final Maturity Date or the date on which Early Liquidation of the Fund concludes, as provided for in section 4.4.3 of the Registration Document, on which the Receivables and the assets remaining in the Fund shall have been liquidated and the Liquidation Available Funds shall have been distributed in the Liquidation Priority of Payments of the Fund, b) from the last day in the calendar month preceding the Payment Date before the date referred to in a), including the first date a) but not including the second date b). The first Financial Intermediation Margin settlement date shall be the first Payment Date, December 21, 2015, because neither December 19 nor December 20, 2015 are Business Days.

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

The Financial Intermediation Agreement shall be fully terminated in the event that the Rating Agencies should not confirm any of the provisional ratings assigned to each Bond Series as final ratings by 2pm CET on July 28, 2015.

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

#### **3.4.7.1 Bond Issue Paying Agent.**

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

The main obligation to be taken on by BBVA (the **"Paying Agent"**) under this Paying Agent Agreement is summarily to pay, on each Bond Payment Date, Bond interest and, as the case may be, to repay Bond principal through Iberclear, after deducting the total amount of the interim tax withholding for return on investments to be made by the Management Company, on the Fund's behalf, in accordance with applicable tax laws.

In the event that the rating of the Paying Agent's long-term unsecured and unsubordinated debt obligations should, at any time during the life of the Bond Issue, be downgraded respectively below Baa3 by Moody's or below BBB according to the DBRS Rating, the Management Company shall, within not more than thirty (30) calendar days, from the occurrence of either event, after first notifying the relevant Rating Agency, do one of the following in order to allow a suitable level of guarantee to be maintained with respect to the commitments derived from the Bond Paying Agent Agreement and in order for the ratings given to the Bonds by the Rating Agencies not to be adversely affected:

- (i) obtain from an institution with unsecured and unsubordinated debt obligations rated at least as high as Baa3 in the long-term by Moody's, and/or with a long-term DBRS Rating at least as high as BBB (such rating not to be "Under Review (Negative)"), a first demand guarantee securing to the Fund, merely upon the Management Company so requesting, the commitments made by the Paying Agent, for such time as the Paying Agent's debt obligations remain downgraded below Baa3 by Moody's and/or BBB by DBRS, or

- (ii) revoke the Paying Agent's designation and thereupon designate another institution with unsecured and unsubordinated debt obligations rated at least as high as Baa3 in the long-term by Moody's, and with a long-term DBRS Rating at least as high as BBB (such rating not to be "Under Review (Negative)"), to take its place before terminating the Paying Agent Agreement. 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 this regard, the Paying Agent shall irrevocably agree to notify the Management Company of any change or removal of the Bond rating given by the Rating Agencies, forthwith upon that occurrence throughout the life of the Bond issue.

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

The Paying Agent shall agree, forthwith upon its credit rating being downgraded, to use commercially reasonable efforts in order that the Management Company may do either of (i) or (ii) above.

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

In the event that, in the Priority of Payments, the Fund should not have sufficient liquidity to pay the full fee on a Payment Date, the unpaid amounts accrued shall be accumulated without any penalty whatsoever to the fee falling due on the following Payment Date, unless that absence of liquidity should continue, in which case the amounts due shall build up until fully paid on the Payment Date on which they are settled, in the Priority of Payments or, as the case may be, upon liquidation of the Fund in the Liquidation Priority of Payments.

The Paying Agent Agreement shall be fully terminated in the event that the Rating Agencies should not confirm the provisional ratings assigned to each Series as final ratings by 2pm CET on July 28, 2015.

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

The securitised Receivable originator and assignor is BBVA.

#### **BANCO BILBAO VIZCAYA ARGENTARIA, S.A. (BBVA)**

Registered office: Plaza de San Nicolás number 4, 48005 Bilbao (Spain).

Principal places of business: Paseo de la Castellana number 81, 28046 Madrid (Spain).

Gran Vía number 1, 48001 Bilbao (Spain).

Paseo de Recoletos number 10, 28001 Madrid (Spain).

Calle de Saucedo number 28, 28050 Madrid (Spain).

#### **Significant economic activities of BBVA.**

The following is the relevant consolidated information for BBVA Group at December 31, 2014 and 2013 and how the information at these dates compares, and the details for the first quarter of 2015. The financial information in relation to the relevant consolidated details at December 31, 2013 and 2014 has been audited. That information was prepared in accordance with International Financial Reporting Standards applicable to it under Regulation EC 1606/2002 and Bank of Spain Circular 4/2004, and including the changes made thereto by Circular 6/2008.

BBVA	31.03.2015 (A)	31.12.2014 (B)	Δ% (B-C)/C	31.12.2013 (C)
<b>BALANCE SHEET (MEUR)</b>				
Total assets	672,598	651,511	8.67	599,517
Customer credit (gross)	374,873	366,536	4.69	350,110
Customer deposits	339,675	330,686	6.61	310,176
Other customer resources	127,364	115,274	16.19	99,213
Total customer resources	467,039	445,961	8.93	409,389
Net assets	52,366	51,609	15.07	44,850
<b>PROFIT &amp; LOSS ACCOUNT (MEUR)</b>				
Interest margin	3,663	15,116	3.44	14,613
Gross margin	5,632	21,357	-0.19	21,397
Net margin	2,857	10,406	2.06	10,196
Pre-tax profit	1,442	4,063	47.75	2,750
Profit attributed to the Group	1,536	2,618	17.50	2,228
<b>DATA PER SHARE AND MARKET VALUE</b>				
Price	9.41	7.85	-12.29	8.95
Market capitalisation (MEUR)	58,564	48,470	-6.38	51,773
Earnings per share (EUR)	0.25	0.44	12.82	0.38
Book value per share (EUR)	8.09	8.01	0.12	8
PBVR (times)	1.2	1.0	-9.09	1.1
<b>RELEVANT RATIOS (%)</b>				
ROE	9.0	5.6		5
ROA	0.73	0.50		0.48
RORWA	1.34	0.90		0.91
Efficiency ratio	49.3	51.3		52.3
Delinquency rate	5.6	5.8		6.8
Consumer loan delinquency rate	7.3	7.8		8.3
Coverage rate	65	64		60
<b>CAPITAL RATIOS (%)</b>				
CET 1	12.7	11.9		-
Tier 1	12.7	11.9		12.2
Ratio total	15.8	15.1		14.9
<b>ADDITIONAL INFORMATION</b>				
Number of shares (million)	6,225	6,171		5,786
Number of shareholders	944,631	960,397		974,395
Number of employees	108,844	108,770		109,305
Number of branches	7,360	7,371		7,420
Number of cash dispensers	22,595	22,104		20,415

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

Not applicable.

### 3.7 Administrator, calculation agent or equivalent.

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

The Management Company, EUROPEA DE TITULIZACIÓN, shall be responsible for managing and being the authorised representative of the Fund, on the terms set in Act 5/2015, and other applicable laws, and on the terms of the Deed of Constitution and of this Prospectus.

The Management Company shall discharge for the Fund the functions attributed to it in Act 5/2015.

The Deed of Constitution does not make provision for a creditors' meeting to be convened on the terms set down in article 37 of Act 5/2015.

On the terms provided for in article 26.1 a) of Act 5/2015, it shall be the Management Company's duty to act using its best endeavours and transparently in enforcing Bondholders' and financiers' interests. In addition, in accordance with article 26.2 of Act 5/2015, the Management Company shall be liable to Bondholders and other creditors of the Fund for all losses caused to them by a breach of its duties.

### **3.7.1.2 Administration and representation of the Fund.**

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

- (i) Keeping the Fund's accounts duly separate from the Management Company's own, rendering accounts and satisfying tax and any other statutory obligations of the Fund.
- (ii) Making such decisions as may be appropriate in connection with liquidation of the Fund, including the decision to proceed to Early Liquidation of the Fund and Early Amortisation of the Bond Issue, in accordance with the provisions of this Prospectus and the Deed of Constitution. Moreover, making all appropriate decisions in the event of the establishment of the Fund terminating.
- (iii) Complying with its formal, documentary and reporting duties to the CNMV, the Rating Agencies and any other supervisory body.
- (iv) Appointing and, as the case may be, replacing and dismissing the auditor who is to review and audit the Fund's annual accounts and the Additional Receivables.
- (v) Providing Bondholders, the CNMV and the Rating Agencies with all such information and notices as may be prescribed by the laws in force for the time being and specifically as established in the Deed of Constitution and in this Prospectus.
- (vi) Complying with the calculation duties provided for and taking the actions laid down in the Deed of Constitution and this Prospectus and in the various Fund transaction agreements or in such others as the Management Company may enter into in due course for and on behalf of the Fund.
- (vii) The Management Company may extend or amend the agreements entered into on behalf of the Fund, substitute, as the case may be, each of the Fund service providers on the terms provided for in each agreement, and indeed, if necessary, amend the same and enter into additional agreements, including a loan agreement in the event of Early Liquidation of the Fund, provided that circumstances preventing the foregoing in accordance with the laws and regulations in force from time to time do not occur, and amend the Deed of Constitution on the terms laid down in article 24 of Act 5/2015. In any event, those actions shall require that the Management Company notify and first secure the authorisation, if necessary, of the CNMV or competent administrative body and notify the Rating Agencies, and provided that such actions are not detrimental to the rating assigned to the Bonds by the Rating Agencies. The Deed of Constitution or the agreements may also be corrected upon a request by the CNMV.
- (viii) On each Offer Request Date, determining whether on the next succeeding Payment Date there is to be an acquisition of Additional Receivables and, if appropriate, calculating the Acquisition Amount that may be allocated to the new acquisition on the next succeeding Payment Date.
- (ix) Sending to BBVA, if appropriate, a written communication requesting an offer of Additional Receivables, specifying the Acquisition Amount and the Payment Date on which the assignment to the Fund and payment of the assignment shall be made and completed.
- (x) Checking that the loans included in the offer for assigning Additional Receivables made by BBVA satisfy the (Individual and Global) Eligibility Requirements established for acquiring Additional Receivables having regard to their characteristics notified by BBVA, and notifying BBVA of the list of Additional Receivables accepted for assignment to the Fund on the relevant Payment Date.
- (xi) On each Payment Date on which Additional Receivables are to be assigned to the Fund, perfecting the notarised assignment certificate with BBVA and subsequently sending the same to the CNMV.

- (xii) Servicing and managing the Receivables pooled in the Fund, exercising the rights attaching to their ownership and, in general, carrying out all such acts of administration and disposition as may be required for properly managing and being the authorised representative of the Fund.
- (xiii) Checking that the amount of income actually received by the Fund matches the amounts that must be received by the Fund, on the terms of the assignment of the Receivables and on the terms of the relevant Loan agreements communicated by the Originator to the Management Company, and that the Receivable amounts are provided by the Servicer to the Fund with the frequency and on the terms provided for under the Servicing Agreement.
- (xiv) Calculating and settling the interest amounts accrued by each Bond Series payable on each Payment Date.
- (xv) Calculating and determining on each Determination Date the principal to be amortised and repaid on each Bond Series on the relevant Payment Date.
- (xvi) Calculating and settling the interest and fee amounts receivable and payable by the Fund under the Fund's borrowing and lending transactions, and the fees payable for the various financial services arranged for.
- (xvii) Taking the actions for which provision is made in relation to the debt ratings or the financial position of the Fund's counterparties in the financial and service provision agreements referred to in section 3.2 of this Building Block.
- (xviii) Watching that the amounts credited to the Treasury Account and the Principal Account return the yield set in the respective agreements.
- (xix) Calculating the Available Funds, the Principal Available Funds, the Liquidation Available Funds and the payment or withholding obligations to be complied with, and applying the same in accordance with the Distribution of Principal Available Funds, the Priority of Payments or the Liquidation Priority of Payments, as the case may be.
- (xx) Instructing transfers of funds between the various borrowing and lending accounts, and issuing all relevant payment instructions, including those allocated to servicing the Bonds.

### **3.7.1.3 Resignation and substitution of the Management Company.**

The Management Company shall be substituted in managing and representing the Fund, in accordance with articles 32 and 33 of Act 5/2015 set forth hereinafter and with rules which may be established by way of subsequent implementing regulations.

#### *Resignation.*

- (i) The Management Company may resign its management and authorised representative duties with respect to all or part of the funds managed whenever it deems this fit, applying to be substituted, which shall be authorised by the CNMV, in accordance with the procedure and on the terms which may be established by way of subsequent implementing regulations.
- (ii) The Management Company may in no event resign its duties until and unless all requirements and formalities have been complied with in order for the entity replacing it to take over its duties.
- (iii) The substitution expenses originated shall be borne by the resigning management company and may in no event be passed on to the Fund.

#### *Forced substitution.*

- (i) In the event that the Management Company should be adjudged insolvent and/or have its licence to operate as a securitisation fund management company revoked by the CNMV, 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 will be Early Liquidation of the Fund and Early Amortisation of the Bond Issue, 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 this Prospectus. Furthermore, the Management Company shall hand to the substitute management company such accounting records and data files as it may have to hand in connection with the Fund.

#### **3.7.1.4 Subcontracting.**

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

#### **3.7.1.5 Management Company's remuneration.**

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

- (i) An initial fee which shall accrue upon the Fund being established and be payable on the Closing Date.
- (ii) A periodic fee on the Outstanding Principal Balance of the Bond Issue and, as the case may be, on the value of the real properties awarded or given in lieu of foreclosure to the Fund, which shall accrue daily from the establishment of the Fund until it terminates and shall be settled and paid by Interest Accrual Periods in arrears on each Payment Date subject to the Priority of Payments or, as the case may be, in the Liquidation Priority of Payments. The periodic fee amount on each Payment Date may not be lower than the minimum amount determined. The minimum amount shall be cumulatively reset in the same proportion, from the year 2017, inclusive, and be effective from January 1 of each year.
- (iii) A fee for servicing and managing the Receivables pooled in the Fund, which shall accrue on the exact number of days elapsed in each Determination Period preceding the Payment Date and on the mean daily Outstanding Balance of the Receivables and, as the case may be, the daily mean net book value of the properties or other assets awarded to the Fund, included in the Fund's assets during that Determination Period. The Management Company will be entitled to increase that fee due to it if it should have to replace the Servicer in any of the events for which provision is made in the Servicing Agreement that should result in a fee in excess of that initially agreed with the Servicer. The Receivables servicing fee due to the Management Company will be paid provided that the Fund has sufficient liquidity on the relevant Payment Date in the Priority of Payments and, upon liquidation of the Fund, in the Liquidation Priority of Payments.

While the Servicer is not replaced, if the Fund should fail, through its Management Company, due to a liquidity shortfall in the Fund Priority of Payments, to pay on a Payment Date the full fee due to the Servicer, overdue amounts shall accumulate without any penalty whatsoever on the fee payable on the following Payment Dates.

- (iv) Fee for preparing the file and for each submission of the Receivables portfolio and Bond information to EDW.

If on a Payment Date the Fund should not, in the Priority of Payments, have sufficient liquidity to settle parts (ii), (iii) in the event of the Servicer being replaced and (iv) of the management fee, the amount due

shall accrue interest equal to the Series A Bond Nominal Interest Rate or, when fully amortised, the Series B Bond Nominal Interest Rate. The unpaid amount and interest due shall build up for payment on the fee payable on the following Payment Date, unless that absence of liquidity should continue, in which case the amounts due shall build up until fully paid, in the Priority of Payments or, as the case may be, in the Liquidation Priority of Payments.

### **3.7.2 Servicing and custody of the securitised assets.**

BBVA, Originator of the Receivables to be acquired by the Fund shall continue, as provided for in section 3.7.1.4 above of the Building Block, as attorney for the Management Company, to be responsible for servicing and managing the Loans assigned, and relations between BBVA and the Management Company, shall be governed by the Receivables Servicing Agreement (the “**Servicing Agreement**”) in relation to custody, servicing and management of the Loans underlying the Receivables it shall have assigned to the Fund.

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

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

In any event, the Servicer waives the privileges and authorities conferred on it by law as the manager of collections for the Fund, as Loan servicer and custodian of the relevant agreements, and in particular those for which provision is made in articles 1730 and 1780 of the Civil Code and 276 of the Commercial Code. In addition, as provided for in section 3.7.1.4 above of the Building Block, the Servicer waives the bringing of any action holding the Fund liable.

#### **3.7.2.1 Ordinary Loan servicing and custody system and procedures.**

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

The Servicer shall keep all Loan deeds, private contracts, documents and data files under safe custody and shall not give up their possession, custody or control other than with the Management Company’s prior written consent to that effect, unless it is required to provide a document to institute proceedings to enforce a Loan, or that is requested by any competent authority, duly informing the Management Company.

The Servicer shall at all times allow the Management Company or the Fund’s auditors duly authorised thereby reasonable access to said deeds, private contracts, documents and records. In addition, whenever 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 such deeds, private contracts and documents.



## **2. Collection management.**

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

Loan amounts received by each Servicer owing to the Fund shall be paid by the Servicer into the Fund's Treasury Account on the second day after the date on which they are 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.

If the Servicer's DBRS Rating should be downgraded below BBB (low) in the long term, or its rating should be removed, the Servicer shall do one of the following: (i) find an institution with a sufficient rating to take over its duties as Servicer, (ii) find a back-up servicer, or (iii) post cash collateral to the Fund at an amount in line with the DBRS criteria.

The Management Company, for and on behalf of the Fund, may only draw on those cash collaterals in favour of the Fund to the extent of the Loan amounts, if any, not received from the Servicer owing to the Fund and received by the Servicer and not paid to the Fund.

The Servicer may at no event pay any Loan payment amount whatsoever to the Fund not previously received from the Obligors.

All costs, expenses and taxes incurred in connection with doing and arranging the above shall be borne by the Servicer.

## **3. Information.**

The Servicer shall regularly communicate to the Management Company the information concerning the individual characteristics of each Loan, fulfilment by Obligors of their Loan obligations, delinquency status, changes in the characteristics of the Loans, actions in the event of late payment, legal actions and auction of assets, all subject to the procedures and with the frequency 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 request.

## **4. Authorities and actions in relation to Loan renegotiation procedures.**

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

The Management Company may 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.

The Management Company may nevertheless initially authorise the Servicer to entertain and accept Loan interest rate and term extension renegotiations, without requiring the Management Company's prior consent, subject to the following general enabling requirements:

### **a) Renegotiating the interest rate.**

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

2. Subject to the provisions of the following paragraph, the Servicer shall in renegotiating the Loan interest rate clause ensure that the new terms are at arm's length and are no different from those applied by the Servicer proper in renegotiating or granting its fixed- or floating-rate loans. In this connection, mark-to-market interest rate shall be deemed to be the fixed or floating interest rate offered by the Servicer on the Spanish market for loans without mortgage security granted to individuals to finance retail transactions or the purchase of goods or services or motor car purchases, the loan amounts and terms being substantially similar to the renegotiated Loan.
3. The interest rate of a Loan shall under no circumstances be renegotiated down in the event that the average interest rate of all the Loans yet to be repaid weighted by the outstanding principal of each of those Loans is below 7.50%. Renegotiation from time to time of the floating interest rate applicable to a Loan may be at no event take place where the change is to a floating interest rate with a benchmark index for determination other than Euribor, and many not result in a fixed interest rate being changed to a floating interest rate or vice versa.

**b) Extending the period of maturity.**

1. The Servicer may in no case entertain on its own account, i.e. without being so requested by the Obligor, a change in the final maturity date of the Loan which may result in an extension of that same term. The Servicer shall, without encouraging an extension of the term, act in relation to such extension bearing the Fund's interests in mind at all times, and subject to the following rules and limitations:
  2. The aggregate of the capital or principal assigned to the Fund of the Loans with respect to which the maturity date is extended may not exceed 10.00% of the face amount of the Bond Issue.
  3. The term of a specific Loan may be extended provided that the following requirements are met:
    - a) That Loan capital or principal repayment instalment frequency and the same repayment system are at all events maintained.
    - b) That the new final maturity or final repayment date does not extend beyond September 19, 2026.

The Management Company may at any time during the term of the Servicing Agreement cancel, suspend or change the requirements of the authorisation previously set for the Servicer to renegotiate the interest rate or extend the term.

If there should be any renegotiation of the interest rate of a Loan or its due dates, the Servicer shall forthwith notify the Management Company of the terms resulting from each renegotiation. Such notice shall be made through the software or data file provided for the terms of the Receivables to be updated. Both the loan agreements and the private agreements pertaining to a novation of the terms of the Receivables will be kept by the Servicer, in accordance with the provisions of paragraph 1 of this section.

**5. Action against the Obligors in the event of default on the Loans.**

***Actions in the event of late payment.***

The Servicer shall use the same efforts and the same procedure for claiming overdue amounts on the Loans applied to the rest of its portfolio loans.

In the event of default by the Obligor of the payment obligations, the Servicer shall do the things described in the Servicing Agreement, taking for that purpose such actions as it would ordinarily take if they were its own portfolio loans and in accordance with standard banking usage and practice for collecting overdue amounts, and shall be bound to advance such expenses as may be necessary for those things to be done, without prejudice to its right to be reimbursed by the Fund. Those things shall include all such court and out-of-court actions as the Servicer may deem necessary to claim and collect the amounts due by the Obligors.

In this regard, the Fund may hold other amounts, real estate, assets, securities or rights received to pay for Receivable principal, interest or expenses, under a decision in any court or out-of-court proceedings instituted for collecting the Receivables. In accordance with article 16.3 of Act 5/2015, ownership and security interests, if any, in and to real properties belonging to the Fund may be entered in the Land Registry. Similarly, the ownership and other security interests in and to any other assets, if any, belonging to the Fund may be entered in the relevant registers.

#### **Legal actions.**

The Servicer shall, under the Servicing Agreement or using the power referred to in the following paragraph, take all relevant actions against Obligors failing to meet their Loan payment obligations. 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 shall grant in the Deed of Constitution as full and extensive a power of attorney as may be required at Law to the Servicer in order that it may, acting through any of its attorneys-in-fact duly empowered for such purpose, 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 any Loan Obligor in or out of court to pay the debt and take legal action against the same, in addition to other authorities required to discharge their duties as Servicer. These authorities may be extended or amended in another deed where appropriate.

In the case of Loans originated in a private agreement with a non-negotiable blank promissory note, the Management Company shall, on behalf of the Fund, mandate BBVA in the Deed of Constitution in order for BBVA to act in its own name but on behalf of the Fund in recovering the amounts due by the Obligor, if any, by including the necessary data to enforce that promissory note.

The Servicer shall as a general rule commence the relevant legal proceedings if, for a period of seven (7) 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 Fund's interests. In order for actions for payment to be swifter, the Management Company may generally confer powers on the Servicer, on such terms and subject to such limits as shall be deemed fit.

Additionally, the Servicer will provide the Management Company with all such Loan documents as the latter may request and in particular the documents required for the Management Company to take legal actions, as the case may be.

#### **6. Set-off.**

In the exceptional event that, despite the representation given in section 2.2.8 of this Building Block, any Loan Obligor should have a receivable that is liquid, due and payable due from the Servicer, and, because the assignment is made without the Obligor being aware, any Loan should be fully or partially set-off against that receivable, the Servicer shall proceed to pay to the Fund the amount set off plus accrued interest which would have been payable to the Fund until the date on which payment is made, calculated on the terms applicable to the relevant Loan.

#### **7. Subcontracting.**

The Servicer may subcontract any of the services it may agree to provide as the Management Company's attorney under the Servicing Agreement and after being authorised thereby. 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 ratings assigned to each Bond Series by the Rating Agencies being downgraded. Notwithstanding any subcontracting or subdelegation by the Servicer: (i) the Management Company shall not be excused or released under that subcontract or subdelegation from any of the liabilities taken on under article 26.1 b) of Act 5/2015, and (ii) the Management Company shall not be excused or released under that subcontract or subdelegation from its obligation to

indemnify the Fund or its Management Company for any damage, loss or expense incurred by the latter as a result of the Servicer's breach of its Loan custody, servicing and information obligations, laid down in the Servicing Agreement.

#### **8. Obligors' death or total and permanent disability insurance.**

Some Loans originated by BBVA have death and total and permanent disability insurance contracts attached thereto.

BBVA shall not take or fail to take any action resulting in cancellation of any death or total and permanent disability insurance policy of the Obligors or reducing the amount payable in any claim thereunder. BBVA shall use all reasonable efforts and in any event use the rights conferred under the insurance policies in order to keep those policies in full force and effect in relation to each Obligor.

Whenever BBVA receives notice of non-payment of policy premiums by any Obligor, it shall demand the Obligor to pay the same and indeed take out death or total and permanent disability insurance on the Obligor's behalf, if it is authorised to do so under the Loan Agreement, advancing payment of the premiums, without prejudice to being reimbursed by the Obligor for amounts so paid.

BBVA shall, as the case may be, coordinate actions for collecting compensations derived from the death or total and permanent disability insurance policies on the terms and conditions of the actual policies, paying the amounts received to the Fund.

#### **3.7.2.2 Term and substitution.**

The services shall be provided by the Servicer until all obligations undertaken by the Servicer as Originator of the Loans terminate, once all the Loans serviced thereby have been repaid, or when liquidation of the Fund concludes after it terminates, without prejudice to a possible early revocation of its appointment under the Servicing Agreement.

In the event of breach by the Servicer of the obligations imposed on the Servicer under the Servicing Agreement, or in the event of downgrade or loss of the Servicer's credit rating or its financial circumstances changing to an extent that may be detrimental to or place the financial structure of the Fund or Bondholders' rights and interests at risk, the Management Company shall proceed, in addition to demanding the Servicer to fulfil the obligations laid down in the Servicing Agreement, where this is legally possible, inter alia and after notifying the Rating Agencies, to do one of the following in order for the ratings assigned to the Bonds by the Rating Agencies not to be adversely affected: (i) demand the Servicer to subcontract or subdelegate to another institution the performance of all or part of the obligations and undertakings made in the Servicing Agreement; (ii) have another institution with a sufficient credit rating and quality secure all or part of the Servicer's obligations; (iii) post cash or securities collateral to the Fund in an amount sufficient to secure all or part of the Servicer's obligations, and (iv) terminate the Servicing Agreement, in which case the Management Company shall previously designate a new Servicer having a sufficient credit quality and accepting the obligations contained in the Servicing Agreement or, as the case may be, in a new servicing agreement. In the event of insolvency of the Servicer, only (iv) above shall be valid. Any additional expense or cost derived from the aforesaid actions shall be covered by the Servicer and at no event by the Fund or the Management Company.

If in any of the events described in the preceding paragraph the Agreement has to be terminated and a new back-up Servicer has to be nominated, the Management Company (in this regard, the "**Back-Up Servicer Facilitator**") shall use its best efforts to nominate a new back-up servicer (the "**Back-up Servicer**") within not more than sixty (60) days.

In regard to the appointment of a back-up Servicer, the Parties shall agree as follows:

##### **a) Servicer Commitments.**

The Servicer shall agree as follows with the Management Company:

- To provide the Management Company with all documentary and computerised Loan information enabling the Back-up Servicer to manage and service the Mortgage Loans, with such content and structure and on such media as the Management Company shall determine.
- To make available upon the Management Company's request a record of the personal data of Obligors (and third-party guarantors, if any) necessary to issue collection orders to Obligors or their guarantors or to call guarantees or to have served on Obligors the notice referred to below (hereinafter "**Personal Data Record**" or "**PDR**"), the communication and use of which data shall be limited and in any event subject to compliance with the Data Protection Act or law replacing, amending or implementing the same.
- Upon the Management Company's request, to deposit the PDR before a Notary in order that it may be searched or used in due course by the Management Company in case of need in connection with the Loan servicing functions.
- In the event of the Servicer actually being substituted, to assist the Management Company and the Back-up Servicer using all reasonable efforts in the substitution process and, as the case may be, notify Obligors (and third-party guarantors, pledged asset custodians and insurers, if any).
- To enter into and execute all and any transactions and contracts requiring the Servicer's involvement in order for functions to be effectively transferred to the new Substitute Servicer.
- The Servicer shall bear all and any own and other third-party legal, advisory or other service costs and expenses incurred by the Management Company in discharging its duties as Back-Up Servicer Facilitator.

b) The Management Company's commitments as Back-Up Servicer Facilitator.

The Management Company agrees to use its best efforts in order to find a Back-up Servicer. The Management Company agrees to keep a record of all actions taken to find the Back-up Servicer, and the corresponding date, which shall include, but not be limited to, the following documents: analysis of potential back-up servicers, communications and discussions with the same, justification of decisions as to potential back-up servicers, legal opinions, communications with the Servicer, the CNMV, the Rating Agencies and, as the case may be, the Servicer's receiver.

Furthermore, in the event of insolvency, liquidation or substitution of the Servicer or if the Servicer is involved in a termination process as provided for in Act 11/2015 or because the Management Company deems this reasonably justified, the Management Company may demand the Servicer to notify Obligors (and third-party guarantors and insurers, if any) of the transfer to the Fund of the Loan receivables then outstanding, and that payments thereunder 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 and third-party guarantors and insurers, if any, within five (5) Business Days of receiving the request and in the event of insolvency or liquidation of the Servicer, the Management Company itself shall notify Obligors and third-party guarantors and insurers, if any, directly or, as the case may be, through a new Servicer it shall have designated.

Similarly, and in the same events, the Management Company may request the Servicer to do such things and satisfy such formalities as may be necessary, including third-party notices and entries in the relevant accounting records, in order to guarantee maximum efficiency of the assignment of the Loan receivables.

Upon early termination of the Servicing Agreement, the outgoing Servicer shall provide the new Servicer, on demand by the Management Company and as determined thereby, with the necessary documents and data files it may have in order for the new Servicer to carry on the relevant activities.

The Servicing Agreement shall be fully terminated in the event that the Rating Agencies should not confirm the provisional ratings assigned to each Series as final ratings by 2pm CET on July 28, 2015.

### **3.7.2.3 Liability of the Servicer and indemnity.**

The Servicer shall at no time have any liability whatsoever in relation to the Management Company's obligation to service and manage the Receivables pooled in the Fund, in accordance with article 26.1 b) of Act 5/2015, without prejudice to the liabilities undertaken by BBVA as Originator of the Loan Receivables.

The Servicer shall agree to indemnify the Fund or its Management Company for any damage, loss or expense resulting for the same on account of any breach by the Servicer of its Loan custody, servicing and reporting duties, established under the Servicing Agreement or in the event of breach as provided for in paragraph 3 of section 2.2.9 of this Building Block. In addition, the Servicer waives the bringing of any action holding the Fund liable.

The Management Company may take action against the Servicer where the breach of the obligation to pay any and all principal repayment and interest and other Loan amounts paid by the Obligors owing to the Fund does not result from default by the Obligors and is attributable to the Servicer.

Upon the Loans terminating, the Fund shall, through its Management Company, retain a right of action against the Servicer until fulfilment of its obligations.

Neither Bondholders nor any other creditor of the Fund shall have any direct right of action whatsoever against the Servicer; that action shall lie with the Management Company on the terms described in this section. Notwithstanding the foregoing, under article 26.1 b) and 2 of Act 5/2015, the Management Company shall be liable to Bondholders and other creditors of the Fund for all and any losses caused to them by a breach of its obligation to service and manage the Receivables pooled in the Fund.

### **3.7.2.4 Servicer's remuneration.**

In consideration of the Loan custody, servicing and management services provided for in the Servicing Agreement, the Servicer shall be entitled to receive a fee from the Management Company, provided that the Management Company shall have previously received from the Fund the fee for servicing and managing the Receivables referred to in section 3.7.1.5 (iii). In this connection, the Servicer agrees that payment of this fee by the Management Company shall depend on the subordinated nature of the fee due to the Management Company, in the sense that payment of the latter fee shall rank junior to payments to be made on other Fund obligations on each Payment Date, as established in the Priority of Payments and in the Liquidation Priority of Payments.

Furthermore, on each Payment Date, the Servicer shall be entitled to reimbursement of all Loan servicing and management expenses of an exceptional nature incurred, such as in connection with legal and/or recovery actions, including procedural expenses and costs, or managing and overseeing the sale of assets awarded to the Fund, if any, after first justifying the same. Those expenses will be paid whenever the Fund has sufficient liquidity and in the Priority of Payments or, as the case may be, in the Liquidation Priority of Payments.

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

BBVA is the Fund's counterparty under the transactions listed below. The details relating to BBVA and its activities are respectively given in section 5.2 of the Securities Note and in section 3.5 of this Building Block.

- (i) Subordinated Loan:  
Subordinated Loan Agreement  
Description in section 3.4.3.1 of this Building Block.
- (ii) Start-Up Loan:  
Start-Up Loan Agreement  
Description in section 3.4.3.2 of this Building Block.

- (i) Treasury Account:  
Guaranteed Interest Rate Account (Treasury Account) Agreement  
Description in section 3.4.4.1 of this Building Block.
- (ii) Principal Account:  
Guaranteed Interest Rate Account (Principal Account) Agreement  
Description in section 3.4.4.2 of this Building Block.
- (iii) Financial Intermediation:  
Financial Intermediation Agreement  
Description in section 3.4.6.4 of this Building Block.

#### **4. POST-ISSUANCE REPORTING**

##### **4.1 Obligations and deadlines set to publicise and submit to the CNMV the periodic information on the economic and financial status of the Fund.**

As part of its Fund management and administration duty, the Management Company agrees to submit as promptly as possible or by the deadlines given, the information described hereinafter and such additional information as may be reasonably required of it.

##### **4.1.1 Ordinary information.**

The Management Company agrees to give the notices detailed below, observing the recurrence provided in each case.

##### **a) Notices to Bondholders referred to each Payment Date.**

Quarterly, at least one (1) calendar day in advance of each Payment Date, it shall proceed to notify Bondholders of the following information:

- i) Interest resulting from the Bonds in each Series, along with Bond amortisation.
- ii) Furthermore, and if appropriate, interest and amortisation amounts accrued by the Bonds and not settled due to a shortfall of Available Funds, in accordance with the rules of the Priority of Payments.
- iii) The Outstanding Principal Balances of the Bonds in each Series, after the amortisation to be settled on each Payment Date, and the ratios of such Outstanding Principal Balances to the initial face amount of each Bond.
- iv) Obligors' Receivable principal prepayment rate during the three calendar months preceding the Payment Date.
- v) The average residual life of the Bonds in each Series estimated assuming that Receivable principal prepayment rates shall be maintained.

The foregoing notices shall be made in accordance with the provisions of section 4.1.3 below and will also be served on the Paying Agent and Iberclear not less than one (1) Business Day before each Payment Date.

**b) Information referred to each Payment Date:**

In relation to the Receivables:

1. Outstanding Balance.
2. During the Revolving Period, the acquisition amount of Additional Receivables.
3. Interest and principal amount of instalments in arrears.
4. Receivable interest rate and, if the interest floats, benchmark indices.
5. Receivable maturity dates.
6. Outstanding Balance of Doubtful Receivables and cumulative amount of Doubtful Receivables from the date on which the Fund is established.

In relation to the economic and financial position of the Fund:

Report on the source and subsequent application of the Available Funds and the Principal Available Funds in accordance with the Priority of Payments of the Fund.

The above information shall be posted at the Management Company's website.

In relation to new assignments of Additional Receivables:

Sending to the CNMV each notarised assignment certificate for Additional Receivables.

**c) Annually, the annual report:**

The annual report referred to in article 35.1 of Act 5/2015 containing, inter alia, the annual accounts (balance sheet, profit & loss account and management report) and audit report shall be submitted to the CNMV within four (4) months of the close of each fiscal year

**d) Quarterly, the quarterly reports:**

The quarterly reports referred to in article 35.3 of Act 5/2015 shall be submitted to the CNMV to be filed in the relevant register within two (2) months of the end of the calendar quarter.

**4.1.2 Extraordinary notices.**

Pursuant to article 36 of Act 5/2015, the Management Company shall forthwith notify any particularly material event affecting the status or development of the Fund to the CNMV and its creditors. Particularly material events for the Fund shall be deemed to be those likely to materially affect the Bonds issued or the Loans.

In particular, a material event shall be considered to be any material change in the Deed of Constitution, termination of the establishment of the Fund or a decision in due course to proceed to Early Liquidation of the Fund and Early Amortisation of the Bond Issue in any of the events provided in this Prospectus. In the latter event, the Management Company shall also send to the CNMV the notarial certificate of termination of the Fund and the liquidation procedure followed will be as referred to in section 4.4.4 of the Registration Document.

The amendment of the Deed of Constitution shall be notified by the Management Company to the Rating Agencies and be disclosed by the Management Company through the Fund's periodic public information and be posted at the Management Company's website, in the section concerning the Fund. Where required, a supplement to the Prospectus shall be prepared and disclosed as material information in accordance with the provisions of article 82 of the Securities Market Act.



#### **4.1.3 Procedure to notify Bondholders.**

Notices to Bondholders to be made by the Management Company in accordance with the above, in regard to the Fund, shall be given as follows:

1. Ordinary notices.

Ordinary notices shall be given by publication in the daily bulletin of AIAF Mercado de Renta Fija or any other replacement or similarly characterised bulletin, or by 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, Bloomberg or any other similarly characterised means.

2. Extraordinary notices.

Unless otherwise provided in the Deed of Constitution and in the Prospectus, extraordinary notices shall be given by publication in the daily bulletin of AIAF Mercado de Renta Fija or any other replacement or similarly characterised bulletin, or 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 Day or non-business day (as established in this Prospectus) being valid for such notices.

3. Notices and other information.

The Management Company may provide Bondholders with ordinary and extraordinary notices and other information of interest to them through its own Internet pages or other similarly characterised teletransmission means.

#### **4.1.4 Information to the CNMV.**

The information on the Fund shall be submitted to the CNMV using the forms contained in CNMV Circular 2/2009, and so will such other information as the CNMV may require of it or by the laws in force from time to time, irrespective of the above.

#### **4.1.5 Information to the Rating Agencies.**

The Management Company shall provide the Rating Agencies with periodic information as to the position of the Fund and the performance of the Receivables in order that they may monitor the Bond ratings and extraordinary notices. The Management Company shall also use its best efforts to provide that information when it is reasonably required to do so and, in any event, whenever there is a significant change in the conditions of the Fund, in the agreements entered into by the Fund through its Management Company or in the interested parties.

**Mario Masiá Vicente, as General Manager for and on behalf of EUROPEA DE TITULIZACIÓN, S.A., SOCIEDAD GESTORA DE FONDOS DE TITULIZACIÓN, signs this Prospectus at Madrid, on July 21, 2015.**

## GLOSSARY OF DEFINITIONS

“**Acquisition Amount**” shall mean the maximum amount allocated by the Management Company, for and on behalf of the Fund, out of the Principal Available Funds on each Payment Date in the Revolving Period, to the acquisition of Additional Receivables. The Acquisition Amount shall amount to the difference between:

- (i) the Maximum Receivable Amount, and
- (ii) the Outstanding Balance of the Receivables at the Determination Date preceding the relevant Payment Date.

“**Act 11/2015**” shall mean Credit Institution Restructuring and Termination and Investment Services Firms Act 11/2015, June 18.

“**Act 16/2011**” shall mean Consumer Credit Contracts Act 16/2011, June 24.

“**Act 28/1998**” shall mean Chattels Hire Purchase Act 28/1998, July 13, as currently worded.

“**Act 5/2015**” shall mean Encouragement of Business Financing Act 5/2015, April 27.

“**Act 7/1995**” shall mean Consumer Credit Act 7/1995, March 23.

“**Additional Receivables**” shall mean the Receivables acquired by the Fund during the Revolving Period.

“**AIAF**” shall mean AIAF Mercado de Renta Fija.

“**Available Funds**” shall mean, in relation to the Priority of Payments and on each Payment Date, the amounts to be allocated to meeting the Fund’s payment or withholding obligations, which shall have been credited to the Treasury Account, as established in section 3.4.6.2.1 of the Building Block.

“**Bankruptcy Act**” shall mean Bankruptcy Act 22/2003, July 9, as currently worded.

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

“**Bond Issue Management and Subscription Agreement**” shall mean the Bond Issue management and subscription agreement entered into between the Management Company, for and on behalf of the Fund, and BBVA as Lead Manager and Subscriber of the Bond Issue.

“**Bond Issue**” shall mean the issue of asset-backed bonds issued by the Fund amounting to EUR one billion four hundred and fifty million (1,450,000,000.00), consisting of fourteen thousand five hundred (14,500) Bonds pooled in two Series (Series A and Series B).

“**Bond Paying Agent Agreement**” shall mean the Bond paying agent agreement entered into by the Management Company, for and on behalf of the Fund, and BBVA, as Paying Agent.

“**Bonds**” or “**Asset-Backed Bonds**” shall mean Series A Bonds and Series B Bonds issued by the Fund.

“**Business Day**” shall mean any day other than a public holiday in the city of Madrid or non-business day in the TARGET 2 calendar (or future replacement calendar).

“**Cash Reserve**” shall mean the Initial Cash Reserve set up on the Closing Date and subsequently provisioned up to the Required Cash Reserve amount.

“**CET**” shall mean “Central European Time”.

“**Closing Date**” shall mean July 29, 2015, the date on which the Bond subscription cash amount shall be paid up.

“**CNMV**” shall mean National Securities Market Commission (*Comisión Nacional del Mercado de Valores*).

“**CPR**” shall mean the effective constant annual early amortisation or prepayment rate at which average lives and durations of the Bonds are estimated in this Prospectus.

“**DBRS Rating**” shall mean the public rating assigned by DBRS to, or, where there is no such rating, the private ratings or the internal assessments made by DBRS of, an institution’s debt obligations.

“**DBRS**” shall mean DBRS Ratings Limited.

“**Deed of Constitution**” shall mean the public deed recording the establishment of the Fund and the issue by the Fund of the Asset-Backed Bonds.

“**Delinquent Receivables**” shall mean Receivables that are delinquent with a period of arrears in excess of three (3) months in payment of overdue amounts, excluding Doubtful Receivables.

“**Deloitte**” shall mean Deloitte, S.L.

“**Determination Dates**” shall mean the dates falling on the seventh (7<sup>th</sup>) Business Day preceding each Payment Date. The first Determination Date shall be December 10, 2015.

“**Determination Period**” shall mean the exact number of days elapsed between every two consecutive Determination Dates, each Determination Period excluding the beginning Determination Date but including the ending Determination Date. Exceptionally, (i) the duration of the first Determination Period shall be equal to the days elapsed between the date of establishment of the Fund, inclusive, and the first Determination Date, December 10, 2015, inclusive, and (ii) the duration of the last Determination Period shall be equal to the days elapsed a) until the Final Maturity Date or the date on which liquidation of the Fund concludes, as provided for in section 4.4.4.3 of the Registration Document, on which the assets remaining in the Fund have been liquidated and all the Liquidation Available Funds have been distributed in the Liquidation Priority of Payments of the Fund, b) from the Determination Date preceding the Payment Date preceding the date referred to in a), including the first date a) but not including the last date b).

“**Distribution of Principal Available Funds**” shall mean the rules for applying the Principal Available Funds on each Payment Date established in sections 4.9.3.1.5 of the Securities Note and 3.4.6.2.2.2 of the Building Block.

“**Doubtful Receivables**” shall mean Receivables that at a date are delinquent with a period of arrears equal to or greater than eighteen (18) months in payment of overdue amounts or classified as bad debts by the Management Company because there are reasonable doubts as to their full repayment based on indications or information obtained by the Servicer.

“**Early Amortisation**” shall mean Bond amortisation 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 4.4.3 of the Registration Document.

“**Early Liquidation Events**” shall mean the events contained in section 4.4.3 of the Registration Document in which the Management Company, following notice duly served on the CNMV, is entitled to proceed to early liquidation of the Fund on a Payment Date.

“**Early Liquidation of the Fund**” shall mean liquidation of the Fund and thereby early amortisation of the Bond Issue on a date preceding the Final Maturity Date, in the events and subject to the procedure established in section 4.4.3 of the Registration Document.

“**EDW**” shall mean European DataWarehouse.

“**Eligibility Requirements**” shall mean the requirements (Individual Requirements and Global Requirements) to be satisfied by the Additional Receivables to be assigned to and included in the Fund on the relevant assignment date.

**“Final Maturity Date”** shall mean the final Bond amortisation date, i.e. September 19, 2028 or the following Business Day if that is not a Business Day.

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

**“Financial Intermediation Margin”** shall mean, with respect to the Financial Intermediation Agreement, the variable subordinated remuneration which shall accrue upon expiry of every quarterly accrual period, which shall comprise, except for the first period, the three calendar months preceding each Payment Date, in an amount equal to the positive difference, if any, between the income and expenditure accrued by the Fund, including losses, if any, brought forward from previous years, with reference to its accounts and before the close of the calendar month next preceding every Payment Date.

**“Fund”** shall mean BBVA CONSUMO 7 FONDO DE TITULIZACIÓN.

**“GARRIGUES”** shall mean J&A Garrigues, S.L.P.

**“Global Requirements”** shall mean the requirements all the Additional Receivables to be acquired by the Fund must altogether satisfy in order to be assigned to and included in the Fund on the relevant assignment date.

**“Guaranteed Interest Rate Account (Principal Account) Agreement”** shall mean the guaranteed interest rate account (Principal Account) agreement entered into by the Management Company, for and on behalf of the Fund, and BBVA.

**“Guaranteed Interest Rate Account (Treasury Account) Agreement”** shall mean the guaranteed interest rate account (Treasury Account) agreement entered into by the Management Company, for and on behalf of the Fund, and BBVA.

**“Iberclear”** shall mean Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. Unipersonal.

**“Individual Requirements”** shall mean the individual requirements each of the Additional Receivables shall satisfy to be assigned to and included in the Fund on the relevant assignment date.

**“Initial Cash Reserve”** shall mean the Cash Reserve set up on the Closing Date by drawing down the Subordinated Loan amount totalling EUR sixty-five million two hundred and fifty thousand (65,250,000.00).

**“Initial Receivables”** shall mean the Receivables acquired by the Fund upon being established.

**“Interest Accrual Period”** shall mean the exact number of days elapsed between every two consecutive Payment Dates, including the beginning Payment Date, but not including the ending Payment Date. The first Interest Accrual Period shall begin on the Closing Date, inclusive, and end on the first Payment Date, exclusive.

**“IRR”** shall mean internal rate of return as defined in section 4.10.1 of the Securities Note.

**“Lead Manager”** shall mean BBVA.

**“Liquidation Available Funds”** shall mean, in relation to the Liquidation Priority of Payments, on the Final Maturity Date or upon Early Liquidation, the amounts to be allocated to meeting the Fund’s payment or withholding obligations, as follows: (i) the Available Funds, (ii) the amounts obtained by the Fund from time to time upon disposing of the Receivables and of the assets remaining and, as the case may be, (iii) the amount drawn under loan arranged and exclusively used for final amortisation of the Bonds, in accordance with the provisions of section 4.4.3 (iii) of the Registration Document.

**“Liquidation Priority of Payments”** shall mean the order of priority of the Fund’s payment or withholding obligations for applying the Liquidation Available Funds on the Final Maturity Date or upon Early Liquidation of the Fund.

**“Loans”** shall mean the loans owned by BBVA granted to individuals resident in Spain for retail purposes (which retail purposes shall be broadly construed, including, inter alia, financing the obligor’s expenses, the purchase of goods, including motor cars, or services) from which the Receivables shall be derived.

**“Management Company”** shall mean EUROPEA DE TITULIZACIÓN, S.A., SOCIEDAD GESTORA DE FONDOS DE TITULIZACIÓN.

**“Maximum Receivable Amount”** shall mean the maximum amount of the Outstanding Balance of the Receivables pooled in the Fund, which shall be EUR one billion four hundred and fifty million (1,450,000,000.00).

**“Moody’s”** shall mean both Moody’s Investors Service España, S.A. and Moody’s Investors Service Limited, the parent company of the group in which Moody’s Investors Service España, S.A. belongs.

**“Nominal Interest Rate”** shall mean the fixed nominal interest rate payable quarterly, applicable to each Bond Series, i.e. 1.00% for Series A Bonds and 1.50% for Series B Bonds.

**“Non-Delinquent Receivables”** shall mean Receivables that are not deemed to be either Delinquent Receivables or Doubtful Receivables.

**“Non-Doubtful Receivables”** shall mean Receivables that are not deemed to be Doubtful Receivables at a date.

**“Obligors”** shall mean the Loan borrowers and, as the case may be, third-party Loan guarantors.

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

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

**“Originator”** shall mean BBVA, originator of the Receivables.

**“Outstanding Balance of the Receivables”** shall mean the sum of outstanding capital or principal and overdue capital or principal not paid into the Fund for each and every one of the Receivables.

**“Outstanding Principal Balance of the Bond Issue”** shall mean the sum of the outstanding principal to be repaid (outstanding balance) at a date of the two Series A and B making up the Bond Issue.

**“Outstanding Principal Balance of the Series”** shall mean the sum of the outstanding principal to be repaid (outstanding balance) at a date on all the Bonds making up the Series.

**“Paying Agent”** shall mean the firm servicing the Bonds. The Paying Agent shall be BBVA (or any other institution taking its stead as Paying Agent).

**“Payment Date”** shall mean March 19, June 19, September 19 and December 19 in each year or the following Business Day if any of those is not a Business Day. The first Payment Date shall be December 21, 2015, because neither December 19 nor December 20, 2015 are Business Days.

**“Principal Account”** shall mean shall mean the financial account opened in the name of the Fund at BBVA under the Guaranteed Interest Rate Account (Principal Account) Agreement into which the Management Company shall, for and on behalf of the Fund, pay the amounts of the Principal Available Funds not applied to acquiring Additional Receivables during the Revolving Period.

**“Principal Available Funds”** shall mean the available amount on each Payment Date to be allocated to the acquisition of Additional Receivables during the Revolving Period and, upon that period ending, to amortisation of the Bonds, which shall be the sum of a) the Principal Withholding amount actually applied in fourth (4<sup>th</sup>) place of the Available Funds on the relevant Payment Date, and b) until the Payment Date next succeeding the end of the Revolving Period, inclusive, the Principal Account balance on the preceding Determination Date.

**“Principal Withholding”** shall mean, on a Payment Date, the positive difference if any on the Determination Date preceding the relevant Payment Date between (i) the Outstanding Principal Balance of the Bond Issue, and (ii) the sum of a) the Outstanding Balance of Non-Doubtful Receivables and b) the Principal Account balance.

**“Priority of Payments”** shall mean the priority for applying the Fund’s payment or withholding obligations both for applying the Available Funds and for distribution of Principal Available Funds from the first Payment Date until the last Payment Date other than the Final Maturity Date or upon Early Liquidation of the Fund, exclusive.

**“Prospectus”** shall mean this document registered in the CNMV, as provided for in Regulation 809/2004.

**“Rating Agencies”** shall mean Moody’s and DBRS.

**“Receivables Servicing Agreement”** shall mean the Loan custody, servicing and management agreement entered into between the Management Company and BBVA, as Servicer.

**“Receivables”** shall mean the receivables assigned by BBVA to the Fund derived from loans owned by and shown, before such assignment, on its assets granted to individuals resident in Spain for retail purposes (which retail purposes shall be broadly construed, including, inter alia, financing the obligor’s expenses, the purchase of goods, including motor cars, or services).

**“Regulation 575/2013”** shall mean Regulation (EU) No. 575/2013 of the European Parliament and of the Council, of June 26, on prudential requirements for credit institutions and investment firms and amending Regulation (EU) no. 648/2012.

**“Regulation 809/2004”** shall mean Commission Regulation (EC) No. 809/2004, April 29, 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements, as currently worded, as amended by Commission Delegated Regulation (EU) No. 486/2012, of March 30, and by Commission Delegated Regulation (EU) No. 862/2012, of June 4, 2012.

**“Required Cash Reserve”** shall mean, on each Payment Date, the lower of: (i) EUR sixty-five million two hundred and fifty thousand (65,250,000.00) and (ii) the higher of a) 9.00% of the Outstanding Principal Balance of the Bond Issue and b) EUR thirty-two million six hundred and twenty-five thousand (32,625,000.00). Notwithstanding the above, the Required Cash Reserve shall not be reduced on the relevant Payment Date and shall remain at the Required Cash Reserve amount on the preceding Payment Date whenever any of the circumstances provided for in section 3.4.2.2.2 of the Building Block concur on the Payment Date.

**“Revolving Period”** shall mean each Payment Date in the period comprised between the first Payment Date, December 21, 2015, because neither December 19 nor December 20, 2015 are Business Days, and the Payment Date falling on December 19, 2016, both inclusive, or on a previous Payment Date in the event of early termination of the Revolving Period.

**“Royal Decree 116/1992”** shall mean Book Entries and Stock Exchange Transaction Clearing and Settlement Royal Decree 116/1992, February 14.

“**Royal Decree 1310/2005**” shall mean Royal Decree 1310/2005, November 4, partly implementing Securities Market Act 24/1988, July 28, in regard to admission to trading of securities in official secondary markets, public offerings for sale or subscription and the prospectus required for that purpose.

“**Securities Market Act**” shall mean Securities Market Act 24/1988, July 28, as currently worded.

“**Series A Bonds**” shall mean Series A Bonds, with ISIN ES0305086003, issued by the Fund having a total face amount of EUR one billion two hundred and thirty-nine million seven hundred thousand (1,239,700,000.00) comprising twelve thousand three hundred and ninety-seven (12,397) Bonds having a unit face value of EUR one hundred thousand (100,000).

“**Series A**” shall mean Series A Bonds issued by the Fund.

“**Series B Bonds**” shall mean Series B Bonds, with ISIN ES0305086011, issued by the Fund having a total face amount of EUR two hundred and ten million three hundred thousand (210,300,000.00) comprising two thousand one hundred and three (2,103) Bonds having a unit face value of EUR one hundred thousand (100,000).

“**Series B**” shall mean Series B Bonds issued by the Fund.

“**Servicer**” shall mean BBVA, the Originator of the Receivables to be acquired by the Fund, which shall continue, as attorney for the Management Company, to be responsible for custody, servicing and management of the Loans assigned, and relations between BBVA and the Management Company shall be governed by the Receivables Servicing Agreement (the “**Servicing Agreement**”) in relation to custody, servicing and management of the Loans underlying the Receivables it shall have assigned to the Fund.

“**Servicing Agreement**” shall mean the Receivables Servicing Agreement.

“**Start-Up Loan Agreement**” shall mean the commercial subordinated loan agreement entered into by the Management Company, for and on behalf of the Fund, and BBVA, totalling EUR eight million three hundred and ten thousand (8,310,000.00).

“**Subordinated Loan Agreement**” shall mean the commercial subordinated loan agreement entered into by the Management Company, for and on behalf of the Fund, and BBVA, totalling EUR sixty-five million two hundred and fifty thousand (65,250,000.00).

“**Subscriber**” shall mean BBVA.

“**Treasury Account**” shall mean the financial account in Euros opened at BBVA in the Fund’s name, in accordance with the provisions of the Guaranteed Interest Rate Account (Treasury Account) Agreement, through which the Fund will make and receive all payments.