

**FE DE ERRATAS RELATIVA AL FOLLETO (*PROSPECTUS*) CORRESPONDIENTE A LA  
CONSTITUCIÓN DE BBVA CONSUMER AUTO 2018-1 FONDO DE TITULIZACIÓN**

Nos referimos al Folleto (*Prospectus*) correspondiente a la constitución del Fondo BBVA CONSUMER AUTO 2018-1 FONDO DE TITULIZACIÓN gestionado por Europea de Titulización, S.A., S.G.F.T., que fue inscrito en los Registros Oficiales de la Comisión Nacional del Mercado de Valores el 14 de junio de 2018, con número de registro oficial 10898.

Por medio de la presente Fe de Erratas se corrige el siguiente error detectado en el Folleto (*Prospectus*) correspondiente a la constitución de BBVA CONSUMER AUTO 2018-1 FT:

- La página 56 del Folleto (*Prospectus*) contiene un error consistente en que los totales del cuadro omiten los importes de la Fecha de Pago correspondiente al 21 de octubre de 2024. En consecuencia, el cuadro incluido en dicha página del Folleto (*Prospectus*), incluido en el Anexo 1, deberá sustituirse por el incluido en el Anexo 2 a esta Fe de Erratas.

En consideración a lo anterior, SE SOLICITA se tenga por presentada esta Fe de Erratas relativa al Folleto (*Prospectus*) correspondiente a la constitución del Fondo BBVA CONSUMER AUTO 2018-1 FONDO DE TITULIZACIÓN, registrado el 14 de junio de 2018 y proceda a incorporarla a los Registros de la Comisión Nacional del Mercado de Valores.

Madrid, 15 de junio de 2018

Francisco Javier Eiriz Aguilera  
Director General  
Europea de Titulización, S.A., S.G.F.T.

**ANEXO 1 (PÁGINA 56 SUSTITUIDA)**

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

Date	CLASS A			CLASS B			CLASS C			CLASS D			CLASS E			CLASS Z		
	Principal	Interest	Cashflow	Principal	Interest	Cashflow	Principal	Interest	Cashflow	Principal	Interest	Cashflow	Principal	Interest	Cashflow	Principal	Interest	Cashflow
	728,000,000.00	6,718,061.67	732,538,256.36	23,200,000.00	1,575,860.00	1,575,860.00	32,800,000.00	4,658,420.00	4,658,420.00	10,000,000.00	2,377,375.00	2,377,375.00	6,000,000.00	2,463,825.00	2,463,825.00	4,000,000.00	1,043,371.44	4,043,371.44
Jun 21, 2018	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Oct 22, 2018	-	671,580.00	671,580.00	-	87,193.33	87,193.33	-	257,753.33	257,753.33	-	131,541.67	131,541.67	-	136,325.00	136,325.00	-	90,883.33	90,883.33
Jan 21, 2019	-	496,860.00	496,860.00	-	64,508.89	64,508.89	-	190,695.56	190,695.56	-	97,319.44	97,319.44	-	100,858.33	100,858.33	-	67,238.89	67,238.89
Apr 22, 2019	-	496,860.00	496,860.00	-	64,508.89	64,508.89	-	190,695.56	190,695.56	-	97,319.44	97,319.44	-	100,858.33	100,858.33	-	67,238.89	67,238.89
Jul 22, 2019	-	496,860.00	496,860.00	-	64,508.89	64,508.89	-	190,695.56	190,695.56	-	97,319.44	97,319.44	-	100,858.33	100,858.33	-	67,238.89	67,238.89
Oct 21, 2019	-	496,860.00	496,860.00	-	64,508.89	64,508.89	-	190,695.56	190,695.56	-	97,319.44	97,319.44	-	100,858.33	100,858.33	-	67,238.89	67,238.89
Jan 20, 2020	-	496,860.00	496,860.00	-	64,508.89	64,508.89	-	190,695.56	190,695.56	-	97,319.44	97,319.44	-	100,858.33	100,858.33	-	67,238.89	67,238.89
Apr 20, 2020	69,408,859.04	496,860.00	69,905,719.04	-	64,508.89	64,508.89	-	190,695.56	190,695.56	-	97,319.44	97,319.44	-	100,858.33	100,858.33	80,000.00	67,238.89	147,238.89
Jul 20, 2020	67,105,014.93	449,488.45	67,554,503.38	-	64,508.89	64,508.89	-	190,695.56	190,695.56	-	97,319.44	97,319.44	-	100,858.33	100,858.33	347,044.30	65,894.11	412,938.41
Oct 20, 2020	64,433,743.54	408,125.43	64,841,868.97	-	65,217.78	65,217.78	-	192,791.11	192,791.11	-	98,388.89	98,388.89	-	101,966.67	101,966.67	335,525.07	60,720.40	396,245.47
Jan 20, 2021	61,058,503.32	363,666.14	61,422,169.46	-	65,217.78	65,217.78	-	192,791.11	192,791.11	-	98,388.89	98,388.89	-	101,966.67	101,966.67	322,168.72	55,018.33	377,187.05
Apr 20, 2021	57,683,126.99	314,545.87	57,997,672.86	-	63,800.00	63,800.00	-	188,600.00	188,600.00	-	96,250.00	96,250.00	-	99,750.00	99,750.00	305,292.51	48,466.23	353,758.74
Jul 20, 2021	54,315,111.59	278,672.09	54,593,783.68	-	64,508.89	64,508.89	-	190,695.56	190,695.56	-	97,319.44	97,319.44	-	100,858.33	100,858.33	288,415.64	43,872.86	332,288.50
Oct 20, 2021	50,534,221.20	244,256.99	50,778,478.19	-	65,217.78	65,217.78	-	192,791.11	192,791.11	-	98,388.89	98,388.89	-	101,966.67	101,966.67	271,575.56	39,453.52	311,029.08
Jan 20, 2022	47,001,056.21	209,388.38	47,210,444.59	-	65,217.78	65,217.78	-	192,791.11	192,791.11	-	98,388.89	98,388.89	-	101,966.67	101,966.67	252,671.10	34,838.24	287,509.34
Apr 20, 2022	40,396,679.10	173,110.75	40,569,789.85	-	63,800.00	63,800.00	-	188,600.00	188,600.00	-	96,250.00	96,250.00	-	99,750.00	99,750.00	235,005.28	29,880.23	264,885.51
Jul 20, 2022	37,078,460.86	147,463.46	37,225,924.32	-	64,508.89	64,508.89	-	190,695.56	190,695.56	-	97,319.44	97,319.44	-	100,858.33	100,858.33	201,983.40	26,261.86	228,245.26
Oct 20, 2022	33,163,623.61	123,499.80	33,287,123.41	-	65,217.78	65,217.78	-	192,791.11	192,791.11	-	98,388.89	98,388.89	-	101,966.67	101,966.67	185,392.30	23,117.86	208,510.16
Jan 20, 2023	29,426,023.88	100,616.90	29,526,640.78	-	65,217.78	65,217.78	-	192,791.11	192,791.11	-	98,388.89	98,388.89	-	101,966.67	101,966.67	165,818.12	19,967.22	185,785.34
Apr 20, 2023	25,667,339.87	78,567.01	25,745,906.88	-	63,800.00	63,800.00	-	188,600.00	188,600.00	-	96,250.00	96,250.00	-	99,750.00	99,750.00	9,108.00	16,776.42	25,884.42
Jul 20, 2023	23,078,250.34	61,922.02	23,140,172.36	-	64,508.89	64,508.89	-	190,695.56	190,695.56	-	97,319.44	97,319.44	-	100,858.33	100,858.33	-	16,809.72	16,809.72
Oct 20, 2023	19,690,583.02	46,678.49	19,737,261.51	-	65,217.78	65,217.78	-	192,791.11	192,791.11	-	98,388.89	98,388.89	-	101,966.67	101,966.67	-	16,994.44	16,994.44
Jan 22, 2024	17,356,023.05	33,811.38	17,389,834.43	-	66,635.56	66,635.56	-	196,982.22	196,982.22	-	100,527.78	100,527.78	-	104,183.33	104,183.33	-	17,363.89	17,363.89
Apr 22, 2024	15,040,468.21	20,886.81	15,061,355.02	-	64,508.89	64,508.89	-	190,695.56	190,695.56	-	97,319.44	97,319.44	-	100,858.33	100,858.33	-	16,809.72	16,809.72
Jul 22, 2024	13,383,105.93	10,621.69	13,393,727.62	-	64,508.89	64,508.89	-	190,695.56	190,695.56	-	97,319.44	97,319.44	-	100,858.33	100,858.33	-	16,809.72	16,809.72
Oct 21, 2024	2,179,805.31	1,487.72	2,181,293.03	23,200,000.00	64,508.89	23,264,508.89	32,800,000.00	190,695.56	32,990,695.56	10,000,000.00	97,319.44	10,097,319.44	6,000,000.00	100,858.33	6,100,858.33	1,000,000.00	16,809.72	1,016,809.72

ANEXO 2 (NUEVA PÁGINA 56)

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

Date	CLASS A			CLASS B			CLASS C			CLASS D			CLASS E			CLASS Z		
	Principal	Interest	Cashflow	Principal	Interest	Cashflow	Principal	Interest	Cashflow	Principal	Interest	Cashflow	Principal	Interest	Cashflow	Principal	Interest	Cashflow
	728.000.000,00	6.719.549,38	734.719.549,38	23.200.000,00	1.640.368,89	24.840.368,89	32.800.000,00	4.849.115,56	37.649.115,56	10.000.000,00	2.474.694,44	12.474.694,44	6.000.000,00	2.564.683,33	8.564.683,33	4.000.000,00	1.060.181,16	5.060.181,16
Jun 21, 2018	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Oct 22, 2018	-	671.580,00	671.580,00	-	87.193,33	87.193,33	-	257.753,33	257.753,33	-	131.541,67	131.541,67	-	136.325,00	136.325,00	-	90.883,33	90.883,33
Jan 21, 2019	-	496.860,00	496.860,00	-	64.508,89	64.508,89	-	190.695,56	190.695,56	-	97.319,44	97.319,44	-	100.858,33	100.858,33	-	67.238,89	67.238,89
Apr 22, 2019	-	496.860,00	496.860,00	-	64.508,89	64.508,89	-	190.695,56	190.695,56	-	97.319,44	97.319,44	-	100.858,33	100.858,33	-	67.238,89	67.238,89
Jul 22, 2019	-	496.860,00	496.860,00	-	64.508,89	64.508,89	-	190.695,56	190.695,56	-	97.319,44	97.319,44	-	100.858,33	100.858,33	-	67.238,89	67.238,89
Oct 21, 2019	-	496.860,00	496.860,00	-	64.508,89	64.508,89	-	190.695,56	190.695,56	-	97.319,44	97.319,44	-	100.858,33	100.858,33	-	67.238,89	67.238,89
Jan 20, 2020	-	496.860,00	496.860,00	-	64.508,89	64.508,89	-	190.695,56	190.695,56	-	97.319,44	97.319,44	-	100.858,33	100.858,33	-	67.238,89	67.238,89
Apr 20, 2020	69.408.859,04	496.860,00	69.905.719,04	-	64.508,89	64.508,89	-	190.695,56	190.695,56	-	97.319,44	97.319,44	-	100.858,33	100.858,33	80.000,00	67.238,89	147.238,89
Jul 20, 2020	67.105.014,93	449.488,45	67.554.503,38	-	64.508,89	64.508,89	-	190.695,56	190.695,56	-	97.319,44	97.319,44	-	100.858,33	100.858,33	347.044,30	65.894,11	412.938,41
Oct 20, 2020	64.433.743,54	408.125,43	64.841.868,97	-	65.217,78	65.217,78	-	192.791,11	192.791,11	-	98.388,89	98.388,89	-	101.966,67	101.966,67	335.525,07	60.720,40	396.245,47
Jan 20, 2021	61.058.503,32	363.666,14	61.422.169,46	-	65.217,78	65.217,78	-	192.791,11	192.791,11	-	98.388,89	98.388,89	-	101.966,67	101.966,67	322.168,72	55.018,33	377.187,05
Apr 20, 2021	57.683.126,99	314.545,87	57.997.672,86	-	63.800,00	63.800,00	-	188.600,00	188.600,00	-	96.250,00	96.250,00	-	99.750,00	99.750,00	305.292,51	48.466,23	353.758,74
Jul 20, 2021	54.315.111,59	278.672,09	54.593.783,68	-	64.508,89	64.508,89	-	190.695,56	190.695,56	-	97.319,44	97.319,44	-	100.858,33	100.858,33	288.415,64	43.872,86	332.288,50
Oct 20, 2021	50.534.221,20	244.256,99	50.778.478,19	-	65.217,78	65.217,78	-	192.791,11	192.791,11	-	98.388,89	98.388,89	-	101.966,67	101.966,67	271.575,56	39.453,52	311.029,08
Jan 20, 2022	47.001.056,21	209.388,38	47.210.444,59	-	65.217,78	65.217,78	-	192.791,11	192.791,11	-	98.388,89	98.388,89	-	101.966,67	101.966,67	252.671,10	34.838,24	287.509,34
Apr 20, 2022	40.396.679,10	173.110,75	40.569.789,85	-	63.800,00	63.800,00	-	188.600,00	188.600,00	-	96.250,00	96.250,00	-	99.750,00	99.750,00	235.005,28	29.880,23	264.885,51
Jul 20, 2022	37.078.460,86	147.463,46	37.225.924,32	-	64.508,89	64.508,89	-	190.695,56	190.695,56	-	97.319,44	97.319,44	-	100.858,33	100.858,33	201.983,40	26.261,86	228.245,26
Oct 20, 2022	33.163.623,61	123.499,80	33.287.123,41	-	65.217,78	65.217,78	-	192.791,11	192.791,11	-	98.388,89	98.388,89	-	101.966,67	101.966,67	185.392,30	23.117,86	208.510,16
Jan 20, 2023	29.426.023,88	100.616,90	29.526.640,78	-	65.217,78	65.217,78	-	192.791,11	192.791,11	-	98.388,89	98.388,89	-	101.966,67	101.966,67	165.818,12	19.967,22	185.785,34
Apr 20, 2023	25.667.339,87	78.567,01	25.745.906,88	-	63.800,00	63.800,00	-	188.600,00	188.600,00	-	96.250,00	96.250,00	-	99.750,00	99.750,00	9.108,00	16.776,42	25.884,42
Jul 20, 2023	23.078.250,34	61.922,02	23.140.172,36	-	64.508,89	64.508,89	-	190.695,56	190.695,56	-	97.319,44	97.319,44	-	100.858,33	100.858,33	-	16.809,72	16.809,72
Oct 20, 2023	19.690.583,02	46.678,49	19.737.261,51	-	65.217,78	65.217,78	-	192.791,11	192.791,11	-	98.388,89	98.388,89	-	101.966,67	101.966,67	-	16.994,44	16.994,44
Jan 22, 2024	17.356.023,05	33.811,38	17.389.834,43	-	66.635,56	66.635,56	-	196.982,22	196.982,22	-	100.527,78	100.527,78	-	104.183,33	104.183,33	-	17.363,89	17.363,89
Apr 22, 2024	15.040.468,21	20.886,81	15.061.355,02	-	64.508,89	64.508,89	-	190.695,56	190.695,56	-	97.319,44	97.319,44	-	100.858,33	100.858,33	-	16.809,72	16.809,72
Jul 22, 2024	13.383.105,93	10.621,69	13.393.727,62	-	64.508,89	64.508,89	-	190.695,56	190.695,56	-	97.319,44	97.319,44	-	100.858,33	100.858,33	-	16.809,72	16.809,72
Oct 21, 2024	2.179.805,31	1.487,72	2.181.293,03	23.200.000,00	64.508,89	23.264.508,89	32.800.000,00	190.695,56	32.990.695,56	10.000.000,00	97.319,44	10.097.319,44	6.000.000,00	100.858,33	6.100.858,33	1.000.000,00	16.809,72	1.016.809,72

# BBVA CONSUMER AUTO 2018-1 FONDO DE TITULIZACIÓN

## ISSUE OF ASSET-BACKED NOTES EUR 804,000,000

		<u>DBRS/ MOODY'S</u>
Class A	EUR 728,000,000	AA (low) (sf) / Aa1 (sf)
Class B	EUR 23,200,000	A (sf) / A1 (sf)
Class C	EUR 32,800,000	BBB (sf) / Baa1 (sf)
Class D	EUR 10,000,000	BB (sf) / Ba2 (sf)
Class E	EUR 6,000,000	NR / B3 (sf)
Class Z	EUR 4,000,000	NR / Ca (sf)

Backed by receivables assigned and serviced by

**BBVA**

*Lead Managers*

**BBVA**



*Subscribers*

**BBVA**



*Paying Agent*

**BBVA**

*Fund incorporated and managed by*



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## IMPORTANT NOTICE – PROSPECTUS

### NOT FOR DISTRIBUTION TO ANY U.S. PERSON OR TO ANY PERSON OR ADDRESS IN THE UNITED STATES

IMPORTANT: You must read the following before continuing. The following applies to the Prospectus following this page and you are therefore advised to read this carefully before reading, accessing or making any other use of the Prospectus. In accessing the Prospectus, you agree to be bound by the following terms and conditions, including any modifications thereto that should be registered in accordance with the applicable procedure.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY THE NOTES DESCRIBED IN THE PROSPECTUS IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THE PROSPECTUS IN WHOLE OR IN PART IS UNAUTHORISED.

FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

**MIFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPs ONLY TARGET MARKET / NEGATIVE TARGET MARKET** – SOLELY FOR THE PURPOSES OF EACH MANUFACTURER'S PRODUCT APPROVAL PROCESS, THE TARGET MARKET ASSESSMENT IN RESPECT OF THE NOTES HAS LED TO THE CONCLUSION THAT: (I) THE TARGET MARKET FOR THE NOTES IS ELIGIBLE COUNTERPARTIES AND PROFESSIONAL CLIENTS ONLY, EACH AS DEFINED IN DIRECTIVE 2014/65/EU ("**MIFID II**"); (II) WHO HAVE INFORMED OR ADVANCED KNOWLEDGE AND/OR EXPERIENCE IN FINANCIAL PRODUCTS; (III) WHO CAN BEAR LOSSES UP TO THE INITIALLY INVESTED CAPITAL; (IV) HAVE, AMONG OTHERS, THE OBJECTIVES AND NEEDS OF GROWTH OR INCOME; (VI) HAVE A LONG TERM INVESTMENT HORIZON; AND (V) ALL CHANNELS FOR DISTRIBUTION OF THE NOTES ARE APPROPRIATE. THE TARGET MARKET ASSESSMENT INDICATES THAT THE NOTES ARE INCOMPATIBLE WITH THE NEEDS, CHARACTERISTIC AND OBJECTIVES OF CLIENTS WHICH ARE RETAIL CLIENTS (AS DEFINED IN MIFID II) AND ACCORDINGLY THE NOTES SHALL NOT BE OFFERED OR SOLD TO ANY RETAIL CLIENTS. ANY PERSON SUBSEQUENTLY OFFERING, SELLING OR RECOMMENDING THE NOTES (A DISTRIBUTOR) SHOULD TAKE INTO CONSIDERATION THE MANUFACTURERS' TARGET MARKET ASSESSMENT. HOWEVER, A DISTRIBUTOR SUBJECT TO MIFID II IS RESPONSIBLE FOR UNDERTAKING ITS OWN TARGET MARKET ASSESSMENT IN RESPECT OF THE NOTES (BY EITHER ADOPTING OR REFINING THE MANUFACTURERS' TARGET MARKET ASSESSMENT) AND DETERMINING APPROPRIATE DISTRIBUTION CHANNELS.

**PROHIBITION OF SALES TO EEA RETAIL INVESTORS** – THE NOTES SHALL NOT BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO ANY RETAIL INVESTOR IN THE EEA. FOR THESE PURPOSES, A "RETAIL INVESTOR" MEANS A PERSON WHO IS ONE (OR MORE) OF: (I) A RETAIL CLIENT AS DEFINED IN POINT (11) OF ARTICLE 4(1) OF MIFID II; OR (II) A CUSTOMER WITHIN THE MEANING OF DIRECTIVE 2002/92/EC ("**INSURANCE MEDIATION DIRECTIVE**"), WHERE THAT CUSTOMER WOULD NOT QUALIFY AS A PROFESSIONAL CLIENT AS DEFINED IN POINT (10) OF ARTICLE 4(1) OF MIFID II. CONSEQUENTLY NO KEY INFORMATION DOCUMENT REQUIRED BY REGULATION (EU) NO 1286/2014 (THE "**PRIIPS REGULATION**") FOR OFFERING OR SELLING THE NOTES OR OTHERWISE MAKING THEM AVAILABLE TO RETAIL INVESTORS IN THE EEA HAS BEEN PREPARED AND THEREFORE OFFERING OR SELLING THE NOTES OR OTHERWISE MAKING THEM AVAILABLE TO ANY RETAIL INVESTOR IN THE EEA MAY BE UNLAWFUL UNDER THE PRIIPS REGULATION.

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or the securities laws of any state of the United States or other relevant jurisdiction. The Notes may not at any time be offered, sold or delivered within the United States or to, or for the account or benefit of, any person who is (a) a U.S. Person (as defined in Regulation S under the Securities Act ("**Regulation S**")) by any person referred to in Rule 903(b)(2)(iii) of Regulation S, (x) as part of their distribution at any time or (y) otherwise until 40 calendar days after the completion of the distribution of the securities as determined and certified by the Lead Managers, in either case except in accordance with Regulation S. In addition, the Notes may not at any time be offered, sold or delivered within the United States or

to, or for the account or benefit of, any person who is a U.S. person (as defined in the credit risk retention regulations issued under Section 15G of the U.S. Securities Exchange Act of 1934, as amended (the "**Exchange Act**"). Prospective investors should note that the definition of U.S. person in the U.S. Risk Retention Rules is substantially similar to, but not identical to, the definition of U.S. person under Regulation S. For a description of certain restrictions on offers and sales of Notes and on distribution of this Prospectus in the United States, see "U.S. Selling Restrictions" and "Risk Factors – U.S. Risk Retention"

IN ORDER TO BE ELIGIBLE TO READ THE PROSPECTUS OR MAKE AN INVESTMENT DECISION WITH RESPECT TO THE NOTES DESCRIBED THEREIN, YOU MUST NOT BE A "U.S. PERSON" AS DEFINED IN REGULATION S (A "**U.S. PERSON**") OR A U.S. PERSON AS DEFINED IN THE U.S. RISK RETENTION RULES (A "**RISK RETENTION U.S. PERSON**").

By accessing the Prospectus you shall be deemed to have confirmed and represented to us (i) that you have understood the agreed terms set out herein, (ii) that you are not a U.S. Person, a Risk Retention U.S. Person or, in relation only to the offer, sale or delivery of the Notes, acting for the account or benefit of any such U.S. Person or Risk Retention U.S. Person, and (iii) that you consent to delivery of the Prospectus by electronic transmission.

You are reminded that the Prospectus has been delivered to you on the basis that you are a person into whose possession the Prospectus may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver the Prospectus to any other person.

The materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Lead Managers or any affiliate of the Lead Managers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the Lead Managers or such affiliate on behalf of the Issuer in such jurisdiction.

The Prospectus has been sent to you in electronic format. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently neither Banco Bilbao Vizcaya Argentaria, S.A. and MERRILL LYNCH INTERNATIONAL (together, the "**Lead Managers**") nor the Management Company nor any person who controls the Lead Managers or the Management Company nor any director, officer, employee, agent or affiliate of any such person nor the Issuer nor the Originator (as defined below) accepts any liability or responsibility whatsoever in respect of any difference between the Prospectus distributed to you in electronic format herewith and the hard copy version available to you on request from the Issuer and/or the Lead Managers.

Without prejudice to the responsibility assumed by Banco Bilbao Vizcaya Argentaria, S.A. in relation to the Securities Note (including the Additional Building Block), as detailed in section 1.1.2 of the Securities Note, none of the Lead Managers makes any representation, recommendation or warranty, express or implied, regarding the accuracy, adequacy, reasonableness or completeness of the information contained herein or in any further information, notice or other document which may at any time be supplied by the Issuer in connection with the Notes and accordingly, none of the Lead Managers accepts any responsibility or liability therefore or any responsibility or liability arising out of or in connection with any act or omission of the Issuer or any third party.

None of the Lead Managers (BBVA in its role as Lead Manager) undertakes to review the financial condition or affairs of the Issuer nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Lead Managers (BBVA in its role as Lead Manager).

None of the Lead Managers (BBVA in its role as Lead Manager) or any person who controls any of them or any director, officer, employee, agent or affiliate of any of the Lead Managers shall have any responsibility for determining the proper characterisation of potential investors in relation to any restriction under the U.S. Risk Retention Rules or for determining the availability of the safe harbour provided for in Section 20 of the U.S. Risk Retention Rules, and none of the Lead Managers or any person who controls any of them or any director, officer, employee, agent or affiliate of any of the Lead Managers accepts any liability or responsibility whatsoever for any such determination. Furthermore, none of the Lead Managers or any person who controls any of them or any director, officer, employee, agent or affiliate of any of the Lead Managers provides any assurance that the safe harbour provided for in Section 20 of the U.S. Risk Retention Rules will be available.

This document is a prospectus (the “**Prospectus**”) registered at the Spanish Securities Market Commission (*Comisión Nacional del Mercado de Valores*) (the “**CNMV**”), as provided for in Commission Regulation (EC) No 809/2004 of 29 April 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 (EC) No 809/2004**”) and Royal Decree 1310/2005 of 4 November partly implementing Law 24/1988 of 28 July on the Securities Market, 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 (*Real Decreto 1310/2005, de 4 de noviembre, por el que se desarrolla parcialmente la Ley 24/1988, de 28 de julio, del Mercado de Valores, en materia de admisión a negociación de valores en mercados secundarios oficiales, de ofertas públicas de venta o suscripción y del folleto exigible a tales efectos*) (“**Royal Decree 1310/2005**”), as currently worded, 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 (EC) No 809/2004 (the “**Registration Document**”).
3. A securities note, prepared using the outline provided in Annex XIII to Regulation (EC) No 809/2004 (the “**Securities Note**”).
4. An additional building block to the Securities Note, prepared using the outline provided in Annex VIII to Regulation (EC) No 809/2004 (the “**Additional Building Block**”).
5. A glossary of definitions.



## RISK FACTORS

THE PURCHASE OF NOTES MAY INVOLVE SUBSTANTIAL RISKS AND BE SUITABLE ONLY FOR INVESTORS WHO HAVE THE KNOWLEDGE AND EXPERIENCE IN FINANCIAL AND BUSINESS MATTERS NECESSARY TO ENABLE THEM TO EVALUATE THE RISKS AND THE MERITS OF AN INVESTMENT IN THE NOTES. PRIOR TO MAKING AN INVESTMENT DECISION, PROSPECTIVE INVESTORS SHOULD CONSIDER CAREFULLY AND IN LIGHT OF THEIR OWN FINANCIAL CIRCUMSTANCES AND INVESTMENT OBJECTIVES ALL THE INFORMATION SET FORTH IN THIS PROSPECTUS AND, IN PARTICULAR, THE CONSIDERATIONS SET FORTH BELOW.

PROSPECTIVE INVESTORS SHOULD (A) MAKE SUCH INQUIRIES AND INVESTIGATIONS AS THEY DEEM APPROPRIATE AND NECESSARY AND (B) REACH THEIR OWN VIEWS PRIOR TO MAKING ANY INVESTMENT DECISIONS WITHOUT RELYING ON THE ISSUER OR ANY OF THE LEAD MANAGERS OR ANY OTHER PARTY REFERRED TO HEREIN.

IT SHOULD BE REMEMBERED THAT THE PRICE OF SECURITIES AND THE INCOME DERIVING FROM THEM MAY INCREASE AS WELL AS DECREASE.

THIS PROSPECTUS IS NOT INTENDED TO FURNISH LEGAL, REGULATORY, TAX, ACCOUNTING, INVESTMENT OR OTHER ADVICE TO ANY PROSPECTIVE PURCHASER OF THE NOTES.

THE FOLLOWING IS A SUMMARY OF CERTAIN FACTORS WHICH PROSPECTIVE INVESTORS SHOULD CONSIDER BEFORE DECIDING TO PURCHASE ANY NOTES. THE FOLLOWING STATEMENTS ARE NOT EXHAUSTIVE; PROSPECTIVE INVESTORS ARE REQUESTED TO CONSIDER ALL THE INFORMATION IN THIS PROSPECTUS, MAKE SUCH OTHER ENQUIRIES AND INVESTIGATIONS AS THEY CONSIDER APPROPRIATE AND REACH THEIR OWN VIEWS PRIOR TO MAKING ANY INVESTMENT DECISIONS. THESE FACTORS ARE CONTINGENCIES WHICH MAY OR MAY NOT OCCUR, AND THE ISSUER IS NOT IN A POSITION TO EXPRESS A VIEW ON THE LIKELIHOOD OF ANY SUCH CONTINGENCY OCCURRING.

BBVA CONSUMER AUTO 2018-1 FONDO DE TITULIZACIÓN (the “Fund” and/or the “Issuer”) is a separate fund devoid of legal personality and, pursuant to Part III of Law 5/2015 of 27 April on promoting corporate financing (*Ley 5/2015, de 27 de abril, de Fomento de la Financiación Empresarial*) (“**Law 5/2015**”) setting out the legal regulation of securitisations, is managed by a securitisation funds management company, EUROPEA DE TITULIZACIÓN, S.A., SOCIEDAD GESTORA DE FONDOS DE TITULIZACIÓN (the “**Management Company**” or “**EUROPEA DE TITULIZACIÓN**”). The Fund shall only bear liability for its obligations to its creditors with its assets.

### 1 Risks derived from the assets backing the issue

#### a) Receivable default risk

The holders of the Notes issued by the Fund and the lenders to the Fund shall bear the risk of default on the Receivables pooled in the Fund.

BANCO BILBAO VIZCAYA ARGENTARIA, S.A. (**BBVA** or the “**Originator**”), 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 Article 1529 of the Civil Code, BBVA shall be 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 have no responsibility to warrant the successful outcome of the transaction and will not issue guarantees or security, nor undertake to repurchase the Receivables, other than the undertakings contained in section 2.2.9 of the Additional Building Block regarding substitution or repayment of Receivables failing to conform, on the date of assignment to the Fund, to the representations contained in section 2.2.8 of the Additional Building Block.

**b) Limited liability**

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

**c) Limited hedging**

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

The degree of subordination in interest payment and principal repayment between the Notes in each Class derived from the Priority of Payments and the Liquidation Priority of Payments is a mechanism for differentiated hedging of the different Classes.

**d) Receivable prepayment risk**

There will be a prepayment of the Receivables pooled in the Fund when Obligors prepay the outstanding principal of the Receivables.

Upon the Revolving Period ending, that prepayment risk shall pass quarterly on each Payment Date to Noteholders in each Class by the partial amortisation of the Notes, 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) Reservation of title**

Although the Loans granted by BBVA, whose Receivables it shall assign to the Fund, are intended for the Obligors to finance the purchase of vehicles, not all Loans are secured with a reservation of title with respect to the financed vehicle. Under a reservation of title, title to the vehicle is not transferred to the Obligor absolutely until the Obligor has fulfilled all the obligations under the loan agreement. In addition, in order for those clauses to be enforceable against third parties, they must be entered in the Chattels Register, and they shall not be enforceable against third parties until that entry is effective. Notwithstanding the foregoing, possession of the vehicles financed by the Loans shall remain with the Obligor, who may actually cause the vehicles to disappear or delay handing over possession thereof to the legitimate owner upon request, subject however to the Obligors becoming liable for so doing. In addition, since the assets to be entered in the Chattels Register are chattel property by nature, although from a legal standpoint the protection is similar to that of real property, in practice the level of protection may be less.

As described in section 2.2 of the Additional Building Block to this Prospectus, out of the selected portfolio loans, 21.58% (30.24% in terms of outstanding principal) from which the Initial Receivables will be taken to be assigned to the Fund include a reservation of title clause for the benefit of BBVA, but not all such reservations of title are entered in the Chattels Register (out of the selected portfolio loans with reservation of title that are not entered in the Chattels Register represent the 69.66%, in terms of outstanding principal balance). However, the reservation of title can be entered by the Originator after the Loan is arranged if the Obligor shows any sign whatsoever of inconsistency in payment of loan instalments, and that entry shall have the same legal effects as if it had been made upon the loan being arranged (although the effects of registration will only apply once registration has actually been made).

Upon being entered in the Chattels Register, the reservation of title vests the holder with a number of benefits over other creditors of the Obligor, such as the preference and priority established in Articles 1922 and 1926 of the Civil Code, and the creditor being considered to have a special privilege, all in terms of Article 16.5 of Law 28/1998 of 13 July on Chattels Hire Purchase (*Ley 28/1998, de 13 de julio, de Venta a Plazos de Bienes Muebles*) ("**Law 28/1998**") and Article 90.4 of Law 22/2003 of 9 July on insolvency (*Ley 22/2003, de 9 de julio, Concursal*), as currently worded (the "**Insolvency Law**"). In

addition, once the reservation of title has been entered in the Chattels Register, their holder may avail of the specific actions and proceedings provided for in Law 28/1998 and Civil Procedure Law 1/2000 of 7 January (*Ley 1/2000, de 7 de enero, de Enjuiciamiento Civil*), as currently worded (the “**Civil Procedure Law**”). There is no provision for the assignment of the Receivables and, concurrently, the benefit of the reservations of title, to be entered in the Chattels Register in favour of the Fund.

**f) Used vehicles**

As detailed in section 2.2.2.1 b) of the Additional Building Block, 45.58% of the selected portfolio loans (43.64% in terms of outstanding principal) have been granted by BBVA to finance the purchase of used vehicles upon the loan being granted. In relation to those loans granted to finance the purchase of used vehicles, 37.32% of such loans, in terms of outstanding principal, correspond to used vehicles up to 5 years old, while the remaining 62.68%, in terms of outstanding principal, correspond to used vehicles over 5 years old.

Depreciation on a new vehicle is approximately 20% of its market value at the time of sale. In addition, there is a yearly average depreciation of 10% for the first three years (these percentages will vary depending on each model), and 6% from the fourth to the tenth.

**g) Used vehicle age and loan origination document**

No information is given as to the used vehicle ages on the date on which the loan is granted because the Originator does not enter this in its databases.

BBVA does not enter in its databases the type of loan origination document (private document or agreement certified by a commissioner for oaths –“*póliza intervenida por fedatario público*”).

**h) Geographical concentration risk**

As detailed in section 2.2.2.1 j) of the Additional 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: Catalonia (19.14%), Andalusia (18.00%), Valencian Community (11.99%) and Madrid (11.37%), altogether representing 60.50%.

Moreover, paragraph 2 of section 2.2.2.3 of the Additional Building Block sets down the following Global Criteria in relation to geographical concentration by Autonomous Communities to be altogether satisfied by the Receivables, including the Additional Receivables, in order to be assigned to the Fund:

- That on each assignment date, the Outstanding Balance of the Receivables for Obligors 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 each assignment date, the Outstanding Balance of the Receivables for Obligors 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.

**Catalonia**

In relation to the political situation in Catalonia, although the actions carried out by the Government of Spain have helped to reduce the level of uncertainty in Catalonia caused by the independence movement, at the registration date of this Prospectus there is still uncertainty regarding the result of the political and social tensions in that region, which could produce volatility in securities markets (including the AIAF exchange on which admission to trading will be sought for the Asset-Backed Notes) or otherwise affect economic activity in Spain and, in particular, in Catalonia. All of this could entail an adverse effect for the Obligors and the Receivables, with the consequent impact on the Note Issue.

**i) Risk resulting from the Consumer Protection Law and linked contracts under the Law 16/2011**

If a loan agreement is entered into with a consumer within the meaning of Article 3 of Royal Legislative Decree 1/2007, of November 16, approving the consolidated text of the General Law for the Defence of

Consumers and Users and other complementary laws (*Real Decreto Legislativo 1/2007, de 16 de noviembre, por el que se aprueba el texto refundido de la Ley General para la Defensa de los Consumidores y Usuarios y otras leyes complementarias*) (the “**Consumer Protection Law**”) and/or Article 2 of the Law 16/2011, of June 24, on consumer credit agreements (*Ley 16/2011, de 24 de junio, de contratos de crédito al consumo*) (“**Law 16/2011**”) or, as applicable depending on the date of each loan agreement, Article 1 of the Law 7/1995, of March 23, on consumer credit agreement (*Ley 7/1995, de 23 de marzo, de Crédito al Consumo*) (“**Law 7/1995**”), there is also a risk that the provisions on consumers' rights and linked contracts (as discussed below) apply.

(i) Consumers' rights *vis-à-vis* the seller of the vehicle

In particular, if the vehicles do not conform to the sale agreement, consumers may (pursuant to Articles 119 and 120 of the Consumer Protection Law) choose to either claim from the seller the repair or to demand the replacement of the vehicles (both options, free of charge for the consumer), unless either of these two options is objectively impossible or disproportionate.

The options will be considered disproportionate when the forms of remedy, in comparison to the other, impose unreasonable costs on the seller of the vehicles, taking into account: (i) the value of the vehicle had it been fully compliant; (ii) the materiality of the lack of conformity; and (iii) whether the alternative remedy may cause less inconveniences for the customer. Costs shall be considered unreasonable when the expenses corresponding to one form of remedy are materially higher than those associated to the other form of remedy.

If the abovementioned measures were not possible, within a reasonable period of time, the customer would be entitled either to a price reduction or contract termination, at the consumer's choice. However, such termination is not an eligible remedy if the lack of conformity is considered minor.

The above remedies are generally available for any lack of conformity arising within 2 years as from the date of delivery. Henceforth, the consumer claims are subject to a 3 year term (as from the delivery date) statute of limitations. Nevertheless, it cannot be ruled out that, in certain circumstances, a Spanish court counts the above terms as from the date when the lack of conformity has become of the public knowledge.

Nevertheless, the above remedies do not preclude the right of customers to be indemnified for damages (if any and provided that they are duly evidenced) caused to them. Such claims for damages are subject to a five (5) year term statute of limitations.

(ii) Linked contracts

Notwithstanding (i) above, if the loan agreement is entered into with a consumer (as defined in the Consumer Protection Law and in either Law 16/2011 or Law 7/1995, as applicable in each case), for the sole purpose of acquiring the vehicle and both agreements (i.e. the loan agreement and the sale contract) objectively constitute a single commercial transaction, the provisions on linked contracts (*contratos vinculados*) pursuant to, as applicable in each case, Article 29 of Law 16/2011 or Article 15 of Law 7/1995 will also apply.

In case the loan agreement was entered into before 25 September 2011 and the loan agreement and the purchase contract in respect of the financed vehicles are considered linked contracts (*contratos vinculados*), the Obligor will be entitled to raise any objections and defences arising under the purchase contract also against BBVA (as lender) to the extent that:

- (1) the consumer, prior to the acquisition of the vehicle, has entered into a loan agreement with the lender, being such lender a different person from the vehicle supplier.



- (2) the lender and the vehicle supplier have entered into a previous exclusive agreement by virtue of which the lender will offer credit to the supplier's clients for the acquisition of vehicles.
- (3) the consumer has entered into the loan agreement by virtue of the above mentioned prior agreement.
- (4) the purchased vehicles are not, in whole or in part, compliant with the relevant sale agreement; and
- (5) the consumer has claimed, either on court or out of court, against the seller of the vehicle without having been duly satisfied by it.

In case the agreement was entered into after 25 September 2011 and the loan agreement and the purchase contract in respect of the financed vehicles are considered linked contracts (*contratos vinculados*), the Obligor will be entitled to raise any objections and defences arising under the purchase contract also against BBVA (as lender) to the extent that:

- (1) the purchased vehicles are not, in whole or in part, compliant with the relevant sale agreement; and
- (2) the consumer has claimed, either on court or out of court, against the seller of the vehicle without having been duly satisfied by it.

If as a result of the above, the consumer has any claim against BBVA (and regardless of BBVA's right to, in turn, seek compensation from the seller of the vehicle), such claim may be set-off by the consumer against amounts due and payable under the Loan.

Also, pursuant to the Law 16/2011 (where applicable), in case of termination of a sale agreement, the Loan agreement linked to the acquisition will also be terminated. In such scenario: (i) as a result of the termination of the sale agreement, the customer shall give back the vehicle to the dealer/seller who shall in turn reimburse the price to the customer; and (ii) as a result of the termination of the loan agreement the customer shall repay the Loan.

## 2 Risks derived from the securities

### a) Issue Price

The issue of Class A, B and C Notes 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 (in the case of the Class A Notes) or be subsequently sold in the market, and, consequently, the terms of the issue of Class A, B and C Notes are not an estimate of the prices at which those Notes 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.

The Class D, E and Z Notes will be initially subscribed for by MERRILL LYNCH INTERNATIONAL, subject to the retention by the Originator of at least 5% of each Class D, E and Z Notes by BBVA in compliance with Regulation (EU) No. 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No. 648/2012 ("**Regulation 575/2013**" or "**CRR**").

### b) Liquidity

Although application will be made for the Notes to be admitted to the AIAF Fixed-Income Market and trading on its regulated market, there is no assurance that the Notes 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 to give the Notes liquidity by offering any consideration.

Moreover, the Fund may in no event repurchase the Notes from Noteholders. Nevertheless, the Notes 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 Notes in each Class contained in section 4.10 of the Securities Note is subject, inter alia, to the assumed Receivable prepayment and delinquency rates that may not be fulfilled.

Calculation of the average life and duration of the Notes in each Class 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.

No guarantee can be given as to the level of prepayments (in part or in full) that the Receivables may experience.

**d) The Notes may not be a suitable investment for all investors**

The issue is addressed solely to qualified investors as defined in Article 39 of Royal Decree 1310/2005.

The Notes are complex securities and investors should possess, or seek the advice of advisers with, the expertise necessary to evaluate the information contained in this Prospectus in the context of such investor's individual financial circumstances and tolerance for risk. An investor should not purchase Notes unless he understands the principal repayment, credit, liquidity, market and other risks associated with the Notes.

In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained in this Prospectus;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes;
- (iv) understand thoroughly the terms of the Notes and be familiar with the behaviours of any relevant indices and financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

The Notes are limited recourse instruments and there can be no assurance that the Noteholders will receive the full amounts payable at any time by the Fund under the Notes or that they will receive any return on their investment in the Notes.

Neither the Issuer nor the Lead Managers are acting as an investment adviser, or assume any fiduciary obligation, to any investor in the Notes and investors may not rely on any such entity.

The Lead Managers have not undertaken to review the financial condition or affairs of the Fund during the life of the arrangements contemplated by this Prospectus, or to advise any investor or potential investor in the Notes of any information that is not included in this Prospectus that comes to the attention of the Lead Managers.

**e) Late-payment interest**

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

**f) Subordination of the Notes**

Class B Notes interest payment and principal repayment are deferred with respect to Class A Notes; Class C Notes interest payment and principal repayment are in turn deferred with respect to Class A and Class B Notes; Class D Notes interest payment and principal repayment are in turn deferred with respect to Class A, Class B and Class C Notes; Class E Notes interest payment and principal repayment are in turn deferred with respect to Class A, Class B, Class C and Class D Notes; and Class Z Notes interest payment and principal repayment are in turn deferred with respect to Class A, Class B, Class C, Class D and Class E Notes. There is however no assurance whatsoever that the subordination rules shall protect Noteholders from the risk of loss.

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

**g) Deferral or postponement of interest**

This Prospectus and all other supplementary documents relating to the Notes provide:

- for deferral of Class B Note interest payment from the 3<sup>rd</sup> to the 8<sup>th</sup> place in the Priority of Payments in the event that, on the Determination Date preceding the relevant Payment Date, the Outstanding Balance of Non-Doubtful Receivables is greater than the Outstanding Balance of Class C Notes, Class D Notes and Class E Notes and provided that Class A Notes have not been or are not to be fully amortised on the relevant Payment Date.
- for deferral of Class C Note interest payment from the 4<sup>th</sup> to the 9<sup>th</sup> place in the Priority of Payments in the event that, on the Determination Date preceding the relevant Payment Date, the Outstanding Balance of Non-Doubtful Receivables is greater than the Outstanding Balance of Class D Notes and Class E Notes and provided that Class A and B Notes have not been or are not to be fully amortised on the relevant Payment Date.
- for deferral of Class D Note interest payment from the 6<sup>th</sup> to the 10<sup>th</sup> place in the Priority of Payments in the event that, on the Determination Date preceding the relevant Payment Date, the Outstanding Balance of Non-Doubtful Receivables is greater than the Outstanding Balance of Class E Notes and provided that Class A, B and C Notes have not been or are not to be fully amortised on the relevant Payment Date.

Class A, Class E and Class Z Note interest will not be subject to these deferral or postponement rules.

**h) Rating of the Notes**

The credit risk of the Notes in Classes A, B, C and D issued by the Fund has been assessed by the rating agencies DBRS and Moody's (the "**Rating Agencies**"). The credit risk of the Notes in Classes E and Z issued by the Fund has been assessed also by Moody's.

The Rating Agencies may revise, suspend or withdraw the final ratings assigned to the Notes 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 Notes and, in particular, acquire, keep, charge or sell those Notes.

The Fund has not requested a rating of any Class of Notes by any rating agency other than the Rating Agencies. However, there could be unsolicited ratings published in respect of the Notes by rating organisations other than the Rating Agencies. If such unsolicited ratings are lower than the comparable

rating assigned to the Notes by the Rating Agencies, those unsolicited ratings could have an adverse effect on the value of the Notes.

**i) Non confirmation of the provisional ratings of the Notes**

The non-confirmation of the provisional ratings given by the Rating Agencies to the Notes by 1pm (CET) on 20 June 2018 shall be an event of termination of the incorporation of the Fund and the Note Issue.

**j) Notes's eligibility.**

The Class A Notes are intended to be held in a manner which will allow Eurosystem eligibility. This means that the Class A Notes are intended upon issue to be deposited with *Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores S.A.U.* ("**IBERCLEAR**") but does not necessarily mean that the Class A Notes will be recognised as eligible collateral for Eurosystem monetary policy and intraday credit operations by the Eurosystem ("**Eurosystem Eligible Collateral**") either upon issue or at any or all times during their life.

Such recognition will, inter alia, depend upon satisfaction of the Eurosystem eligibility criteria set out in the Guideline of the European Central Bank (the "**ECB**") of 19 December 2014 on the implementation of the Eurosystem monetary policy framework (ECB/2014/60) (recast) as amended and applicable from time to time (the "**Guideline**").

In addition, the Management Company (based on information supplied by the Loan Servicer) will, for as long as the Class A Notes are intended to be held in a manner which will allow Eurosystem eligibility, make loan-level data available in such manner as required by the ECB to comply with the Eurosystem eligibility criteria, subject to applicable data protection rules. Non-compliance with the eligibility criteria set out in the Guideline or with provision of loan-level data to the standards required will lead to the Class A Notes not qualifying as eligible collateral for the Eurosystem.

None of the Fund, the Management Company, the Originator and the Lead Managers give any representation, warranty, confirmation or guarantee to any investor in the Class A Notes that the Class A Notes will, either upon issue, or at any or at all times during their life, satisfy all or any requirements for Eurosystem eligibility and be recognized as Eurosystem Eligible Collateral for any reason whatever. Any potential investor in the Class A Notes should make its own conclusions and seek its own advice with respect to whether or not the Class A Notes constitute Eurosystem Eligible Collateral.

**k) Basel Capital Accord and regulatory capital requirements**

The regulatory capital framework published by the Basel Committee on Banking Supervision (the "**Basel Committee**") in 2006 (the "**Basel II framework**") has not been fully implemented in all participating countries. The implementation of the framework in relevant jurisdictions may affect the risk-weighting of the Notes for investors who are or may become subject to capital adequacy requirements that follow the framework.

The Basel Committee has subsequently approved significant changes and extensions to the Basel II framework (such changes and extensions being commonly referred to as "**Basel III**"), including new capital and liquidity requirements intended to reinforce capital standards and to establish minimum liquidity standards for credit institutions. In particular, the changes refer to, amongst other things, new requirements for the capital base (including an increase in the minimum Tier 1 capital requirement), measures to strengthen the capital requirements for counterparty credit exposures arising from certain transactions and the introduction of a leverage ratio as well as short-term and longer-term standards for funding liquidity (the latter being referred to as the "**Liquidity Coverage Ratio**" and the "**Net Stable Funding Ratio**", respectively).

The European authorities have incorporated the Basel III framework into EU law, primarily through Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms (Capital Requirements Directive - "**CRD**") and the CRR known as "**CRD IV-Package**" which has generally entered into force in the EU on 1 January 2014, although it will be a period of gradual implementation has been established until January 1 2019. It should be noted that, whilst the provisions of the CRD were required to be incorporated into the domestic law of each EU member state, particularly the CRR has immediate and direct effect, as it does not need to be implemented into the relevant national law. The implementation of CRD into Spanish law has taken place through Royal Decree-Law 14/2013, of November 29 ("**RD-L 14/2013**"), Law 10/2014, of June 26, on the

organization, supervision and solvency of credit institutions ("**Law 10/2014**"), Royal Decree 84/2015, of February 13 ("**RD 84/2015**"), Bank of Spain Circular 2/2014, of January 31 and Bank of Spain Circular 2/2016, of February 2 (the "**Bank of Spain Circular 2/2016**"). On November 23, 2016, the European Commission published a package of proposals with further reforms to CRD IV-Package, Directive 2014/59/EU, of May 15 establishing a framework for the recovery and resolution of credit institutions and investment firms (the "**BRRD**") and Regulation (EU) No. 806/2014 of the European Parliament and the Council of the European Union (the "**SRM Regulation**") (the "**EU Banking Reforms**"), including measures to increase the resilience of EU institutions and enhance financial stability. The timing for the final implementation of these reforms as at the date of this Prospectus is unclear.

On 28 December 2017 the Regulation (EU) 2017/2401 of the European Parliament and of the Council amending the CRR (the "**CRR Amendment Regulation**") has been published in the Official Journal which will apply from 1 January 2019. The CRR Amendment Regulation implements changes to the CRR on the basis of the revised securitisation framework developed by Basel Committee on Banking Supervision. On 23 November 2016 the Commission proposed a new Directive amending the CRD (the "**CRD V**") which, inter alia, set out the Net Stable Funding Ratio. The CRD V is not expected to enter into force prior to 1 January 2019.

Additionally, in accordance with Article 460 of the CRR, on 17 January 2015 the Commission Delegated Regulation (EU) No 2015/61 of 10 October 2014 with regard to liquidity coverage requirement for Credit Institutions (the "**LCR Regulation**") was published in the Official Journal of the European Union; this subsequently entered into application on 1 October 2015. The LCR Regulation sets out assumed asset inflow and outflow rates to better reflect actual experience in times of stress. Further, it sets out the EU application of the Liquidity Coverage Ratio, and defines specific criteria for assets to qualify as "high quality liquid assets", the market value of which shall be used by credit institutions for the purposes of calculating its relevant Liquidity Coverage Ratio. The criteria for high quality liquid assets are not entirely consistent with recent market standards and, given the lack of guidance on the interpretation of the LCR Regulation, no assurance can be given as to whether the Notes qualify as high quality liquid assets in each participating EU member State and the Issuer makes no representation as to whether such criteria are met by the Notes. It should also be noted that, although the Liquidity Coverage Ratio entered into general application with the remainder of the LCR Regulation on 1 October 2015, its introduction was phased-in starting with a minimum of 60% from 1 October 2015 and rising to 100% on 1 January 2018.

In general, investors should consult their own advisers as to the regulatory capital requirements in respect of the Notes and as to the consequences to and effect on them of any changes to the Basel II framework (including the Basel III changes described above), the EU Banking Reforms and by the CRD IV Package in particular and the relevant implementing measures. No predictions can be made as to the precise effects of such matters on any investor or otherwise.

#### **I) Securitisation Regulation and simple, transparent and standardised securitisation**

The Regulation (EU) 2017/2402 of the European Parliament and of the Council of 12 December 2017 laying down a general framework for securitisation and creating a specific framework for simple, transparent and standardised securitisation, and amending Directives 2009/65/EC, 2009/138/EC and 2011/61/EU and Regulations (EC) No 1060/2009 and (EU) No 648/2012 (the "**Securitisation Regulation**") was published on 28 December 2017 and will apply from 1 January 2019. This Regulation harmonises rules on risk retention, due diligence and disclosure across the different categories of European institutional investors which will apply to all securitisation (subject to grandfathering provisions) and introduces a new framework for simple, transparent and standardised securitisations

Prospective investors should therefore make themselves aware of the changes and requirements described above (and any corresponding implementing rules). The matters described above and any other changes to the regulation or regulatory treatment of the Notes for some or all investors may negatively impact the regulatory position of individual investors and, in addition, have a negative impact on the price and liquidity of the Notes in the secondary market.

#### **m) U.S. Risk Retention**

The U.S. Risk Retention Rules came into effect on 24 December 2016 and generally require the “securitiser” of a “securitisation transaction” to retain at least 5 per cent of the “credit risk” of “securitised assets”, as such terms are defined for purposes of those rules, and generally prohibit a securitiser from directly or indirectly eliminating or reducing its credit exposure by hedging or otherwise transferring the credit risk that the securitiser is required to retain. The U.S. Risk Retention Rules also provide for certain exemptions from the risk retention obligation that they generally impose.

The transaction will not involve the retention by the Originator of at least 5 per cent of the credit risk of the Issuer for the purposes of the U.S. Risk Retention Rules, but rather will be made in reliance on an exemption provided for in Section 20 of the U.S. Risk Retention Rules regarding non-U.S. transactions. Such non-U.S. transactions must meet certain requirements, including that (1) the transaction is not required to be and is not registered under the U.S. Securities Act; (2) no more than 10 per cent of the dollar value (or equivalent amount in the currency in which the securities are issued) of all classes of securities issued in the securitisation transaction are sold or transferred to U.S. persons (in each case, as defined in the U.S. Risk Retention Rules) or for the account or benefit of U.S. persons (as defined in the U.S. Risk Retention Rules and referred to in this Prospectus as “Risk Retention U.S. Persons”); (3) neither the sponsor nor the issuer of the securitisation transaction is organised under U.S. law or is a branch located in the United States of a non-U.S. entity; and (4) no more than 25 per cent. Of the underlying collateral was acquired from a majority-owned affiliate or branch of the sponsor or issuer organised or located in the United States.

The issuance of the Notes is not designed to comply with the U.S. Risk Retention Rules other than the exemption under Section 20 of the U.S. Risk Retention Rules, and no other steps have been taken by the Fund, the Originator or the Lead Managers or any of their affiliates or any other party to accomplish such compliance.

The Notes may not be purchased by Risk Retention U.S. Persons in the transaction. Prospective investors should note that the definition of U.S. person in the U.S. Risk Retention Rules is different from the definition of U.S. person under Regulation S.

There can be no assurance that the exemption provided for in Section 20 of the U.S. Risk Retention Rules regarding non-U.S. transactions will be available. Failure of the offering to comply with the U.S. Risk Retention Rules (regardless of the reason for such failure to comply) could give rise to regulatory action which may adversely affect the Notes.

The impact of the U.S. Risk Retention Rules on the securitisation market generally is uncertain, and a failure by a transaction to comply with the U.S. Risk Retention Rules could negatively affect the market value and secondary market liquidity of the Notes.

#### **n) U.S. Foreign Account Tax Compliance Withholding**

Financial institutions may be required to withhold at a rate of up to 30% on all, or a portion of, payments made in respect of any Notes pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 or otherwise imposed pursuant to Sections 1471 through 1474 of the Code (commonly referred to as the Foreign Account Tax Compliance Act or “**FATCA**”), any regulations or agreements thereunder, any official interpretations thereof or any law implementing an intergovernmental approach thereto.

A number of jurisdictions including the Kingdom of Spain have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (IGAs), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be

required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply prior to 1 January 2019.

FATCA may also affect payments made to custodians or intermediaries in the subsequent payment chain leading to the ultimate investor if any such custodian or intermediary generally is unable to receive payments free of FATCA withholding, or if any ultimate investor that is a financial institution that is not entitled to receive payments free of withholding under FATCA, or an ultimate investor that fails to provide its broker (or other custodian or intermediary from which it receives payment) with any information, forms, other documentation or consents that may be necessary for the payments to be made free of FATCA withholding.

Investors should choose the custodians or intermediaries with care (to ensure that each is compliant with FATCA or other laws or agreements relating to FATCA) and provide each such custodian or intermediary with any information, forms, other documentation or consents that may be necessary for such custodian or intermediary to make a payment free of FATCA withholding. Investors should consult their own tax advisor to obtain a more detailed explanation of FATCA and how FATCA may affect them.

**o) The proposed Financial Transactions Tax (FTT)**

On 14 February 2013, the European Commission published a proposal (the “**Commission’s Proposal**”) for a Directive for a common financial transaction tax (“**FTT**”) in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the “**participating Member States**”). However, Estonia has since stated that it will not participate.

The Commission’s Proposal has very broad scope and could, if introduced, apply to certain dealings in the Notes (including secondary’ market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

Under the Commission’s Proposal, FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, “established” in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

Under the Commission’s Proposal, the FTT should be payable to the tax administration by each financial institution and, where the FTT had not been duly paid, each party to the transaction, including persons other than financial institutions, should be jointly and severally liable for the payment of the FTT. Therefore, the FTT might increase the cost of the transactions for holders and beneficial owners of the Notes.

On October 28, 2016, the Council of the European Union published document No. 13608/16 concerning the status of the FTT at that time, according to which a certain degree of progress in the FTT negotiations have been observed. However, further work at the Council and its preparatory bodies will be required before a final agreement can be reached among the participating Member States that respects the competences, rights and obligations of the Member States not participating in the FTT.

However, the FTT proposal remains subject to negotiation among the participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate and participating Member States may decide not to participate.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

**p) MIFID II/ MIFIR and PRIIPs**

The new regulatory framework established by Directive 2014/65/UE of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU (“**MIFID II**”) and by Regulation 600/2013/UE of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012 (“**MIFIR**”) has not been fully implemented yet, notwithstanding the current existence of several delegated regulations and delegated directives. Nevertheless, MIFID II y MIFIR are in force since the late January 3 2018 and regulated markets, such as AIAF, among other members of capital markets, are currently in the process of adjusting to the referred regulatory changes. Such adjustment may convey greater transactions costs for potential investors in the Notes or changes in the stock price of the Notes. As previously established, the potential investors in the Notes must carry out their own analysis on the risks and costs which MIFID II/ MIFIR or their future technical standards may imply for the investment in Notes.

Solely for the purposes of each manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in MiFID II; (ii) who have informed or advanced knowledge and/or experience in financial products; (iii) who can bear losses up to the initially invested capital; (iv) have, among others, the objectives and needs of growth or income; (vi) have a long term investment horizon; and (v) all channels for distribution of the Notes are appropriate. Such target market assessment indicates that the Notes are incompatible with the needs, characteristic and objectives of clients which are retail clients (as defined in MiFID II) and accordingly the Notes shall not be offered or sold to any retail clients. Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the manufacturers’ target market assessment. However, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers’ target market assessment) and determining appropriate distribution channels.

Therefore, the Notes shall not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“**EEA**”). For these purposes, a “retail investor” means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive 2002/92/EC (the Insurance Mediation Directive), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document (KID) required by Regulation (EU) No 1286/2014 of the European Parliament and of the Council of 26 November 2014 on key information documents for package retail and insurance-based investment products (the “**PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

In accordance with each manufacturers’ product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the manufacturers’ target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers’ target market assessment) and determining appropriate distribution channels.

**q) Volcker Rule**

The Fund is not now, and following the issuance of the Notes the Fund will not be, required to register as an “investment company” (as that term is defined under the Investment Company Act of 1940, as



amended (the “**Investment Company Act**”)) and the Fund is not, and solely after giving effect to any offering and sale of Notes and the application of the proceeds thereof will not be, a “covered fund” for purposes of regulations adopted under Section 13 of the Bank Holding Company Act of 1956, as amended (commonly known the “**Volcker Rule**”). In reaching this conclusion, although other statutory or regulatory exclusions and/or exemptions under the Investment Company Act and under the Volcker Rule and its related regulations may be available, the Fund has relied on its own determination that the Fund would satisfy all of the elements of the exemption from the definition of “investment company” under the Investment Company Act provided by Section 3l(5)(C) thereunder. The general effects of the Volcker Rule remain uncertain.

Any prospective investor in the Notes, including a US bank or Non-US bank or a subsidiary of other affiliate thereof, should consult its own legal advisors regarding such matters and other effects of the Volcker Rule.

**r) Risks resulting from Data Protection Rules**

On 24 May 2016 the Regulation (EU) 2016/679 of the European Parliament and the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (the “**General Data Protection Regulation**”) entered into force, being fully applicable from 25 May 2018.

Although it is believed that the transaction, as structured, will comply with General Data Protection Regulation, absent any relevant official guidance its ultimate impact on the transaction is difficult to predict.

**3 Risks derived from the Issuer’s legal nature and operations**

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

The Fund shall have open-end revolving assets and closed-end liabilities. Its assets shall comprise the Initial Receivables to be acquired by the Fund upon being established, and, revolving upon repayment of the Receivables, such Additional Receivables as may be acquired by the Fund on each Payment Date during the Revolving Period, which shall end on the Payment Date falling on 20 January 2020, inclusive, unless the Revolving Period ends early and definitively in accordance with the provisions of section 2.2.2.2.1 of the Additional Building Block.

The Management Company shall be subject to the obligations laid down in Article 26 of Law 5/2015, which include using its best endeavours and acting transparently in defending the interests of the Noteholders and lenders, 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 defend Noteholders’ interests shall depend on the Management Company’s means.

In addition to the above, the meeting of creditors (“**Meeting of Creditors**”) shall be established, as described in section 4.11 of the Securities Note.

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

If the Management Company is declared insolvent or its authorisation to operate as a management company of securitisation of funds is revoked, without prejudice to the effects of such insolvency as described below, the Management Company, it shall find a substitute management company. In such event, if four months elapse from the occurrence determining the substitution and no new management company has been found willing to take over management, the Fund shall be liquidated early and the Notes issued by the same shall be amortised early, as provided for in the Deed of Incorporation and in this Prospectus.

**c) Limitation of actions**

Noteholders and all other creditors of the Fund shall have no recourse whatsoever against Receivable Obligors who have defaulted on their payment obligations or against BBVA. Any such rights shall lie with the Management Company, representing the Fund, without prejudice to the instructions that can

be given to the Management Company by virtue of a resolution of the Meeting of Creditors, as detailed in section 4.11 of the Securities Note.

Noteholders 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 Notes in each Class.

Noteholders and all other creditors of the Fund shall have no recourse whatsoever against the Management Company other than as derives from breaches of its obligations or failure to comply with the provisions of this Prospectus, the Deed of Incorporation and the other transaction agreements. Those actions shall be resolved in the relevant ordinary declaratory proceedings depending on the amount claimed.

#### **d) Applicability of the Insolvency Law**

Both 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 the Insolvency Law.

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

In the event of the Originator being decreed insolvent, in accordance with the Insolvency Law, the Fund, acting through the Management Company, shall have a right of separation with respect to the Receivables, on the terms provided for in Articles 80 and 81 of the Insolvency Law. 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 Incorporation 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 Additional Building Block provides that the Originator's assignment of the Receivables to the Fund will not be notified to the Obligors except to the Obligors of Extremadura, according to Law 4/2018 of 21 February amending Law 6/2001 of 24 May on the Consumers Statute of Extremadura which requires the obligor to be notified of, inter alia, assignments to securitisation funds of receivables arising from loans.

Notwithstanding the above, 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 Loan Servicer, or a resolution process under Law 11/2015 of 18 June on the recovery and resolution of credit institutions and investment firms (*Ley 11/2015, de 18 de junio, de recuperación y resolución de entidades de crédito y empresas de servicios de inversión*) ("**Law 11/2015**"), or because the Management Company deems it reasonably justified, the Management Company may demand the Loan 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 Loan Servicer failing to notify Obligors within five (5) Business Days of receiving the request and in the event of the Loan 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 Law 5/2015.

The structure of this securitisation transaction does not, except in the event of 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 Insolvency Law.

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

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



**ASSET-BACKED SECURITIES REGISTRATION DOCUMENT**  
**(Annex VII to Commission Regulation (EC) No. 809/2004 of 29 April 2004)**

**1. PERSONS RESPONSIBLE**

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

Mr Francisco Javier Eiriz Aguilera, acting for and on behalf of EUROPEA DE TITULIZACIÓN, S.A., SOCIEDAD GESTORA DE FONDOS DE TITULIZACIÓN, the company sponsoring BBVA CONSUMER AUTO 2018-1 FONDO DE TITULIZACIÓN, takes responsibility for the contents of this Registration Document.

Mr Francisco Javier Eiriz Aguilera, 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 8 May 2018.

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

Mr Francisco Javier Eiriz Aguilera 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 Law 5/2015, containing the Fund's annual accounts and their audit report, shall be filed with the CNMV.

Pursuant to the resolution approved by the Board of Directors of the Management Company on 26 September 2017, KPMG Auditores, S.L. will be the statutory auditor of the Fund for 2018 and 2019.

**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 2/2016 of 20 April on securitisation fund accounting rules, annual accounts, public financial statements and non-public statistical information statements (*Circular 2/2016, de 20 de abril, de la CNMV, sobre normas contables, cuentas anuales, estados financieros públicos y estados reservados de información estadística de los fondos de titulización*) ("**Circular 2/2016**").

The Fund's fiscal year shall be coterminous with the calendar year. However, the first fiscal year will exceptionally begin on the date of incorporation of the Fund and the last fiscal year will end on the date on which the Fund terminates.

The Fund's annual accounts and corresponding auditors' report will not be filed with the Commercial Registry (*Registro Mercantil*).

The Management Company will submit the annual accounts of the Fund to the CNMV, together with the auditor's report on these accounts, within four (4) months of the close of the Fund's fiscal year (i.e., before 30 April each year) in order to file it with the corresponding registry.

### 3. RISK FACTORS

The risk factors linked to the Issuer and its activity sector are described in section 3 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 by the Fund upon being established, and, revolving upon repayment of the Receivables, such Additional Receivables as may be acquired by the Fund on each Payment Date during the Revolving Period, which shall end on the Payment Date falling on 20 January 2020, inclusive, unless terminated early in accordance with the provisions of section 2.2.2.2.1 of the Additional Building Block.

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

The Issuer's name is "BBVA CONSUMER AUTO 2018-1 FONDO DE TITULIZACIÓN" and the following short names may also be used without distinction to identify the Fund:

- BBVA CONSUMER AUTO 2018-1 FT
- BBVA CONSUMER AUTO 2018-1 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 incorporation of the Fund shall not be entered in the Companies Register, under the authority provided for in Article 22.5 of Law 5/2015.

#### 4.4 Date of incorporation and existence of the Issuer

##### 4.4.1 Date of incorporation of the Fund

The Management Company and BBVA shall proceed to execute on 18 June 2018 a public deed whereby BBVA CONSUMER AUTO 2018-1 FONDO DE TITULIZACIÓN will be incorporated and the Fund will issue the Asset-Backed Notes (the "**Deed of Incorporation**").

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

As provided for in Article 24 of Law 5/2015, the Deed of Incorporation 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 Incorporation.

The Fund shall be in existence until 20 July 2031 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 Note Issue ("**Early Amortisation**") on any date (which may not fall on a Payment Date) and 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 incorporated, and provided that the payment obligations derived from the Notes in each Class if outstanding, may be honoured and settled in full in the Liquidation Priority of Payments.

Payment obligations derived from the Notes in each Class on the Early Liquidation date of the Fund shall at all events be deemed to be the Outstanding Principal Balance of the Class 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 to an extent affecting Note payment obligations. 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 Additional Building Block.
- (iv) When a default occurs indicating a serious permanent imbalance in relation to any Note Class or is about to occur.
- (v) Upon the lapse of eighteen (18) months from the date of the last maturity of the Receivables, even if they still have overdue amounts.
- (vi) Mandatorily, if the Meeting of Creditors approves the Early Liquidation with the relevant majority in accordance with Article 23.2.b) of Law 5/2015.

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

- (i) That Noteholders and lenders to the Fund be given not less than fifteen (15) Business Days' notice, as prescribed in section 4.1.3.2 of the Additional 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 the notice indicated in the preceding paragraph.
- (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 Note 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 the Early Liquidation of the Fund and the Early Amortisation of the Note Issue, the Management Company shall, for and on behalf of the Fund:

- (i) Proceed to sell the Receivables remaining in the Fund at a price equivalent to their fair market value, 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 the agreements that 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 Notes in Classes A, B, C, D and E 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 three (3) entities who may, in its view, give a fair market value price if the Early Liquidation Events should be other than (i) of section 4.4.3.1 above. 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 fair market value 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 intended for early amortisation of the Notes in the Classes A, B, C, D and E 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 pre-emptive 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 from the Management Company, 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 review 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 obtained from time to time from the sale of the remaining 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 Notes in the Classes A, B, C, D and E then outstanding, which shall be applied to honouring the payment obligations for the Notes in those Classes.

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

The Fund shall terminate in any case, and after the relevant legal procedure is carried out and concluded, as a consequence of the following circumstances:

- (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 20 July 2031 or the following Business Day if that is not a Business Day).
- (v) Upon termination of the Fund's incorporation (i) in the event that the Rating Agencies do not confirm any of the provisional ratings assigned to the Notes as final ratings by 1pm (CET) on 20 June 2018 or (ii) if the Note Issue Management and Subscription Agreement is fully terminated in accordance with the provisions of section 4.1.3 of the Securities Note. In this event, the Management Company shall cancel the incorporation of the Fund, the assignment to the Fund of the Initial Receivables and the Note Issue.



In this case, termination of the incorporation 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 Additional Building Block. Within not more than one (1) month after the occurrence of this 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 Note Issue expenses payable with the Start-Up Loan, and the Start-Up Loan agreement shall not be terminated because of the termination of the incorporation of the Fund, 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) if applicable, how Noteholders, lenders 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 Law 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 120
- Town: Madrid
- Post Code: 28006
- Country: Spain
- Telephone: (34) 91 411 84 67

The incorporation of the Fund is subject to Spanish Law and in particular is carried out pursuant to the legal framework provided for by (i) Law 5/2015, (ii) Legislative Royal Decree 4/2015 of 23 October approving the consolidated text of the Securities Market Law (*Real Decreto Legislativo 4/2015, de 23 de octubre, por el que se aprueba el texto refundido de la Ley del Mercado de Valores*) (the "**Securities Market Law**"), (iii) Royal Decree 1310/2005, (iv) Regulation (EC) No 809/2004 and (v) all other legal and regulatory provisions in force and applicable from time to time.

#### 4.5.1 Tax system of the Fund.

There follows a brief summary of the general tax regulations applicable to the Fund. This must be construed without prejudice to the particular nature of each local jurisdiction and of the regulations which may apply at the time the relevant income is obtained or declared.

The tax regime applicable to securitisation funds ("*fondos de titulización*") consists of the general provisions contained in Law 27/2014 of 27 November of Corporate Income Tax (*Ley 27/2014, de 27 de noviembre, del Impuesto sobre Sociedades*) ("**Law 27/2014**") and its implementing provisions of Law 5/2015 as well as the other provisions referred to below and the other applicable rules, which may be summarised as follows:

- (i) Securitisation funds are liable to corporate income tax according to Article 7.1.h) of Law 27/2014, subject to the general rules for determining the tax base, and to the general rate of 25 percent, and to the common rules for deductions, set-off of losses and other substantive elements of the tax.

Rule 13 of Circular 2/2016 stipulates that securitisation funds must endow provisions for the impairment of financial assets. According to Article 13.1 of Law 27/2014, regulations will be developed to establish the rules governing the circumstances used to determine the deductibility of value corrections due to impairment of the debt instruments measured at amortised cost owned by securitisation funds. Chapter III of the Corporate Income Tax Regulations approved by Royal Decree 634/2015, of 10 July (*Real Decreto 634/2015, de 10 de julio, por el que se aprueba el Reglamento del Impuesto sobre Sociedades*) (the "**Corporate Income Tax Regulation**") governs the circumstances that allow deducting the impairment of the debt instruments measured at amortised cost owned by securitisation funds. Royal Decree 683/2017, of June 30, modified Article 9 of the Corporate Income Tax Regulation and introduced a transitional regime for the impairment of debt instruments of securitisation funds. In this regard, provided that the original text of Circular 2/2016 is maintained, the deductibility of the impairments corresponding to them shall be determined by applying the criteria established under Article 9 of the Corporate Income Tax Regulation in their current version as of 31 December 2015.

According to Article 16.6 of Law 27/2014, securitisation funds are not subject to the limitation of the tax deductibility of financial expenses.

- (ii) Investment income from securitisation funds is subject to the general rules on withholdings on account of Corporate Income Tax, with the particularity that Article 61 k) of the Corporate Income Tax Regulation stipulates that withholding does not apply to "income from mortgage participating units, mortgage loans and other credit rights that constitute revenue items for the securitisation funds". Consequently, the income from the securitised Receivables is exempt from the withholding obligation insofar as they form part of the ordinary business activity of the said funds.
- (iii) The incorporation of the Fund, as well as all the transactions carried out by the Fund are normally considered as "corporate transactions" item of Transfer Tax and Stamp Duty, are exempt from the "corporate transactions" item of Transfer Tax and Stamp Duty, according to the provisions of Article 45.I.B) number 20.4 of the Revised Text of the Transfer Tax and Stamp Duty Act (the "**Transfer Tax and Stamp Duty Act**"), approved by Legislative Royal Decree 1/1993, on 24 September (*Real Decreto Legislativo 1/1993, de 24 de septiembre, por el que se aprueba el Texto refundido de la Ley del Impuesto sobre Transmisiones Patrimoniales y Actos Jurídicos Documentados*).
- (iv) The assignment of the Receivables to the Fund provided for in the Receivables purchase agreement, in the manner described in the Additional Building Block, is a transaction that is subject to but qualifies for an exemption from Value Added Tax ("**VAT**"), in accordance with the provisions of Article 20.One.18° e) of Law 37/1992, of 28 December, on Value Added Tax (*Ley 37/1992, de 28 de diciembre, del Impuesto sobre el Valor Añadido*) (the "**VAT Act**").

The assignment of the Receivables to the Fund provided for in the Receivables purchase agreement, in the manner described in the Additional Building Block, is a transaction that is not subject to Transfer Tax. Likewise, it would not be subject to Stamp Duty as long as the requirements foreseen in Article 31.2 of the Transfer and Stamp Duty Act are not fulfilled.

- (v) The Fund will be subject to the general rules of VAT, with the sole particularity that the management services provided to the Fund by the Management Company will be exempt from VAT, pursuant to the provisions of Article 20.One. 18º n) of the VAT Act, and are not subject to other indirect taxes in Spain.
- (vi) The issue, subscription, transfer, reimbursement and redemption of the Notes is not subject to or exempt, as the case may be, from VAT and Transfer Tax and Stamp Duty (Article 45.I.B, number 15 of the Transfer Tax and Stamp Duty Act).
- (vii) The Fund will be subject to the information obligations set forth in the First Additional Provision of Law 10/2014 of 26 June on regulation, supervision and solvency of credit institutions (*Ley 10/2014, de 26 de junio, de ordenación, supervisión y solvencia de entidades de crédito*).

The procedure for complying with the said information obligations has been developed by Royal Decree 1065/2007, of 27 July, approving the General Regulations regarding tax management and inspection courses of action and procedures and developing the common rules of tax application procedures (*Real Decreto 1065/2007, de 27 de julio, por el que se aprueba el Reglamento General de las actuaciones y los procedimientos de gestión e inspección tributaria y de desarrollo de las normas comunes de los procedimientos de aplicación de los tributos*), as amended.

#### 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 under consumer loans granted to individuals resident in Spain (the "**Obligors**") for financing the purchase of new or used vehicles (the "**Loans**"), assigned by the Originator to the Fund (the "**Receivables**"), comprising the Receivables acquired by the Fund upon being incorporated (the "**Initial Receivables**") and the Receivables subsequently acquired during the Revolving Period (the "**Additional Receivables**"), and (ii) to issue asset-backed notes (either the "**Asset-Backed Notes**" or the "**Notes**") the subscription for which is designed to finance the acquisition of the Initial Receivables.

Receivable interest and principal repayment income collected by the Fund shall be allocated quarterly on each Payment Date to paying Note interest and other expenses and acquiring Additional Receivables during the Revolving Period and, at the expiry thereof, to repaying principal on the Asset-Backed Notes issued in accordance with the specific terms of each Class into which the Issue of Asset-Back Notes is divided, and in the Priority of Payments or, as the case may be, in the Liquidation Priority of 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 security or regularity in payment of the Notes, cover timing differences between the scheduled principal and interest flows on the Receivables and the Notes, 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 Note Class.

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 is the Management Company that will establish, manage and be the authorised representative of the Fund and takes responsibility for the contents of the Prospectus. It will also act as Back-Up Loan Servicer Facilitator.

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: Lagasca 120, 28006 Madrid (Spain)

LEI Code: 95980020140005903209

- BBVA will be the Originator of the Receivables to be acquired by the Fund, will be one of the Lead Managers, will be the Subscriber for all of the Class A, B and C Notes and for part of the Class D, E and Z Notes (retaining of at least 5% of each Class D, E and Z Notes in compliance with Regulation 575/2013) and also takes responsibility for the contents of the Securities Note.

Of the functions and activities that lead managers may discharge in accordance with Article 35.1 of Royal Decree 1310/2005, BBVA will, jointly with the other Lead Manager, perform the determination by mutual accord of the Lead Managers of the Nominal Interest Rate applicable to the Notes of each Class.

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

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: Calle Azul number 4, 28050 Madrid (Spain).  
Gran Vía number 12, 48001 Bilbao (Spain).  
Paseo de Recoletos number 10, 28001 Madrid (Spain).

LEI Code: K8MS7FD7N5Z2WQ51AZ71

The long-term critical obligation rating ("**COR**") assigned by DBRS to BBVA is AA (low) from 12 April 2018, while the long-term rating assigned by DBRS to BBVA is A (high) since that same date.

The long-term deposit rating assigned by Moody's to BBVA is A2 from 31 May 2018.

- MERRILL LYNCH INTERNATIONAL has designed the financial terms of the Fund and of the Note Issue and will act as one of the Lead Managers and as the Subscriber of the Class D, E and Z Notes not subscribed by BBVA.

Of the functions and activities that lead managers may discharge in accordance with Article 35.1 of Royal Decree 1310/2005, MERRILL LYNCH INTERNATIONAL has designed the financial terms of the Fund and of the Note Issue and will, jointly with the other Lead Manager, perform the determination by mutual accord of the Lead Managers of the Nominal Interest Rate applicable to the Notes of each Class.

MERRILL LYNCH INTERNATIONAL is registered in the United Kingdom since 6 June 2012 under number 02312079, holds business register code RA000585 and has its registered office in England at the Merrill Lynch Financial Centre, 2 King Edward Street, London, EC1A 1HQ. Its LEI code is GGDZP1UYGU9STUHRDP48.

- DBRS Ratings Limited ("**DBRS**") is one of the Rating Agencies rating the Note Issue Classes A, B, C and D.

DBRS is a rating agency with place of business at 20 Fenchurch Street 31<sup>st</sup> Floor, London, EC3M 3BY, United Kingdom.

DBRS was registered and authorised on 31 October de 2011 as a credit rating agency in the European Union under Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as currently worded ("**Regulation 1060/2009**").

- Moody's Investors Service Ltd. ("**Moody's**") is one of the Rating Agencies rating the Notes in each Class.

Moody's is a rating agency with place of business at One Canada Square, Canary Wharf, London, E14 5FA, United Kingdom.

Moody's was registered and authorised on 31 October 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 legal adviser, has provided legal advice for establishing the Fund and for the Note Issue and has been involved in drawing up this Prospectus and in reviewing its legal, tax and contractual implications, the transaction and financial service agreements referred to herein, the Deed of Incorporation and the notarised certificate assigning the Initial Receivables.

TIN: B-81709081

Registered Office: Calle Hermosilla, 3, 28001 Madrid (Spain).

- CUATRECASAS GONÇALVES PEREIRA, S.L.P. ("**CUATRECASAS**") participates as the legal advisor of MERRILL LYNCH INTERNATIONAL in its capacity of Lead Manager and as Subscriber for the Class D, E and Z Notes not subscribed by BBVA.

CUATRECASAS is a limited liability company organised in Spain, with Tax Identification Code Number B-59942110, registered office at Paseo de Gracia, 111, 08008 Barcelona, registered with the Commercial Registry of Barcelona, at Volume 37673, Folio 30, Section 8, Page 23850.

- Deloitte S.L. ("**Deloitte**"), as audit firm, has issued the special securitisation 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 for the purposes of complying with the provisions of Law 5/2015.

TIN: B-79104469

Registered Office: Plaza Pablo Ruiz Picasso, 1 (Torre Picasso) 28020 Madrid (Spain).

BBVA has an 88.24% 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.

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

## 6. ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

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

## 6.1 Incorporation and registration at the Companies Register

EUROPEA DE TITULIZACIÓN was incorporated in a public deed executed on 19 January 1993 before Madrid Notary Mr Roberto Blanquer Uberos, under number 117 of his notary record, with the prior authorisation of the Economy and Finance Ministry, given on 17 December 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 11 March 1993; the company was re-registered as a Securitisation Fund Management Company, pursuant to an authorisation granted by a Ministerial Order dated 4 October 1999 and in a deed executed on 25 October 1999 before Madrid Notary Mr Luis Felipe Rivas Recio, under number 3289 of his notary record, which was entered under number 33 of the sheet opened for the Management 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 year ended 31 December 2017 have been audited by KPMG Auditores, S.L. The accounts for the years ended 31 December 2016 and 2015 were audited by the firm Deloitte.

In addition, KPMG Auditores, S.L. has audited BBVA's individual and consolidated annual accounts for 2017. Deloitte audited the BBVA individual and consolidated annual accounts for the years ended 31 December 2016 and 2015.

## 6.3 Principal activities

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

The following table itemises the 72 securitisation funds managed at 31 May 2018, giving their date of establishment and the face amount of the notes issued by those funds and their outstanding principal balances at said date, as well as the securitisation funds liquidated as at that date.

Securitisation Fund	Establishment	Initial	Note	Issue	Note	Issue	Note Issue
		Note Issue	Balance 31.05.2018	Δ%	Balance 31.12.2017	Δ%	Balance 31.12.2016
		EUR	EUR		EUR		EUR
<b>TOTAL</b>		<b>114,815,324,000.00</b>	<b>44,049,093,816.61</b>	<b>-4.01%</b>	<b>45,889,999,882.19</b>	<b>-0.33%</b>	<b>46,040,244,203.13</b>
BBVA RMBS 18 FT*	20/11/2017	1,800,000,000.00	1,769,409,847.80	-1.70%	1,800,000,000.00		
BBVA CONSUMO 9 FT	27/03/2017	1,375,000,000.00	1,375,000,000.00	0.00%	1,375,000,000.00		
BBVA RMBS 17 FT*	21/11/2016	1,800,000,000.00	1,655,008,718.40	-3.05%	1,707,053,256.00	-5.16%	1,800,000,000.00
BBVA CONSUMO 8 FT	18/07/2016	700,000,000.00	644,241,675.00	-7.97%	700,000,000.00	0.00%	700,000,000.00
BBVA RMBS 16 FT*	09/05/2016	1,600,000,000.00	1,410,806,598.40	-3.58%	1,463,173,811.20	-6.03%	1,557,131,776.00
BBVA-10 PYME FT	14/12/2015	780,000,000.00	247,706,544.93	-14.31%	289,056,721.20	-48.60%	562,314,054.12
BBVA CONSUMO 7 FT	27.07.2015	1,450,000,000.00	828,756,825.14	-10.77%	928,835,450.71	-35.94%	1,450,000,000.00
BBVA RMBS 15 FTA*	11/05/2015	4,000,000,000.00	3,342,951,056.00	-3.44%	3,461,867,128.00	-6.12%	3,687,428,136.00
BBVA RMBS 14 FTA	24/11/2014	700,000,000.00	519,696,704.10	-2.35%	532,179,419.80	-7.01%	572,325,898.90
BBVA CONSUMO 6 FTA	15/10/2014	300,000,000.00	81,491,953.50	-26.80%	111,327,208.50	-44.75%	201,509,820.00
BBVA RMBS 13 FTA	14/07/2014	4,100,000,000.00	3,295,308,969.50	-3.36%	3,409,739,990.00	-6.14%	3,632,901,616.51
Rural Hipotecario XVII FTA*	03/07/2014	101,124,000.00	55,068,498.00	-7.83%	59,747,274.00	-11.79%	67,733,658.00
BBVA RMBS 12 FTA	09/12/2013	4,350,000,000.00	3,364,501,027.20	-3.55%	3,488,449,492.20	-6.30%	3,723,061,587.45
Rural Hipotecario XVI FTA	24/07/2013	150,000,000.00	91,759,703.85	-5.29%	96,885,903.60	-14.09%	112,772,376.90
Rural Hipotecario XV FTA	18/07/2013	529,000,000.00	355,346,095.75	-4.87%	373,544,208.89	-9.20%	411,394,349.32
Rural Hipotecario XIV FTA	12/07/2013	225,000,000.00	122,225,620.50	-17.42%	148,017,660.75	-8.12%	161,104,628.25
BBVA RMBS 11 FTA	11/06/2012	1,400,000,000.00	1,050,077,266.00	-3.21%	1,084,889,120.00	-5.25%	1,144,974,980.80
BBVA RMBS 10 FTA	20/06/2011	1,600,000,000.00	1,201,655,568.00	-2.85%	1,236,873,324.80	-5.18%	1,304,483,084.80
MBS BANCAJA 8 FTA	23/12/2010	450,000,000.00	264,378,653.10	-1.37%	268,057,776.60	-6.03%	285,271,177.50
MBS BANCAJA 7 FTA	23/07/2010	875,000,000.00	0.00		0.00	-100.00%	558,264,633.50

Securitisation Fund	Establishment	Initial	Note	Issue	Note	Issue	Note Issue
		Note Issue	Balance		Balance		Balance
		EUR	EUR	Δ%	EUR	Δ%	EUR
BBVA Empresas 4 FTA	19/07/2010	1,700,000,000.00	45,971,060.00	-24.63%	60,996,000.00	-51.08%	124,673,070.00
BBVA RMBS 9 FTA*	19/04/2010	1,295,000,000.00	882,778,190.00	-1.53%	896,485,894.50	-5.36%	947,291,593.50
Rural Hipotecario XII FTA	04/11/2009	910,000,000.00	442,074,339.44	-2.49%	453,366,119.44	-9.32%	499,982,083.30
GAT ICO-FTVPO 1 FTH**	19/06/2009	369,500,000.00	120,318,596.09	-4.95%	126,590,113.73		
Banca-a - BVA VPO 1 FTA	03/04/2009	390,000,000.00	149,370,770.73	-7.96%	162,288,248.43	-14.41%	189,603,850.56
Rural Hipotecario XI FTA	25/02/2009	2,200,000,000.00	836,204,245.69	-2.71%	859,489,657.18	-10.08%	955,850,043.83
MBS Bancaja 6 FTA	02/02/2009	1,000,000,000.00	388,356,465.55	-4.95%	408,583,492.80	-9.34%	450,665,054.40
Bancaja 13 FTA	09/12/2008	2,895,000,000.00	1,561,232,826.31	-3.42%	1,616,558,369.52	-5.49%	1,710,520,304.16
Rural Hipotecario X FTA	25/06/2008	1,880,000,000.00	642,397,998.88	-5.04%	676,484,984.96	-10.17%	753,068,879.36
BBVA RMBS 5 FTA	26/05/2008	5,000,000,000.00	2,465,761,975.00	-1.77%	2,510,200,655.00	-6.02%	2,671,041,225.00
Bankinter 3 FTPYME FTA	12/11/2007	617,400,000.00	95,914,007.43	-9.40%	105,860,198.85	-17.60%	128,477,688.72
BBVA RMBS 3 FTA	23/07/2007	3,000,000,000.00	1,648,835,517.60	-3.19%	1,703,249,887.65	-6.09%	1,813,717,868.85
Bancaja 11 FTA	16/07/2007	2,022,900,000.00	876,166,442.40	-3.33%	906,330,373.70	-6.98%	974,316,699.80
BBVA Leasing 1 FTA	25/06/2007	2,500,000,000.00	76,849,459.75	-14.06%	89,417,353.00	-29.46%	126,761,250.25
BBVA-6 FTPYME FTA	11/06/2007	1,500,000,000.00	33,350,339.45	-10.46%	37,244,364.25	-36.92%	59,040,320.01
BBVA Finanzia Autos 1 FTA	30/04/2007	800,000,000.00	0.00		0.00	-100.00%	4,048,311.36
MBS Bancaja 4 FTA	27/04/2007	1,873,100,000.00	493,144,456.86	-6.16%	525,509,025.41	-10.79%	589,062,941.97
Rural Hipotecario IX FTA	28/03/2007	1,515,000,000.00	460,217,060.10	-5.39%	486,412,444.37	-10.60%	544,076,878.02
BBVA RMBS 2 FTA	26/03/2007	5,000,000,000.00	2,017,980,000.00	-2.65%	2,072,838,000.00	-9.38%	2,287,401,600.00
HIPOCAT 11 FTA**	09/03/2007	1,628,000,000.00	458,799,689.28	-7.60%	496,510,831.20		
BBVA RMBS 1 FTA	19/02/2007	2,500,000,000.00	1,074,286,780.00	-2.34%	1,100,017,240.00	-8.08%	1,196,714,540.00
Bancaja 10 FTA	26/01/2007	2,631,000,000.00	994,125,743.00	-4.06%	1,036,232,780.20	-7.53%	1,120,664,801.20
Bankinter 13 FTA	20/11/2006	1,570,000,000.00	561,056,217.26	-5.62%	594,449,226.45	-10.08%	661,119,191.65
Valencia Hipotecario 3 FTA	15/11/2006	911,000,000.00	255,187,990.64	-2.91%	262,834,251.05	-11.81%	298,042,559.81
BBVA-5 FTPYME FTA	23/10/2006	1,900,000,000.00	12,937,917.00	-8.68%	14,167,515.30	-54.54%	31,167,679.80
PYME Bancaja 5 FTA	02/10/2006	1,178,800,000.00	0.00		0.00	-100.00%	66,749,364.10
HIPOCAT 10 FTA**	05/07/2006	1,525,500,000.00	385,289,374.54	-9.35%	425,023,453.80		
Bankinter 2 PYME FTA	26/06/2006	800,000,000.00	65,635,519.20	-10.42%	73,269,797.40	-21.82%	93,713,429.40
Rural Hipotecario VIII FTA	26/05/2006	1,311,700,000.00	300,325,365.36	-6.91%	322,633,178.84	-11.99%	366,580,990.00
MBS Bancaja 3 FTA	03/04/2006	810,000,000.00	181,663,244.76	-3.15%	187,571,637.96	-11.17%	211,157,865.64
Bancaja 9 FTA	02/02/2006	2,022,600,000.00	521,879,850.00	-2.41%	534,770,270.00	-9.14%	588,540,930.00
Valencia Hipotecario 2 FTH	07/12/2005	950,000,000.00	177,237,299.33	-9.95%	196,819,394.22	-14.42%	229,985,808.91
EdT FTPYME Pastor 3 FTA	05/12/2005	520,000,000.00	5,248,472.46	-19.79%	6,543,504.66	-29.45%	9,274,557.60
Bankinter 11 FTH	28/11/2005	900,000,000.00	260,441,307.60	-5.91%	276,789,858.13	-11.09%	311,298,228.24
HIPOCAT 9 FTA **	25/11/2005	1,016,000,000.00	237,783,734.70	-9.28%	262,093,353.18		
Rural Hipotecario Global I FTA	18/11/2005	1,078,000,000.00	209,835,630.16	-7.32%	226,416,803.95	-15.57%	268,175,930.68
Bankinter 10 FTA	27/06/2005	1,740,000,000.00	432,529,359.84	-3.31%	447,322,838.46	-11.75%	506,859,802.94
MBS Bancaja 2 FTA	27/06/2005	809,200,000.00	114,392,516.24	-7.36%	123,477,946.08	-14.20%	143,907,449.20
HIPOCAT 8 FTA **	06/05/2005	1,500,000,000.00	287,141,601.35	-3.89%	298,764,775.85		
Rural Hipotecario VII FTA	29/04/2005	1,100,000,000.00	180,704,782.05	-4.20%	188,626,846.99	-14.43%	220,434,908.11
Bancaja 8 FTA	22/04/2005	1,680,100,000.00	366,001,984.56	-3.17%	378,001,618.85	-9.83%	419,227,219.28
Bankinter 9 FTA	14/02/2005	1,035,000,000.00	232,431,241.97	-7.08%	250,150,065.04	-12.38%	285,505,645.38
FTPYME Bancaja 3 FTA	11/10/2004	900,000,000.00	0.00		0.00	-100.00%	12,989,142.42
Bancaja 7 FTA	12/07/2004	1,900,000,000.00	280,860,909.49	-7.08%	302,254,769.81	-12.48%	345,363,814.39
Rural Hipotecario VI FTA	07/07/2004	950,000,000.00	121,950,210.80	-8.48%	133,245,173.91	-15.68%	158,020,661.29
HIPOCAT 7 FTA**	08/06/2004	1,400,000,000.00	237,249,736.73	-5.84%	251,951,306.80		
MBS Bancaja 1 FTA	17/05/2004	690,000,000.00	0.00		0.00	-100.00%	47,549,215.20
Valencia Hipotecario 1 FTA	23/04/2004	472,000,000.00	45,126,131.12	-10.79%	50,585,691.99	-19.90%	63,156,925.24
Bankinter 8 FTA	03/03/2004	1,070,000,000.00	177,236,771.71	-3.90%	184,428,505.72	-13.29%	212,691,813.06
Bankinter 7 FTH	18/02/2004	490,000,000.00	78,572,685.70	-3.82%	81,691,601.14	-13.25%	94,166,134.68
Bancaja 6 FTA	03/12/2003	2,080,000,000.00	215,330,210.16	-8.02%	234,105,144.00	-14.14%	272,657,458.84
Rural Hipotecario V FTA	28/10/2003	695,000,000.00	81,974,148.16	-4.33%	85,684,312.00	-15.42%	101,309,426.16
Bankinter 6 FTA	25/09/2003	1,350,000,000.00	203,519,369.23	-7.67%	220,429,762.69	-14.18%	256,851,650.48
HIPOCAT 6 FTA**	17/09/2003	850,000,000.00	106,848,736.58	-4.04%	111,349,738.84		
Bancaja 5 FTA	14/04/2003	1,000,000,000.00	92,410,892.55	-8.14%	100,599,059.00	-14.95%	118,275,465.75
Bankinter 5 FTH	16/12/2002	710,000,000.00	76,959,185.07	-8.74%	84,332,337.01	-15.13%	99,365,913.38

Securitisation Fund	Establishment	Initial	Note	Issue	Note	Issue	Note
		Note	Balance		Balance		Balance
		EUR	EUR	Δ%	EUR	Δ%	EUR
Rural Hipotecario IV FTH	14/11/2002	520,000,000.00	0.00		0.00	-100.00%	53,106,088.60
Bancaja 4 FTH	05/11/2002	1,000,000,000.00	0.00		0.00	-100.00%	96,737,231.30
Bankinter 4 FTH	24/09/2002	1,025,000,000.00	103,804,131.56	-9.14%	114,252,362.63	-16.15%	136,255,365.30
Bancaja 3 FTA	29/07/2002	520,900,000.00	0.00		0.00	-100.00%	61,620,566.17
Bankinter 3 FTH	22/10/2001	1,322,500,000.00	0.00	-1.70%	0.00	-100.00%	118,734,987.79

\* Also includes the amount of the loan to pay for the acquisition of the securitised receivables.

\*\* Established by Gestión de Activos Titulizados, SFGT S.G.F.T., S.A. and managed by EUROPEA DE TITULIZACIÓN since 14/01/2017, inclusive.

#### 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, consecutively 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 voting, financial and non-financial rights.

(EUR)	31.12.2017	Δ%	31.12.2016	Δ%	31.12.2015
<b>Equity</b>	<b>37,687,848.50</b>	<b>4.57%</b>	<b>36,042,428.34</b>	<b>5.86%</b>	<b>34,047,495.54</b>
Capital	1,803,037.50	0.00%	1,803,037.50	0.00%	1,803,037.50
Reserves	35,884,811.00	4.81%	34,239,390.84	6.19%	32,244,458.96
<i>Legal</i>	360,607.50	0.00%	360,607.50	0.00%	360,607.50
<i>Voluntary</i>	35,524,203.50	4.86%	33,878,783.34	6.26%	31,883,851.46
<b>Profit for the year</b>	<b>3,501,886.34</b>	<b>27.70%</b>	<b>2,742,366.93</b>	<b>-17.52%</b>	<b>3,324,886.46</b>

The Management Company' total equity and share capital are sufficient to carry on its business as required by Article 29.1 d) of Law 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 Restated Text of the Companies Law approved by Legislative Royal



Decree-Law 1/2010 of 2 July (*Real Decreto Legislativo 1/2010, de 2 de julio, por el que se aprueba el texto refundido de la Ley de Sociedades de Capital*) as currently worded and in Law 5/2015.

As provided for in its 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 has the following membership:

<b>Chairman:</b>	Mr	Luis Manuel Megías Pérez (*) (**)
<b>Vice-Chairman:</b>	Mr	Ignacio Echevarría Soriano (*) (**)
<b>Directors:</b>	Mr	Francisco Javier Eiriz Aguilera (*)
	Mr	Diego Martín Peña (**)
	Mr	Carlos Goicoechea Argul (**)
	Mr	Sergio Fernández Sanz (**)
	Mrs	Regina Gil Hernández (**) <sup>1</sup>
	Mr	Antonio Muñoz Calzada, on behalf of Bankinter, S.A.
	Mr	Ignacio Benlloch Fernández-Cuesta, on behalf of Banco Cooperativo Español, S.A.
	Mr	Arturo Miranda Martín on behalf of Aldermanbury Investments Limited
<b>Non-Director Secretary:</b>	Mr	Ángel Munilla López

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

(\*\*) Proprietary Directors designated by BBVA.

<sup>1</sup> Her appointment by the Ordinary General Meeting of EUROPEA DE TITULIZACIÓN at its meeting of 30<sup>th</sup> May 2018 is yet to be entered in the Companies Register and notified to the CNMV.

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

#### **General Manager**

The Management Company's General Manager is Mr Francisco Javier Eiriz Aguilera.

#### **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 Luis Manuel Megías Pérez, Mr Ignacio Echevarría Soriano, Mr Diego Martín Peña, Mr Carlos Goicoechea Argul, Mrs Regina Gil Hernández and Mr Sergio Fernández Sanz are currently members of staff of BBVA, in turn the Originator of the assets to be pooled in the Fund, one of the Lead Managers, Subscriber for Class A, B and C Notes and for part of the Class D, E and Z Notes, and Paying Agent of the Note Issue and counterparty to the rest of the 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 Diego Martín Peña is currently Securitisations Team Head 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 insolvency event or in any litigation or in 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:

<b>Name of shareholder company</b>	<b>Holding (%)</b>
Banco Bilbao Vizcaya Argentaria, S.A.	88.24
Aldermanbury Investments Limited	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
<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 on Securities Markets in accordance with article 29.1.j) of Law 5/2015 and with Chapter III of Royal Decree 217/2008 of 15 February on the legal regulation of investment services companies and other undertakings providing investment services and partially amending the implementing Regulations of Undertakings for Collective Investment Law 35/2003 of 4 November approved by Royal Decree 1309/2005 of 4 November, 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 Incorporation 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 Incorporation of the Fund and the notarised certificate assigning Initial Receivables;
- b) the certified transcripts of the Management Company's and the Originator's corporate resolutions;
- c) this Prospectus;
- d) the special securitisation 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 special securitisation reports, as the case may be, on the Additional Receivables acquired during the years 2018, 2019 and 2020, in the Revolving Period, which remain outstanding at 31 December of each of those years;
- e) the letter from BBVA taking responsibility jointly with the Management Company, for the Securities Note (including the Additional Building Block);
- f) the notarial certificate ("*acta notarial*") recording payment of the Note Issue, once the Note Issue is paid up;
- g) the annual reports and the quarterly reports provided for in Article 35 of Law 5/2015;
- h) the Rating Agencies' letters notifying the provisional and final ratings assigned to the Notes;
- 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, 120.

Moreover, the documents referred to in subparagraphs a), c), g) and h) above are also on display at the website of EUROPEA DE TITULIZACIÓN, at [www.edt-sg.com](http://www.edt-sg.com), and at the CNMV's website at [www.cnmv.es](http://www.cnmv.es).

In addition, the documents referred to in subparagraphs a) to g) may be consulted at the offices of the CNMV in Madrid, at Calle Edison, 4, and the Prospectus and Deed of Incorporation are on display at the CNMV's website at [www.cnmv.es](http://www.cnmv.es).

The Deed of Incorporation of the Fund is physically on display at the place of business of IBERCLEAR in Madrid, Plaza de la Lealtad, 1.

## SECURITIES NOTE

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

### 1 PERSONS RESPONSIBLE

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

- 1.1.1 Mr Francisco Javier Eiriz Aguilera, acting for and on behalf of EUROPEA DE TITULIZACIÓN, S.A., SOCIEDAD GESTORA DE FONDOS DE TITULIZACIÓN, the company sponsoring BBVA CONSUMER AUTO 2018-1 FONDO DE TITULIZACIÓN, takes responsibility for the contents of this Securities Note (including the Additional Building Block).

Mr Francisco Javier Eiriz Aguilera, General Manager of the Management Company, is acting pursuant to authorities conferred by the Board of Directors' Executive Committee on 8 May 2018.

- 1.1.2 Ms Fátima Martín Calamardo and Mr Ángel María Tejada Calvo, duly authorised for the purposes hereof, acting for and on behalf of BANCO BILBAO VIZCAYA ARGENTARIA S.A., as one of the Lead Managers of the Note Issue of BBVA CONSUMER AUTO 2018-1 FONDO DE TITULIZACIÓN, take responsibility for the contents of this Securities Note (including the Additional Building Block).

Ms Fátima Martín Calamardo is acting as attorney-in-fact for BBVA under the powers thereupon conferred before 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 BBVA under the powers thereupon conferred before 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 Francisco Javier Eiriz Aguilera declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Securities Note (including the Additional 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 Additional 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 attached to the assets backing the Note Issue are described in paragraph 1 of the preceding Risk Factors section of this Prospectus.

The risk factors linked 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 Note Issue are as follows:

- a) EUROPEA DE TITULIZACIÓN is the Fund Management Company.
- b) BBVA is the Originator of the Receivables to be pooled in the Fund and shall be the Fund's counterparty in the Start-Up Loan Agreement, the Guaranteed Interest Rate Account (Treasury Account) Agreement, the Guaranteed Interest Rate Account (Principal Account) Agreement and the Financial Intermediation Agreement. BBVA is also involved as one of the Lead Managers and shall be the Subscriber of the Class A, B and C Notes and of part of the Notes of Classes D, E and Z and Paying Agent under the Note Issue Paying Agent Agreement. Additionally, BBVA shall be designated Loan Servicer by the Management Company under the Servicing Agreement.
- c) MERRILL LYNCH INTERNATIONAL has designed the financial terms of the Fund and of the Note Issue and is acting as one of the Lead Managers and as Subscriber for the Class D, E and Z Notes not subscribed by BBVA.
- d) GARRIGUES, as independent legal adviser, has provided legal advice for the incorporation of the Fund and the Note Issue and has been involved in drawing up this Prospectus and in reviewing its legal, tax and contractual implications, the transaction and financial service agreements referred to herein, the Deed of Incorporation and the notarised certificate assigning the Initial Receivables.
- e) CUATRECASAS participates as the legal advisor of MERRILL LYNCH INTERNATIONAL in its capacity as Subscriber for the Class D, E and Z Notes not subscribed by BBVA and Lead Manager.
- f) Deloitte has prepared the special securitisation 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 for the purposes of complying with the provisions of Law 5/2015.
- g) DBRS and Moody's are the Rating Agencies that have assigned the ratings to Note Issue Classes A, B, C and D and Moody's has also assigned the ratings to Note Issue Classes E and Z.

The Management Company is not aware of the existence of any other significant link or economic interest between the aforesaid institutions involved in the Note 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 subscription

##### 4.1.1 Total amount of the securities

The total face value amount of the Issue of Asset-Backed Notes (the "**Note Issue**") is EUR eight hundred four million (€804,000,000.00), consisting of eight thousand and forty (8,040) Notes denominated in Euros and pooled in six Classes, distributed as follows:

- i) Class A, with ISIN ES0305364004, having a total face amount of EUR seven hundred and twenty eight million (€728,000,000) comprising seven thousand two hundred and eighty (7,280) Notes having a unit face value of EUR one hundred thousand (€100,000), represented by means of book entries (either "**Class A**" or "**Class A Notes**").
- ii) Class B, with ISIN ES0305364012, having a total face amount of EUR twenty three million two hundred thousand (€23,200,000) comprising two hundred and thirty two (232) Notes having a unit face value of EUR one hundred thousand (€100,000), represented by means of book entries (either "**Class B**" or "**Class B Notes**").

- iii) Class C, with ISIN ES0305364020, having a total face amount of EUR thirty two million eight hundred thousand (€32,800,000.00) comprising three hundred and twenty eight (328) Notes having a unit face value of EUR one hundred thousand (€100,000), represented by means of book entries (indistinctly “**Class C**” or “**Class C Notes**”).
- iv) Class D, with ISIN ES0305364038, having a total face amount of EUR ten million (€10,000,000) comprising one hundred (100) Notes having a unit face value of EUR one hundred thousand (€100,000), represented by means of book entries (indistinctly “**Class D**” or “**Class D Notes**”).
- v) Class E with ISIN ES0305364046, having a total face amount of EUR six million (€6,000,000) comprising sixty (60) Notes having a unit face value of EUR one hundred thousand (€100,000), represented by means of book entries (indistinctly “**Class E**” or “**Class E Notes**”).
- vi) Class Z, with ISIN ES0305364053, having a total face amount of EUR four million (€4,000,000) comprising forty (40) Notes having a unit face value of EUR one hundred thousand (€100,000), represented by means of book entries (indistinctly “**Class Z**” or “**Class Z Notes**”).

Subscribing for or holding Notes in one Class does not imply subscribing for or holding Notes in the other Classes.

#### 4.1.2 Note Issue price

The Notes are issued at 100 per cent of their face value. The issue price of each Note in Classes A, B, C, D, E and Z shall be EUR one hundred thousand (100,000.00) per Note, free of taxes and subscription costs for the subscriber through the Fund.

The expenses and taxes inherent to the Note issue shall be borne by the Fund.

#### 4.1.3 Subscription of the Notes

The Management Company, for and on behalf of the Fund, will enter into a contract for management and subscription of the Note Issue (the “**Note Issue Management and Subscription Agreement**”) with BBVA and MERRILL LYNCH INTERNATIONAL.

BBVA and MERRILL LYNCH INTERNATIONAL shall participate as Lead Managers of the Note Issue.

The Note Issue shall be fully subscribed for by BBVA and MERRILL LYNCH INTERNATIONAL (the “**Subscribers**”) and each of them “**Subscriber**”), as specified below.

BBVA shall subscribe for Notes in each Class at the date of incorporation of the Fund in accordance with the Note Issue Management and Subscription Agreement, as specified below:

Class	Notes		Share over total Class Issued
	Number	Face Value	
Class A	7,280	728,000,000.00	100.00%
Class B	232	23,200,000.00	100.00%
Class C	328	32,800,000.00	100.00%
Class D	5	500,000.00	5.00%
Class E	3	300,000.00	5.00%
Class Z	2	200,000.00	5.00%
<b>Total</b>	<b>7,850</b>	<b>785,000,000.00</b>	<b>97,64%</b>

BBVA shall receive no fee for subscribing for the Notes and shall pay the Fund on the Closing Date, for same value date, the total price of the face value of the Notes subscribed.

MERRILL LYNCH INTERNATIONAL shall subscribe for Notes in Classes D, E and Z at the date of

incorporation of the Fund in accordance with the Note Issue Management and Subscription Agreement, as specified below:

Class	Notes		Share over total Class Issued
	Number	Face Value	
Class D	95	9,500,000.00	95.00%
Class E	57	5,700,000.00	95.00%
Class Z	38	3,800,000.00	95.00%
<b>Total</b>	<b>190</b>	<b>19,000,000.00</b>	<b>2.36%</b>

MERRILL LYNCH INTERNATIONAL shall receive a fee for subscribing the Notes Classes D, E and Z and shall pay to the Fund on the Closing Date, for same value date, the total price of the face value of the respective Notes subscribed, net of the fee received for subscribing the Notes.

The fee to be received by MERRILL LYNCH INTERNATIONAL is included in the initial expenses, as described in section 6 of this Securities Notes.

BBVA and MERRILL LYNCH INTERNATIONAL shall pay the total price of the face value of the Notes that they have subscribed (net of the fee received by MERRILL LYNCH INTERNATIONAL for subscribing the Notes) on 21 June 2018 (the “Closing Date”), prior to 1pm (CET), for same value date.

The Note Issue Management and Subscription Agreement shall be fully terminated:

- (i) in the event that the Rating Agencies do not confirm as final the provisional ratings assigned to the Notes by 1pm (CET) on 20 June 2018 , or
- (ii) if an event occurs until 1pm (CET) of the Closing Date that could not been foreseen or that, even if foreseen, in inevitable rendering it impossible to perform the Note Issue Management and Subscription Agreement pursuant to Article 1105 of the Civil Code, or
- (iii) in the cases provided for in the law, or
- (iv) if any of the following conditions precedent established in the Note Issue Management and Subscription Agreement have not been met by 1pm (CET) on 20 June 2018 (except the condition d. that shall be met after the disbursement of the Notes):
  - a. In the event of a breach of the representations, warranties and other obligations of the Management Company or the Originator under the Note Issue Management and Subscription Agreement and the other agreements signed by the Management Company, on behalf of the Fund.
  - b. If the signed legal opinion of Garrigues has not been delivered to MERRILL LYNCH INTERNATIONAL in a form satisfactory to it.
  - c. If the Note Issue Paying Agent Agreement and the other agreements have not been signed.
  - d. If the Management Company, on behalf of the Fund, has not applied for the Note Issue to be admitted to trading on AIAF and to be represented by means of book entries in IBERCLEAR.

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

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

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

The incorporation of the Fund and the Note Issue are subject to Spanish Law and in particular are carried out in accordance with the legal framework provided for by (i) Law 5/2015, (ii) the Securities Market Law and applicable implementing regulations, (iii) Royal Decree 1310/2005, (iv) Regulation (EC) No 809/2004, (v) Order EHA/3537/2005 of 10 November implementing Article 27.4 of Securities Market Law 24/1988 of 28 July (*Orden EHA/3537/2005, de 10 de noviembre, por la que se desarrolla el artículo 27.4 de la Ley 24/1988, de 28 de julio, del Mercado de Valores*) (matching Article 37.4 of the Securities Market Law), (vi) Royal Decree 878/2015 of 2 October on the registration, clearing and settlement of negotiable securities represented by book entries representations of book entry and the clearing and settlement of stock market, as amended (*Real Decreto 878/2015, de 2 de octubre, sobre registro, compensación y liquidación de*



*valores negociables representados mediante anotaciones en cuenta, sobre el régimen jurídico de los depositarios centrales de valores y de las entidades de contrapartida central y sobre requisitos de transparencia de los emisores de valores admitidos a negociación en un mercado secundario oficial*) (“**Royal Decree 878/2015**”) and (vii) all other legal and regulatory provisions in force and applicable from time to time.

The Deed of Incorporation, the Note 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 the laws of Spain.

#### **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 Notes will be exclusively represented by means of book entries, and will become such Notes when entered in the relevant records at IBERCLEAR, the institution in charge of the accounting record of the Notes for the purposes of Royal Decree 878/2015. In this connection, and for the record, the Deed of Incorporation shall have the effects prescribed by Article 7 of the Securities Market Law.

IBERCLEAR, with place of business at Plaza de la Lealtad, 1, Madrid, shall be the institution designated in the Deed of Incorporation to do the bookkeeping for the Notes in order for the Notes 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.

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

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

The Notes shall be denominated in Euros.

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

Class B Note interest payment and principal repayment are deferred with respect to Class A Notes, as provided in the Priority of Payments and in the Liquidation Priority of Payments.

Class C Note interest payment and principal repayment are deferred with respect to Class A and Class B Notes, as provided in the Priority of Payments and in the Liquidation Priority of Payments.

Class D Note interest payment and principal repayment are deferred with respect to Class A, Class B and Class C Notes, as provided in the Priority of Payments and in the Liquidation Priority of Payments.

Class E Note interest payment and principal repayment are deferred with respect to Class A, Class B, Class C and Class D Notes and as provided in the Priority of Payments and in the Liquidation Priority of Payments.

Class Z Note interest payment and principal repayment are deferred with respect to Class A, Class B, Class C, Class D and Class E Notes and as provided in the Priority of Payments and in the Liquidation Priority of Payments.

##### **4.6.1 Simple reference to the order number of Note interest payment in each Class in the Fund priority of payments**

Payment of interest accrued by Class A Notes ranks (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 Additional 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 Additional Building Block.

Payment of interest accrued by Class B Notes ranks (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 Additional Building Block, other than

in the event provided for therein for the same to be deferred, in which case it shall be eighth (8<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 Additional Building Block.

Payment of interest accrued by Class C Notes ranks (i) fourth (4<sup>th</sup>) in the application of Available Funds in the Priority of Payments established in said section 3.4.6.2.1.2 of the Additional Building Block, other than in the event provided for therein for the same to be deferred, in which case it shall be ninth (9<sup>th</sup>), and (ii) seventh (7<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 Additional Building Block.

Payment of interest accrued by Class D Notes ranks (i) sixth (6<sup>th</sup>) in the application of Available Funds in the Priority of Payments established in said section 3.4.6.2.1.2 of the Additional Building Block, other than in the event provided for therein for the same to be deferred, in which case it shall be tenth (10<sup>th</sup>), and (ii) ninth (9<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 Additional Building Block.

Payment of interest accrued by Class E Notes ranks (i) eleventh (11<sup>th</sup>) in the application of Available Funds in the Priority of Payments established in said section 3.4.6.2.1.2 of the Additional Building Block, and (ii) eleventh (11<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 Additional Building Block.

Payment of interest accrued by Class Z Notes ranks (i) twelfth (12<sup>th</sup>) in the application of Available Funds in the Priority of Payments established in said section 3.4.6.2.1.2 of the Additional Building Block, and (ii) fourteenth (14<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 Additional Building Block.

#### 4.6.2 **Simple reference to the order number of Note principal repayment in each Class in the Fund priority of payments**

The Principal Withholding amount designed for acquiring Additional Receivables and, after the Revolving Period ends, for amortising the Notes of Classes A, B, C, D and E as a whole is the seventh (7<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 Additional Building Block.

Note principal repayment in each of Classes A, B, C, D and E 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 Additional Building Block.

Class Z Note principal repayment ranks the thirteenth (13<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 Additional Building Block.

Class A Note principal repayment ranks the 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 Additional Building Block.

Class B Note principal repayment ranks the 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 Additional Building Block.

Class C Note principal repayment ranks the eighth (8<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 Additional Building Block.

Class D Note principal repayment ranks the tenth (10<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 Additional Building Block.

Class E Note principal repayment ranks the twelfth (12<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 Additional Building Block.

Class Z Note principal repayment ranks the fifteenth (15<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 Additional Building Block.

## 4.7 Description of the rights attached to the securities

The financial rights for Noteholders associated with acquiring and holding the Notes shall be, for each Class, 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, the Notes referred to by this Securities Note do not entitle the investor acquiring the same to any present and/or future voting or other non-financial rights in respect of Fund or the Management Company.

Noteholders and all other creditors of the Fund shall have no recourse whatsoever against Obligor who may have defaulted on their payment obligations or against the Originator. In this regard, the Management Company, as legal representative of the Fund, will be the person empowered to address any action.

Noteholders 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 Notes in each Class. Notwithstanding the foregoing, the Management Company shall, as the Fund's representative, have recourse against the Originator and against the Fund's counterparties in the event of a breach by the counterparties of their obligations to the Fund.

Noteholders 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 non-compliance with the provisions of this Prospectus and of the Deed of Incorporation. Those actions shall be resolved in the relevant proceedings for the amount claimed.

If the Management Company convenes a Meeting of Creditors, in accordance with the Meeting of Creditors rules, any decision to be adopted regarding the Fund or the Notes should be, as the case may be, in accordance with the said rules of the Meeting of Creditors as established in section 4.11 of the Securities Note.

All matters, disagreements, actions and claims arising out of the Management Company establishing, managing and being the authorised representative of BBVA CONSUMER AUTO 2018-1 FONDO DE TITULIZACIÓN and the Note 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 Note nominal interest rate

From the Closing Date until their final maturity, the Notes shall accrue fixed yearly nominal interest (hereinafter, the "**Nominal Interest Rate**" or "**NIR**").

The Nominal Interest Rate shall be payable quarterly in arrears on each Payment Date or on the liquidation date on the Outstanding Principal Balance of the Notes in each Class at the preceding Determination Date, provided that the Fund has sufficient liquidity in accordance with the Priority of Payments or with the Liquidation Priority of Payments, as the case may be.

Withholdings, interim payments, contributions and taxes now or hereafter established on Note principal, interest or returns shall be borne exclusively by Noteholders, 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 Note Class 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:

- a) the duration of the first Interest Accrual Period shall be equivalent to the exact number of days elapsed between the Closing Date, 21 June 2018, inclusive, and the first Payment Date, 22 October 2018, because neither the 20<sup>th</sup> nor the 21<sup>st</sup> of October 2018 are Business Days, exclusive; and
- b) the duration of the last Interest Accrual Period shall be equivalent to the exact number of days elapsed between the last Payment Date prior to liquidation of the Fund, inclusive, and the liquidation date, 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 Notes in each Class shall be:

- For **Class A:** NIR between 0.25% and 0.30%, both inclusive.
- For **Class B:** NIR between 0.95% and 1.25%, both inclusive.
- For **Class C:** NIR between 2.00% and 2.50%, both inclusive.
- For **Class D:** NIR between 3.00% and 4.10%, both inclusive.
- For **Class E:** NIR between 4.00% and 7.00%, both inclusive.
- For **Class Z:** NIR between 4.00% and 7.20%, both inclusive.

The NIR applicable to Classes A, B, C, D, E and Z, expressed as a percentage, shall be determined by mutual accord of the Lead Managers within the ranges specified in the preceding paragraph for each of said Classes on the 18 June 2018 and will be included at the Note Issue Management and Subscription Agreement.

In the absence of agreement, the Management Company shall fix the specific NIR for each Class for which there was no agreement in accordance with the following NIRs, to be included at the Note Issue Management and Subscription Agreement:

- For Class A: 0.27%.
- For Class B: 1.10%.
- For Class C: 2.30%.
- For Class D: 3.85%.
- For Class E: 6.65%.
- For Class Z: 6.65%.

The Management Company shall notify the final NIRs to the CNMV as additional information to this Prospectus.

The Nominal Interest Rate will be expressed as a percentage with two decimal places.

#### 4.8.1.3 **Formula for calculating interest**

Interest settlement for each Note Class, payable on each Payment Date or on the Fund liquidation date for each Interest Accrual Period, shall be calculated for each Class 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 Class at the Determination Date preceding that Payment Date or on the settlement date.

$R$  = Nominal Interest Rate of the Class 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 Notes in each Class will be paid until their final maturity in Interest Accrual Periods in arrears a) on 20 January, 20 April, 20 July and 20 October of 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, and b) on the Fund liquidation date, on the terms established in section 4.8.1 of this Securities Note.

The first interest Payment Date shall be 22 October 2018, because neither the 20<sup>th</sup> nor the 21<sup>st</sup> of October 2018 are Business Days, and interest will accrue at the applicable Nominal Interest Rate between the Closing Date, 21 June 2018, inclusive, and 22 October 2018, because neither the 20<sup>th</sup> nor the 21<sup>st</sup> of October 2018 are Business Days, exclusive.

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

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

Both interest resulting for Noteholders in each Class and the amount, if any, of interest accrued and not paid, shall be notified to Noteholders as described in section 4.1.1.a) of the Additional Building Block, at least two (2) Business Days in advance of each Payment Date.

Interest accrued on the Notes 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 is unable to make full or partial payment of interest accrued on the Notes in either Class, in the Priority of Payments, unpaid interest amounts shall be aggregated on the following Payment Date with interest in the same Class, 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 or, in the event of liquidation of the Fund, in the Liquidation Priority of Payments.

Overdue interest amounts shall not earn additional or late-payment interest and shall not be aggregated with the Outstanding Principal Balance of the Notes in the relevant Class.

The Fund, through its Management Company, may not defer Note interest payment beyond 20 July 2031, the Final Maturity Date, or the following Business Day if that is not a Business Day.

The Note Issue shall be serviced through the Paying Agent, and therefore the Management Company shall, for and on behalf of the Fund, enter into a Note Issue 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 Note redemption price

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

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

## 4.9.2 **Characteristics specific to the amortisation of each Note Class**

### 4.9.2.1 **Amortisation of Class A Notes**

Class A Note principal shall be amortised by partial amortisation on each Payment Date, in an amount equal to the Principal Available Funds applied on each Payment Date to amortising Class 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 Notes in Class A proper by reducing the face amount of each Class A Note.

The first partial amortisation of Class A Notes shall occur on the Payment Date falling on 20 April 2020 or on a previous Payment Date in the event of early termination of the Revolving Period.

Notwithstanding partial or total amortisation resulting from partial amortisation as provided for in the preceding paragraph, final amortisation of Class A Notes shall occur on the Final Maturity Date (20 July 2031 or the following Business Day if that is not a Business Day), or before the Final Maturity Date, in accordance with the provisions of section 4.9.3.2 of this Securities Note, upon Early Liquidation and Early Amortisation of the Note Issue, in both cases in the Liquidation Priority of Payments.

### 4.9.2.2 **Amortisation of Class B Notes.**

Class B Note principal shall be amortised by partial amortisation on each Payment Date, in an amount equal to the Principal Available Funds applied on each Payment Date to amortising Class 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 Notes in Class B proper by reducing the face amount of each Class B Note.

The first partial amortisation of Class B Notes shall not occur until Class A Notes have been fully amortised.

Notwithstanding partial or total amortisation resulting from partial amortisation as provided for in the preceding paragraph, final amortisation of Class B Notes shall occur on the Final Maturity Date (20 July 2031 or the following Business Day if that is not a Business Day), or before the Final Maturity Date, in accordance with the provisions of section 4.9.3.2 of this Securities Note, upon Early Liquidation and Early Amortisation of the Note Issue, in both cases in the Liquidation Priority of Payments.

### 4.9.2.3 **Amortisation of Class C Notes**

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

The first partial amortisation of Class C Notes shall not occur until Class B Notes have been fully amortised.

Notwithstanding partial or total amortisation resulting from partial amortisation as provided for in the preceding paragraph, final amortisation of Class C Notes shall occur on the Final Maturity Date (20 July 2031 or the following Business Day if that is not a Business Day), or before the Final Maturity Date, in accordance with the provisions of section 4.9.3.2 of this Securities Note, upon Early Liquidation and Early Amortisation of the Note Issue, in both cases in the Liquidation Priority of Payments.

### 4.9.2.4 **Amortisation of Class D Notes**

Class D Note principal shall be amortised by partial amortisation on each Payment Date, in an amount equal to the Principal Available Funds applied on each Payment Date to amortising Class D 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 Notes in Class D proper by reducing the face amount of each Class D Note.

The first partial amortisation of Class D Notes shall not occur until Class C Notes have been fully amortised.

Notwithstanding partial or total amortisation resulting from partial amortisation as provided for in the preceding paragraph, final amortisation of Class D Notes shall occur on the Final Maturity Date (20 July

2031 or the following Business Day if that is not a Business Day), or before the Final Maturity Date, in accordance with the provisions of section 4.9.3.2 of this Securities Note, upon Early Liquidation and Early Amortisation of the Note Issue, in both cases in the Liquidation Priority of Payments.

#### 4.9.2.5 Amortisation of Class E Notes

Class E Note principal shall be amortised by partial amortisation on each Payment Date, in an amount equal to the Principal Available Funds applied on each Payment Date to amortising Class E 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 Notes in Class E proper by reducing the face amount of each Class E Note.

The first partial amortisation of Class E Notes shall not occur until Class D Notes have been fully amortised.

Notwithstanding partial or total amortisation resulting from partial amortisation as provided for in the preceding paragraph, final amortisation of Class E Notes shall occur on the Final Maturity Date (20 July 2031 or the following Business Day if that is not a Business Day), or before the Final Maturity Date, in accordance with the provisions of section 4.9.3.2 of this Securities Note, upon Early Liquidation and Early Amortisation of the Note Issue, in both cases in the Liquidation Priority of Payments.

#### 4.9.2.6 Amortisation of Class Z Notes

Class Z Note principal shall be amortised by partial or total amortisation on each Payment Date:

- a) From the Payment Date falling on 20 April 2020 or on a previous Payment Date in the event of early termination of the Revolving Period, inclusive, to the Payment Date in which the amount of the Outstanding Balance of the Receivables yet to be repaid is less than ten (10)% of the Outstanding Balance of the Initial Receivables upon the Fund being incorporated, exclusive: in an amount equal to the positive difference existing between (i) the Outstanding Principal Balance of Class Z Notes on the Determination Date preceding the relevant Payment Date and (ii) the Required Cash Reserve amount on the relevant Payment Date, in accordance with the provisions of section 3.4.2.2 of the Building Block transcribed hereinafter, and in the application priority established for that event in the application of Available Funds in the Priority of Payments, prorated between the Notes in Class Z proper by reducing the face amount of each Class Z Note:

“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 herein 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 EUR four million (€4,000,000.00) during the Revolving Period and, after the Revolving Period ends, the lower of:

- (i) EUR four million (€4,000,000.00).
- (ii) The higher of:
  - a) 0.50% of the Outstanding Principal Balance of the Class A, B and C Notes.
  - b) EUR one million (€1,000,000.00).

Notwithstanding the above, the Required Cash Reserve amount will be equal to zero once the Class A, B and C Notes are fully repaid.”

- b) From the Payment Date in which the amount of the Outstanding Balance of the Receivables yet to be repaid is less than ten (10)% of the Outstanding Balance of the Initial Receivables upon the Fund being incorporated, inclusive: in an amount equal to the lower of (i) the remaining Available Funds after the payments rank first (1<sup>st</sup>) to twelfth (12<sup>th</sup>) in the Priority of Payments and (ii) the Outstanding Principal Balance of the Class Z Notes in the Determination Date previous to the referred Payment Date, prorated between the Notes in Class Z proper by reducing the face amount of each Class Z Note.

Notwithstanding partial or total amortisation resulting from partial amortisation as provided for in the preceding paragraphs, final amortisation of Class Z Notes shall occur on the Final Maturity Date (20 July

2031 or the following Business Day if that is not a Business Day), or before the Final Maturity Date, in accordance with the provisions of section 4.9.3.2 of this Securities Note, upon Early Liquidation and Early Amortisation of the Note Issue, in both cases in the Liquidation Priority of Payments.

#### 4.9.3 **Common characteristics applicable to Note amortisation in each Class**

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

Irrespective of the Final Maturity Date and subject to Early Amortisation of the Note Issue in the event of Early Liquidation of the Fund, the Fund shall, through its Management Company, proceed to partial amortisation of the Notes in each Class A, B, C, D, E and Z, after the Revolving Period ends, on each Payment Date on the specific amortisation terms for each Class established in section 4.9.2 of this Securities Note and on the terms described in this section common to these Classes.

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

Determination dates (the “**Determination Dates**”) will be the dates falling on the tenth (10<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 5 October 2018.

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 incorporation of the Fund, inclusive, and the first Determination Date, 5 October 2018, 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 is carried out, as provided for in section 4.4.3 of the Registration Document, b) from the Determination Date immediately preceding the Payment Date preceding the date referred to in a), not including the date referred to in b) and including the date referred to in a).

##### 4.9.3.1.2 **Outstanding Principal Balance of the Notes**

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

By addition, the “**Outstanding Principal Balance of the Note Issue**” shall be the sum of the Outstanding Principal Balance of Classes A, B, C, D, E and Z making up the Note Issue and the “**Outstanding Principal Balance of the Collateralised Notes**” shall be the sum of the Outstanding Principal Balance of Classes A, B, C, D and E.

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

On each Payment Date, the Available Funds shall be applied in seventh (7<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 Class A, B, C, D and E Notes 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 Collateralised Notes, 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 in section 4.9.3.1.5 below.

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



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

- a) the Principal Withholding amount actually applied in seventh (7<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 Revolving Period, the Principal Available Funds shall be applied to payment of the assignment price comprising the nominal value of the outstanding 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 first to amortising Class A until fully amortised, second to amortising Class B Notes until fully amortised, third to amortising Class C Notes until fully amortised, fourth to amortising Class D Notes until fully amortised and fifth and lastly to amortising Class E Notes until fully amortised.

#### 4.9.3.2 **Early Amortisation of the Note Issue**

Subject to the Fund's obligation, through its Management Company, to proceed to final amortisation of the Notes on the Final Maturity Date or partial amortisation of each Class 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 Note Issue in the Early Liquidation Events and subject to the requirements established in section 4.4.3 of the Registration Document and subject to the Liquidation Priority of Payments.

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

The Final Maturity Date and consequently final amortisation of the Notes is 20 July 2031 or the following Business Day if that is not a Business Day, without prejudice to the Management Company, for and on behalf of the Fund, and in accordance with the provisions of sections 4.9.3.1 and 4.9.3.2 of this Securities Note, proceeding to amortise the entire Note Issue before the Final Maturity Date. Final amortisation of the Notes 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 Notes in each Class 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 Notes 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) Obligor's 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 21 May 2018 has been used in calculating the repayment instalments and interest of each of the selected loans;
- Delinquency (in arrears in excess of 3 months) rate of Receivables: 3.6% (delinquency rate for auto loans of similar features of those granted by BBVA and that commensurates with the rate reported in the section 3.5 of the Additional Building Block as of 31 March 2018) of the Receivables outstanding balance, after 40 months since the Fund was incorporated (constant monthly increases of the outstanding balance of the Delinquent Loans since the Fund was incorporated up to the aforesaid 3.6%). The assumption is that the Receivable is not recovered, becoming Doubtful the totality of the Receivables;
- Doubtful (in arrears in excess of 6 months) rate of Receivables: 3.6% (arrived at on the delinquency rate commented in the preceding paragraph) after 43 months, with 30% being recovered within 18 months of becoming doubtful, resulting in a cumulative Doubtful rate since the incorporation of the Fund with respect to the initial outstanding balance of the loans of 4.32% for a 7.00%, 8.00% and 9.00% CPR;
- That the Receivable prepayment rate remains constant throughout the life of the Notes;
- That the Note Closing Date is 21 June 2018;
- That the Revolving Period ends on 20 January 2020;
- That the final maturity of the additional Receivables acquired during the Revolving Period is less than 10 years; and

That the interest rates applicable to each Note Class are as established in section 4.8.1.2 of this Securities Note in the absence of an agreement:

	<b>Class A Notes</b>	<b>Class B Notes</b>	<b>Class C Notes</b>	<b>Class D Notes</b>	<b>Class E Notes</b>	<b>Class Z Notes</b>
<b>Nominal Interest Rate</b>	0.27%	1.10%	2.30%	3.85%	6.65%	6.65%

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

Assuming that the Management Company shall exercise the Early Liquidation of the Fund and Early Amortisation of the Note 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 Note subscribers, duration and final maturity of the Notes 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%						
	Class A	Class B	Class C	Class D	Class E	Class Z
Average life (years)	3.42	6.43	6.43	6.43	6.43	3.99
IRR	0.27	1.10	2.30	3.85	6.65	6.65
Duration (years)	3.39	6.15	5.87	5.53	5.00	3.28
Final Maturity	oct-24	oct-24	oct-24	oct-24	oct-24	oct-24

CPR: 8.00%						
	Class A	Class B	Class C	Class D	Class E	Class Z
Average life (years)	3.39	6.41	6.43	6.43	6.43	3.97
IRR	0.27	1.10	2.30	3.85	6.65	6.65
Duration (years)	3.36	6.13	5.87	5.53	5.00	3.27
Final Maturity	jul-24	oct-24	oct-24	oct-24	oct-24	oct-24

CPR: 9.00%						
	Class A	Class B	Class C	Class D	Class E	Class Z
Average life (years)	3.36	6.18	6.18	6.18	6.18	3.89
IRR	0.27	1.10	2.30	3.85	6.65	6.65
Duration (years)	3.33	5.92	5.65	5.34	4.84	3.21
Final Maturity	jul-24	jul-24	jul-24	jul-24	jul-24	jul-24

The Management Company expressly states that the servicing tables described herein for each Class 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 Note Issue, as explained above the actual prepayment rate changes continually.
- The Outstanding Principal Balance of each Note Class 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 Note 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 NOTE WITHOUT WITHHOLDING FOR THE HOLDER**  
**(AMOUNTS IN EUR)**  
**CPR = 7.00%**

Date	CLASS A			CLASS B			CLASS C			CLASS D			CLASS E			CLASS Z		
	Principal	Interest	Cashflow	Principal	Interest	Cashflow	Principal	Interest	Cashflow	Principal	Interest	Cashflow	Principal	Interest	Cashflow	Principal	Interest	Cashflow
	728,000,000.00	6,718,061.67	732,538,256.36	23,200,000.00	1,575,860.00	1,575,860.00	32,800,000.00	4,658,420.00	4,658,420.00	10,000,000.00	2,377,375.00	2,377,375.00	6,000,000.00	2,463,825.00	2,463,825.00	4,000,000.00	1,043,371.44	4,043,371.44
Jun 21, 2018	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Oct 22, 2018	-	671,580.00	671,580.00	-	87,193.33	87,193.33	-	257,753.33	257,753.33	-	131,541.67	131,541.67	-	136,325.00	136,325.00	-	90,883.33	90,883.33
Jan 21, 2019	-	496,860.00	496,860.00	-	64,508.89	64,508.89	-	190,695.56	190,695.56	-	97,319.44	97,319.44	-	100,858.33	100,858.33	-	67,238.89	67,238.89
Apr 22, 2019	-	496,860.00	496,860.00	-	64,508.89	64,508.89	-	190,695.56	190,695.56	-	97,319.44	97,319.44	-	100,858.33	100,858.33	-	67,238.89	67,238.89
Jul 22, 2019	-	496,860.00	496,860.00	-	64,508.89	64,508.89	-	190,695.56	190,695.56	-	97,319.44	97,319.44	-	100,858.33	100,858.33	-	67,238.89	67,238.89
Oct 21, 2019	-	496,860.00	496,860.00	-	64,508.89	64,508.89	-	190,695.56	190,695.56	-	97,319.44	97,319.44	-	100,858.33	100,858.33	-	67,238.89	67,238.89
Jan 20, 2020	-	496,860.00	496,860.00	-	64,508.89	64,508.89	-	190,695.56	190,695.56	-	97,319.44	97,319.44	-	100,858.33	100,858.33	-	67,238.89	67,238.89
Apr 20, 2020	69,408,859.04	496,860.00	69,905,719.04	-	64,508.89	64,508.89	-	190,695.56	190,695.56	-	97,319.44	97,319.44	-	100,858.33	100,858.33	80,000.00	67,238.89	147,238.89
Jul 20, 2020	67,105,014.93	449,488.45	67,554,503.38	-	64,508.89	64,508.89	-	190,695.56	190,695.56	-	97,319.44	97,319.44	-	100,858.33	100,858.33	347,044.30	65,894.11	412,938.41
Oct 20, 2020	64,433,743.54	408,125.43	64,841,868.97	-	65,217.78	65,217.78	-	192,791.11	192,791.11	-	98,388.89	98,388.89	-	101,966.67	101,966.67	335,525.07	60,720.40	396,245.47
Jan 20, 2021	61,058,503.32	363,666.14	61,422,169.46	-	65,217.78	65,217.78	-	192,791.11	192,791.11	-	98,388.89	98,388.89	-	101,966.67	101,966.67	322,168.72	55,018.33	377,187.05
Apr 20, 2021	57,683,126.99	314,545.87	57,997,672.86	-	63,800.00	63,800.00	-	188,600.00	188,600.00	-	96,250.00	96,250.00	-	99,750.00	99,750.00	305,292.51	48,466.23	353,758.74
Jul 20, 2021	54,315,111.59	278,672.09	54,593,783.68	-	64,508.89	64,508.89	-	190,695.56	190,695.56	-	97,319.44	97,319.44	-	100,858.33	100,858.33	288,415.64	43,872.86	332,288.50
Oct 20, 2021	50,534,221.20	244,256.99	50,778,478.19	-	65,217.78	65,217.78	-	192,791.11	192,791.11	-	98,388.89	98,388.89	-	101,966.67	101,966.67	271,575.56	39,453.52	311,029.08
Jan 20, 2022	47,001,056.21	209,388.38	47,210,444.59	-	65,217.78	65,217.78	-	192,791.11	192,791.11	-	98,388.89	98,388.89	-	101,966.67	101,966.67	252,671.10	34,838.24	287,509.34
Apr 20, 2022	40,396,679.10	173,110.75	40,569,789.85	-	63,800.00	63,800.00	-	188,600.00	188,600.00	-	96,250.00	96,250.00	-	99,750.00	99,750.00	235,005.28	29,880.23	264,885.51
Jul 20, 2022	37,078,460.86	147,463.46	37,225,924.32	-	64,508.89	64,508.89	-	190,695.56	190,695.56	-	97,319.44	97,319.44	-	100,858.33	100,858.33	201,983.40	26,261.86	228,245.26
Oct 20, 2022	33,163,623.61	123,499.80	33,287,123.41	-	65,217.78	65,217.78	-	192,791.11	192,791.11	-	98,388.89	98,388.89	-	101,966.67	101,966.67	185,392.30	23,117.86	208,510.16
Jan 20, 2023	29,426,023.88	100,616.90	29,526,640.78	-	65,217.78	65,217.78	-	192,791.11	192,791.11	-	98,388.89	98,388.89	-	101,966.67	101,966.67	165,818.12	19,967.22	185,785.34
Apr 20, 2023	25,667,339.87	78,567.01	25,745,906.88	-	63,800.00	63,800.00	-	188,600.00	188,600.00	-	96,250.00	96,250.00	-	99,750.00	99,750.00	9,108.00	16,776.42	25,884.42
Jul 20, 2023	23,078,250.34	61,922.02	23,140,172.36	-	64,508.89	64,508.89	-	190,695.56	190,695.56	-	97,319.44	97,319.44	-	100,858.33	100,858.33	-	16,809.72	16,809.72
Oct 20, 2023	19,690,583.02	46,678.49	19,737,261.51	-	65,217.78	65,217.78	-	192,791.11	192,791.11	-	98,388.89	98,388.89	-	101,966.67	101,966.67	-	16,994.44	16,994.44
Jan 22, 2024	17,356,023.05	33,811.38	17,389,834.43	-	66,635.56	66,635.56	-	196,982.22	196,982.22	-	100,527.78	100,527.78	-	104,183.33	104,183.33	-	17,363.89	17,363.89
Apr 22, 2024	15,040,468.21	20,886.81	15,061,355.02	-	64,508.89	64,508.89	-	190,695.56	190,695.56	-	97,319.44	97,319.44	-	100,858.33	100,858.33	-	16,809.72	16,809.72
Jul 22, 2024	13,383,105.93	10,621.69	13,393,727.62	-	64,508.89	64,508.89	-	190,695.56	190,695.56	-	97,319.44	97,319.44	-	100,858.33	100,858.33	-	16,809.72	16,809.72
Oct 21, 2024	2,179,805.31	1,487.72	2,181,293.03	23,200,000.00	64,508.89	23,264,508.89	32,800,000.00	190,695.56	32,990,695.56	10,000,000.00	97,319.44	10,097,319.44	6,000,000.00	100,858.33	6,100,858.33	1,000,000.00	16,809.72	1,016,809.72

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

Date	CLASS A			CLASS B			CLASS C			CLASS D			CLASS E			CLASS Z		
	Principal	Interest	Cashflow	Principal	Interest	Cashflow	Principal	Interest	Cashflow	Principal	Interest	Cashflow	Principal	Interest	Cashflow	Principal	Interest	Cashflow
	728.000.000,00	6.656.112,58	734.656.112,58	23.200.000,00	1.635.823,45	24.835.823,45	32.800.000,00	4.849.115,56	37.649.115,56	10.000.000,00	2.474.694,44	12.474.694,44	6.000.000,00	2.564.683,33	8.564.683,33	4.000.000,00	1.055.482,68	5.055.482,68
Jun 21, 2018	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Oct 22, 2018	-	671.580,00	671.580,00	-	87.193,33	87.193,33	-	257.753,33	257.753,33	-	131.541,67	131.541,67	-	136.325,00	136.325,00	-	90.883,33	90.883,33
Jan 21, 2019	-	496.860,00	496.860,00	-	64.508,89	64.508,89	-	190.695,56	190.695,56	-	97.319,44	97.319,44	-	100.858,33	100.858,33	-	67.238,89	67.238,89
Apr 22, 2019	-	496.860,00	496.860,00	-	64.508,89	64.508,89	-	190.695,56	190.695,56	-	97.319,44	97.319,44	-	100.858,33	100.858,33	-	67.238,89	67.238,89
Jul 22, 2019	-	496.860,00	496.860,00	-	64.508,89	64.508,89	-	190.695,56	190.695,56	-	97.319,44	97.319,44	-	100.858,33	100.858,33	-	67.238,89	67.238,89
Oct 21, 2019	-	496.860,00	496.860,00	-	64.508,89	64.508,89	-	190.695,56	190.695,56	-	97.319,44	97.319,44	-	100.858,33	100.858,33	-	67.238,89	67.238,89
Jan 20, 2020	-	496.860,00	496.860,00	-	64.508,89	64.508,89	-	190.695,56	190.695,56	-	97.319,44	97.319,44	-	100.858,33	100.858,33	-	67.238,89	67.238,89
Apr 20, 2020	71.239.758,91	496.860,00	71.736.618,91	-	64.508,89	64.508,89	-	190.695,56	190.695,56	-	97.319,44	97.319,44	-	100.858,33	100.858,33	80.000,00	67.238,89	147.238,89
Jul 20, 2020	68.608.568,99	448.238,86	69.056.807,85	-	64.508,89	64.508,89	-	190.695,56	190.695,56	-	97.319,44	97.319,44	-	100.858,33	100.858,33	356.198,79	65.894,11	422.092,90
Oct 20, 2020	65.619.496,85	405.824,65	66.025.321,50	-	65.217,78	65.217,78	-	192.791,11	192.791,11	-	98.388,89	98.388,89	-	101.966,67	101.966,67	343.042,85	60.564,82	403.607,67
Jan 20, 2021	61.951.214,17	360.547,20	62.311.761,37	-	65.217,78	65.217,78	-	192.791,11	192.791,11	-	98.388,89	98.388,89	-	101.966,67	101.966,67	328.097,48	54.735,00	382.832,48
Apr 20, 2021	58.309.991,74	310.892,15	58.620.883,89	-	63.800,00	63.800,00	-	188.600,00	188.600,00	-	96.250,00	96.250,00	-	99.750,00	99.750,00	309.756,07	48.090,49	357.846,56
Jul 20, 2021	54.703.900,84	274.549,94	54.978.450,78	-	64.508,89	64.508,89	-	190.695,56	190.695,56	-	97.319,44	97.319,44	-	100.858,33	100.858,33	291.549,96	43.417,91	334.967,87
Oct 20, 2021	50.736.977,76	239.821,28	50.976.799,04	-	65.217,78	65.217,78	-	192.791,11	192.791,11	-	98.388,89	98.388,89	-	101.966,67	101.966,67	273.519,51	38.940,30	312.459,81
Jan 20, 2022	47.046.784,75	204.812,76	47.251.597,51	-	65.217,78	65.217,78	-	192.791,11	192.791,11	-	98.388,89	98.388,89	-	101.966,67	101.966,67	253.684,89	34.291,99	287.976,88
Apr 20, 2022	40.319.551,28	168.603,73	40.488.155,01	-	63.800,00	63.800,00	-	188.600,00	188.600,00	-	96.250,00	96.250,00	-	99.750,00	99.750,00	235.233,92	29.329,00	264.562,92
Jul 20, 2022	36.889.556,95	142.959,01	37.032.515,96	-	64.508,89	64.508,89	-	190.695,56	190.695,56	-	97.319,44	97.319,44	-	100.858,33	100.858,33	201.597,76	25.700,66	227.298,42
Oct 20, 2022	32.917.020,33	119.076,20	33.036.096,53	-	65.217,78	65.217,78	-	192.791,11	192.791,11	-	98.388,89	98.388,89	-	101.966,67	101.966,67	184.447,78	22.557,05	207.004,83
Jan 20, 2023	29.142.328,72	96.363,45	29.238.692,17	-	65.217,78	65.217,78	-	192.791,11	192.791,11	-	98.388,89	98.388,89	-	101.966,67	101.966,67	142.870,99	19.422,46	162.293,45
Apr 20, 2023	25.374.622,52	74.597,52	25.449.220,04	-	63.800,00	63.800,00	-	188.600,00	188.600,00	-	96.250,00	96.250,00	-	99.750,00	99.750,00	-	16.625,00	16.625,00
Jul 20, 2023	22.743.622,22	58.108,20	22.801.608,42	-	64.508,89	64.508,89	-	190.695,56	190.695,56	-	97.319,44	97.319,44	-	100.858,33	100.858,33	-	16.809,72	16.809,72
Oct 20, 2023	19.334.057,77	43.053,74	19.377.111,51	-	65.217,78	65.217,78	-	192.791,11	192.791,11	-	98.388,89	98.388,89	-	101.966,67	101.966,67	-	16.994,44	16.994,44
Jan 22, 2024	16.990.785,56	30.359,18	17.021.144,74	-	66.635,56	66.635,56	-	196.982,22	196.982,22	-	100.527,78	100.527,78	-	104.183,33	104.183,33	-	17.363,89	17.363,89
Apr 22, 2024	14.686.343,06	17.794,06	14.704.137,12	-	64.508,89	64.508,89	-	190.695,56	190.695,56	-	97.319,44	97.319,44	-	100.858,33	100.858,33	-	16.809,72	16.809,72
Jul 22, 2024	11.385.539,58	7.770,63	11.393.310,21	1.634.723,71	64.508,89	1.699.232,60	-	190.695,56	190.695,56	-	97.319,44	97.319,44	-	100.858,33	100.858,33	-	16.809,72	16.809,72
Oct 21, 2024				21.565.276,29	59.963,45	21.625.239,74	32.800.000,00	190.695,56	32.990.695,56	10.000.000,00	97.319,44	10.097.319,44	6.000.000,00	100.858,33	6.100.858,33	1.000.000,00	16.809,72	1.016.809,72

**ESTIMATED FLOWS FOR EVERY NOTE WITHOUT WITHHOLDING FOR THE HOLDER**  
**(AMOUNTS IN EUR)**  
**CPR = 9.00%**

Date	CLASS A			CLASS B			CLASS C			CLASS D			CLASS E			CLASS Z		
	Principal	Interest	Cashflow	Principal	Interest	Cashflow	Principal	Interest	Cashflow	Principal	Interest	Cashflow	Principal	Interest	Cashflow	Principal	Interest	Cashflow
	728.000.000,00	6.594.880,90	734.594.880,90	23.200.000,00	1.575.860,00	24.775.860,00	32.800.000,00	4.658.420,00	37.458.420,00	10.000.000,00	2.377.375,00	12.377.375,00	6.000.000,00	2.463.825,00	8.463.825,00	4.000.000,00	1.034.143,41	5.034.143,41
Jun 21, 2018	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Oct 22, 2018	-	671.580,00	671.580,00	-	87.193,33	87.193,33	-	257.753,33	257.753,33	-	131.541,67	131.541,67	-	136.325,00	136.325,00	-	90.883,33	90.883,33
Jan 21, 2019	-	496.860,00	496.860,00	-	64.508,89	64.508,89	-	190.695,56	190.695,56	-	97.319,44	97.319,44	-	100.858,33	100.858,33	-	67.238,89	67.238,89
Apr 22, 2019	-	496.860,00	496.860,00	-	64.508,89	64.508,89	-	190.695,56	190.695,56	-	97.319,44	97.319,44	-	100.858,33	100.858,33	-	67.238,89	67.238,89
Jul 22, 2019	-	496.860,00	496.860,00	-	64.508,89	64.508,89	-	190.695,56	190.695,56	-	97.319,44	97.319,44	-	100.858,33	100.858,33	-	67.238,89	67.238,89
Oct 21, 2019	-	496.860,00	496.860,00	-	64.508,89	64.508,89	-	190.695,56	190.695,56	-	97.319,44	97.319,44	-	100.858,33	100.858,33	-	67.238,89	67.238,89
Jan 20, 2020	-	496.860,00	496.860,00	-	64.508,89	64.508,89	-	190.695,56	190.695,56	-	97.319,44	97.319,44	-	100.858,33	100.858,33	-	67.238,89	67.238,89
Apr 20, 2020	73.087.382,55	496.860,00	73.584.242,55	-	64.508,89	64.508,89	-	190.695,56	190.695,56	-	97.319,44	97.319,44	-	100.858,33	100.858,33	80.000,00	67.238,89	147.238,89
Jul 20, 2020	70.117.427,18	446.977,86	70.564.405,04	-	64.508,89	64.508,89	-	190.695,56	190.695,56	-	97.319,44	97.319,44	-	100.858,33	100.858,33	365.436,91	65.894,11	431.331,02
Oct 20, 2020	66.801.698,76	403.508,68	67.205.207,44	-	65.217,78	65.217,78	-	192.791,11	192.791,11	-	98.388,89	98.388,89	-	101.966,67	101.966,67	350.587,14	60.407,82	410.994,96
Jan 20, 2021	62.834.112,06	357.415,51	63.191.527,57	-	65.217,78	65.217,78	-	192.791,11	192.791,11	-	98.388,89	98.388,89	-	101.966,67	101.966,67	334.008,49	54.449,79	388.458,28
Apr 20, 2021	58.923.041,73	307.232,58	59.230.274,31	-	63.800,00	63.800,00	-	188.600,00	188.600,00	-	96.250,00	96.250,00	-	99.750,00	99.750,00	314.170,56	47.713,21	361.883,77
Jul 20, 2021	55.076.803,32	270.431,30	55.347.234,62	-	64.508,89	64.508,89	-	190.695,56	190.695,56	-	97.319,44	97.319,44	-	100.858,33	100.858,33	294.615,21	42.962,24	337.577,45
Oct 20, 2021	50.922.842,93	235.400,08	51.158.243,01	-	65.217,78	65.217,78	-	192.791,11	192.791,11	-	98.388,89	98.388,89	-	101.966,67	101.966,67	275.384,02	38.427,53	313.811,55
Jan 20, 2022	47.075.896,07	200.263,32	47.276.159,39	-	65.217,78	65.217,78	-	192.791,11	192.791,11	-	98.388,89	98.388,89	-	101.966,67	101.966,67	254.614,21	33.747,53	288.361,74
Apr 20, 2022	40.226.727,64	164.133,54	40.390.861,18	-	63.800,00	63.800,00	-	188.600,00	188.600,00	-	96.250,00	96.250,00	-	99.750,00	99.750,00	235.379,48	28.780,93	264.160,41
Jul 20, 2022	36.686.917,41	138.502,50	36.825.419,91	-	64.508,89	64.508,89	-	190.695,56	190.695,56	-	97.319,44	97.319,44	-	100.858,33	100.858,33	201.133,64	25.144,05	226.277,69
Oct 20, 2022	32.657.973,12	114.710,53	32.772.683,65	-	65.217,78	65.217,78	-	192.791,11	192.791,11	-	98.388,89	98.388,89	-	101.966,67	101.966,67	183.434,59	22.002,20	205.436,79
Jan 20, 2023	28.847.596,05	92.176,53	28.939.772,58	-	65.217,78	65.217,78	-	192.791,11	192.791,11	-	98.388,89	98.388,89	-	101.966,67	101.966,67	111.235,75	18.884,83	130.120,58
Apr 20, 2023	25.071.897,63	70.700,57	25.142.598,20	-	63.800,00	63.800,00	-	188.600,00	188.600,00	-	96.250,00	96.250,00	-	99.750,00	99.750,00	-	16.625,00	16.625,00
Jul 20, 2023	22.401.688,36	54.374,56	22.456.062,92	-	64.508,89	64.508,89	-	190.695,56	190.695,56	-	97.319,44	97.319,44	-	100.858,33	100.858,33	-	16.809,72	16.809,72
Oct 20, 2023	18.973.047,30	39.514,92	19.012.562,22	-	65.217,78	65.217,78	-	192.791,11	192.791,11	-	98.388,89	98.388,89	-	101.966,67	101.966,67	-	16.994,44	16.994,44
Jan 22, 2024	16.623.333,95	26.997,94	16.650.331,89	-	66.635,56	66.635,56	-	196.982,22	196.982,22	-	100.527,78	100.527,78	-	104.183,33	104.183,33	-	17.363,89	17.363,89
Apr 22, 2024	14.331.520,65	14.790,88	14.346.311,53	-	64.508,89	64.508,89	-	190.695,56	190.695,56	-	97.319,44	97.319,44	-	100.858,33	100.858,33	-	16.809,72	16.809,72
Jul 22, 2024	7.340.093,29	5.009,61	7.345.102,90	23.200.000,00	64.508,89	23.264.508,89	32.800.000,00	190.695,56	32.990.695,56	10.000.000,00	97.319,44	10.097.319,44	6.000.000,00	100.858,33	6.100.858,33	1.000.000,00	16.809,72	1.016.809,72

#### 4.11 Representation of security holders

On the terms provided for in Article 26.1 of Law 5/2015, it shall be the Management Company's duty to act using its best endeavours and transparency in defending the interests of Noteholders and lenders. In addition, in accordance with Article 26.2 of Law 5/2015, the Management Company shall be liable to Noteholders and other creditors of the Fund for all losses caused to them by a breach of its duties.

Additionally, the Meeting of Creditors shall be established upon and by virtue of the Deed of Incorporation and shall remain in force and in effect until repayment of the Notes in full or cancellation of the Fund.

The terms and conditions of the rules for the Meeting of Creditors (the "**Rules**") are the following:

### **RULES FOR THE MEETING OF CREDITORS**

#### **TITLE I GENERAL PROVISIONS**

##### **Article 1 General**

- 1.1 According to Article 37 of Law 5/2015, the Meeting of Creditors will be validly constituted upon execution of the public deed for the incorporation of the Fund and asset-backed securities issuance.
- 1.2 The contents of these Rules are deemed to form part of each Note issued by the Fund.
- 1.3 The Rules also govern the relationship of the Noteholders with the Start-up Loan provider (the "**Other Creditor**"). No creditor of the Fund other than the Noteholders and the Other Creditor shall have the right to vote at any Meeting of Creditors.
- 1.4 Any matter relating to the Meeting of Creditors which is not regulated under these Rules shall be regulated in accordance with Article 37 of the Law 5/2015 and, if applicable, in accordance with the provisions contained in Royal Decree-Law 1/2010 of 2 July approving the Restated Text of the Capital Companies Act ("**Capital Companies Act**"), relating to the Security-holders' Syndicate ("*sindicato de obligacionistas*"), as amended.
- 1.5 All and any Noteholders and the Other Creditor are members of the Meeting of Creditors and shall be subject to the provisions established in these Rules as modified by the Meeting of Creditors.
- 1.6 The Meeting of Creditors convened by the Management Company shall have the objective of defending the interests of the Noteholders and the Other Creditor, but limited to what is set out in the Transaction Documents and without distinction between the different Classes of Noteholders and Other Creditor. Any information given to one Class of Noteholders must be given to the rest of Noteholders and the Other Creditor.

##### **Article 2 Definitions**

All capitalised terms of these Rules not otherwise defined herein shall have the same meaning set forth in the Prospectus.

- "**Extraordinary Resolution**" means a resolution passed at a Meeting of Creditors duly convened and held in accordance with the Rules which is necessary to approve a Reserved Matter.
- "**Resolution**" means a resolution (different from the Extraordinary Resolutions) passed by the applicable Noteholders or Other Creditor at a Meeting of Creditors or by virtue of a Written Resolution.

- “**Transaction Party**” means any person who is a party to a Transaction Document and “**Transaction Parties**” means some or all of them.
- “**Transaction Documents**” means the following documents: (i) Deed of Incorporation of the Fund; (ii) the notarised receivables assigning certificate (*póliza de cesión*) of the Initial Receivables; (iii) the Note Issue Management and Subscription Agreement; (iv) the Start-up Loan Agreement; (v) the Note Issue Paying Agent Agreement; (vi) the Guaranteed Interest Rate Account (Principal Account) Agreement; (vii) the Guaranteed Interest Rate Account (Treasury Account) Agreement; (viii) the Financial Intermediation Agreement; (ix) the Servicing Agreement; and (x) any other documents executed from time to time after the Date of Incorporation in connection with the Fund and designated as such by the relevant parties.
- “**Written Resolution**” means a resolution in writing approved by or on behalf of all Noteholders and the Other Creditor for the time being outstanding who for the time being entitled to receive notice of a meeting in accordance with the Rules for the Meeting of Creditors, whether contained in one document or several documents in the same form, each signed by or on behalf of one or more such Noteholders or by or on behalf of one or more of the Other Creditor.

### **Article 3**

#### *Separate and combined meetings*

- 3.1 A Resolution or an Extraordinary Resolution which in the opinion of the Management Company affects the Notes of only one Class and/or the Other Creditor shall be transacted at a separate meeting of the Noteholders of such Class and/or the Other Creditor without prejudice of the provisions of section 1.6 above.
- 3.2 A Resolution or an Extraordinary Resolution which in the opinion of the Management Company affects the Noteholders of more than one Class of Notes and/or the Other Creditor but does not give rise to an actual or potential conflict of interest between the Noteholders of one Class of Notes and the holders of the other Class/es of Notes and/or the Other Creditor shall be transacted either at separate Meeting of Creditors of each such Class or at a single Meeting of Creditors of the affected Classes of Notes or at a single Meeting of Creditors of the affected Classes of Notes and the Other Creditor as the Management Company shall determine in its absolute discretion without prejudice of the provisions of section 1.6 above.
- 3.3 A Resolution or an Extraordinary Resolution which in the opinion of the Management Company affects the Noteholders of more than one Class of Notes and/or the Other Creditor and gives rise to any actual or potential conflict of interest between the Noteholders of one Class of Notes and the Noteholders of other Class/es of Notes and/or the Other Creditor shall be transacted at separate meetings of the Noteholders of each such Class of Notes and of the Other Creditor without prejudice of the provisions of section 1.6 above.

### **Article 4**

#### *Meetings convened by Noteholders and the Other Creditor*

- 4.1 A Meeting of Creditors shall be convened or call for a Written Resolution shall be made by the Management Company upon the request in writing of a Class or Classes of Noteholders holding no less than 10 per cent of the aggregate Outstanding Principal Balance of the Notes of the relevant Class or Classes or Other Creditor holding no less than 10 per cent of the outstanding principal amount due to such Other Creditor. Noteholders and the Other Creditor can also participate in a Meeting of Creditors convened by the Management Company.
- 4.2 However, unless the Management Company, on behalf of the Fund, has an obligation to take such action under these Rules, the Noteholders and the Other Creditor are not entitled to instruct or direct the Management Company to take any actions without the consent of the Meeting of Creditors.



**TITLE II**  
**MEETING PROVISIONS**

**Article 5**  
*Convening of Meeting*

- 5.1 The Management Company may at its discretion convene a meeting at any time and shall convene a meeting if so instructed by the relevant percentage of Noteholders or the Other Creditor set forth in section 4.1 above.
- 5.2 Whenever the Management Company is about to convene any such meeting, it shall immediately give notice of the date thereof and of the nature of the business to be transacted thereat, through the publication of a material event (*hecho relevante*) with the CNMV.
- 5.3 The resources needed and the costs incurred for each Meeting of Creditors shall be provided and borne by the Fund.
- 5.4 For each Meeting of Creditors, the Management Company will designate a representative and, therefore, no commissioner (*comisario*) shall be appointed for any Meeting of Creditors.

**Article 6**  
*Notice*

- 6.1 The Management Company shall give at least 21 calendar days' notice (exclusive of the day on which the notice is given and of the day on which the meeting is to be held) specifying the date, time and place of the initial meeting ("**Initial Meeting**") to the Noteholders and the Other Creditor.
- 6.2 Without prejudice to the above, the Management Company may adjourn such Initial Meeting for 10 calendar days ("**Adjourned Meeting**").

**Article 7**  
*Quorums at Initial Meeting and Adjourned Meetings*

- 7.1 The quorum at any Initial Meeting to vote on a Resolution shall be at least one or more persons holding or representing a majority (more than fifty per cent (50%)) of the Outstanding Principal Balance of the Notes of the relevant Class or Classes.
- 7.2 The quorum at any Adjourned Meeting to vote on a Resolution shall be at least one or more persons being or representing Noteholders of the relevant Class or Classes.
- 7.3 The quorum at any Initial Meeting to vote on an Extraordinary Resolution shall be at least one or more persons holding or representing not less than seventy-five per cent (75%) of the Outstanding Principal Balance of the Notes of the relevant Class or Classes form a quorum unless the Reserved Matter is to decide the Early Liquidation of the Fund in accordance with Article 23.2 b) of Law 5/2015, in which case it shall be at least one or more persons holding or representing not less than seventy-five per cent (75%) of the Outstanding Principal Balance of the Notes of the relevant Class or Classes and seventy-five per cent (75%) of the outstanding principal amount due to the Other Creditor.
- 7.4 The quorum at any Adjourned Meeting to vote on an Extraordinary Resolution shall be at least one or more persons holding or representing more than fifty per cent (50%) of the Outstanding Principal Balance of the Notes of the relevant Class or Classes form a quorum, unless the Reserved Matter is to decide the Early Liquidation of the Fund in accordance with Article 23.2 b) of Law 5/2015, in which case it shall be at least one or more persons holding or representing not less than seventy-five per cent (75%) of the Outstanding Principal Balance of the Notes of the relevant Class or Classes and seventy-five per cent (75%) of the outstanding principal amount due to the Other Creditor.

- 7.5 There is no minimum quorum of Other Creditor for a valid quorum of any Initial Meeting or Adjourned Meeting except for such Meeting is to decide the Early Liquidation of the Fund in accordance with Article 23.2 b) of Law 5/2015, in which case one or more persons holding or representing not less than seventy-five per cent (75%) of the outstanding principal amount due to the Other Creditor shall attend.

For the purposes of calculating the relevant quorum and the required majority, the entitlement of the Noteholders and Other Creditor to attend the meeting or to vote shall be determined by reference to the Outstanding Principal Balance of the Notes of the relevant Class or Classes or the outstanding principal due to the Other Creditor on the immediately preceding Payment Date to the convening of the Meeting.

#### **Article 8**

##### *Required Majority*

- 8.1 A Resolution or an Extraordinary Resolution is validly passed at any Initial Meeting and/or Adjourned Meeting when not less than seventy-five per cent (75%) of votes cast by the Noteholders and the Other Creditor attending the relevant meeting have been cast in favour of it.
- 8.2 An Extraordinary Resolution to decide the Early Liquidation of the Fund in accordance with Article 23.2 b) of Law 5/2015 is validly passed at any Initial Meeting and/or Adjourned Meeting when not less than seventy-five per cent (75%) of the total outstanding principal held by the Noteholders and not less than seventy-five per cent (75%) of the total outstanding principal held by the Other Creditor have been cast in favour thereof, also taking into account those not attending the relevant meeting.

For the purposes of calculating the required majority, the entitlement of the Noteholders and Other Creditor to vote shall be determined by reference to the Outstanding Principal Balance of the Notes of the relevant Class or Classes or the outstanding principal due to the Other Creditor on the immediately preceding Payment Date to the convening of the Meeting.

#### **Article 9**

##### *Written Resolution*

- 9.1 A Written Resolution is validly passed in respect of a Class of Notes or the Other Creditor when it has been approved by or on behalf of the Noteholders and the Other Creditor (as applicable) holding one hundred per cent (100%) of the Principal Amount Outstanding of the relevant Class of Notes or the relevant credit. A Written Resolution shall take effect as if it were an Extraordinary Resolution.

#### **Article 10**

##### *Matters requiring an Extraordinary Resolution*

- 10.1 An Extraordinary Resolution is required to approve any Reserved Matter.

#### **Article 11**

##### *Reserved Matters*

- 11.1 The following are "**Reserved Matters**":
- (i) to change any date fixed for the payment of principal or interest in respect of the Notes, to reduce the amount of principal or interest due on any date in respect of the Notes or to alter the method of calculating the amount of any payment in respect of the Notes on redemption or maturity;
  - (ii) to change the margin on any Class of the Notes;
  - (iii) to change the currency in which amounts due in respect of the Notes are payable;
  - (iv) to alter the priority of payment of interest or principal in respect of the Notes;

- (v) to change the quorum required at any Meeting of Creditors or the majority required to pass an Extraordinary Resolution;
- (vi) to authorise the Management Company or (if relevant) any other Transaction Party to perform any act or omission which is not expressly regulated under the Deed of Incorporation and other Transaction Documents;
- (vii) to de-list all or part of the Notes;
- (viii) to approve the termination of the Fund in accordance with Article 23.2.b) of Law 5/2015;
- (ix) to approve any proposal by the Management Company for any modification of the Deed of Incorporation or any arrangement in respect of the obligations of the Fund under or in respect of the Notes;
- (x) to instruct the Management Company or any other person to do all that may be necessary to give effect to any Extraordinary Resolution;
- (xi) to give any other authorisation or approval which under the Deed of Incorporation or the Notes is required to be given by Extraordinary Resolution;
- (xii) to appoint any persons as a committee to represent the interests of the Noteholders and to confer upon such committee any powers which the Noteholders could themselves exercise by Extraordinary Resolution; and
- (xiii) to amend this definition of Reserved Matters.

## **Article 12**

### *Relationships between Classes of Noteholders*

12.1 In relation to each Class of Notes:

- (a) a Resolution or Extraordinary Resolution of any Class of Notes shall only be effective if it is sanctioned by an Extraordinary Resolution of the holders of the other Class of Notes ranking senior to such Class (unless the Management Company considers that none of the holders of the other Class of Notes ranking senior to such Class would be materially prejudiced by the absence of such sanction); and
- (b) any Resolution or Extraordinary Resolution passed at a Meeting of Creditors of one or more Classes of Notes duly convened and held in accordance with these Rules and the Deed of Incorporation shall be binding upon all Noteholders of such Class or Classes, whether or not present at such meeting and whether or not voting.

## **Article 13**

### *Relationships between Noteholders and the Other Creditor*

- 13.1 Any resolution passed at a Meeting of Creditors duly convened and held in accordance with these Rules and the Deed of Incorporation shall be binding upon all Noteholders and the Other Creditor.
- 13.2 In addition, so long as any Notes are outstanding and there is, in the Management Company's sole opinion, a conflict between the interests of the Noteholders and the Other Creditor, the Management Company shall have regard solely to the interests of the Noteholders in the exercise of its discretion.

## **Article 14**

### *Domicile*

- 14.1 The Meeting of Creditors' domicile is located at the Management Company's registered office, i.e., Lagasca 120, 28006 Madrid (Spain).

- 14.2 Nevertheless, the Meeting of Creditors may meet whenever appropriate at any other venue in the city of Madrid, with express specification in the notice of call to meeting.

### **TITLE III GOVERNING LAW AND JURISDICTION**

#### **Article 15** *Governing law and jurisdiction*

- 15.1 These Rules and any non-contractual obligations arising therefrom or in connection therewith are governed by, and will be construed in accordance with, the common laws of Spain.
- 15.2 All disputes arising out of or in connection with these Rules, including those concerning the validity, interpretation, performance and termination hereof, shall be exclusively settled by the Courts of the city of Madrid.

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

##### **a) Corporate resolutions**

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

The Executive Committee of EUROPEA DE TITULIZACIÓN's Board of Directors resolved on 8 May 2018 that:

- i) BBVA CONSUMER AUTO 2018-1 FONDO DE TITULIZACIÓN to be set up in accordance with the legal framework provided for by Law 5/2015, and all other legal and regulatory provisions in force and applicable from time to time.
- ii) Receivables assigned by BBVA under loans carried as assets of BBVA granted to individuals resident in Spain for financing the purchase of new and/or used vehicles, either the initial receivables at inception or, thereafter, the additional receivables during the revolving period, to be pooled in the Fund.
- iii) The Notes to be issued by the Fund.

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

BBVA's Standing Executive Committee resolved at its meeting held on March 13, 2018 to authorise the assignment, once or several times, of receivables from loans and/or credits without mortgage security, granted by BBVA for financing the purchase by individuals of new and/or used vehicles and of a maturity not exceeding 12 years, initially, amounting in aggregate to not more than EUR ONE BILLION (€1,000,000,000.00) to one or several open-end securitisation funds, sponsored by BBVA.

In addition, that resolution provides that a revolving period of not more than 24 months may be established upon the securitisation fund or funds being set up during which BBVA may assign additional receivables amounting to not more than the amounts of the receivables assigned and repaid during the revolving period.

##### **a) Registration by the CNMV**

A condition precedent for the Fund to be established, inter alia, is that this Prospectus be approved by and entered at the CNMV, in accordance with the provisions of Article 22.1 d) of Law 5/2015.

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

##### **b) Execution of the Fund public deed of incorporation**

Upon the CNMV registering this Prospectus, the Management Company shall proceed, with BBVA, as Originator of the Receivables, to execute on 18 June 2018 a public deed whereby BBVA CONSUMER

AUTO 2018-1 FONDO DE TITULIZACIÓN will be incorporated and the Fund will issue the Asset-Backed Notes, 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 Incorporation 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 Incorporation 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 Incorporation 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**

Issuance of the Notes shall be effected by the Deed of Incorporation on 18 June 2018.

##### **4.13.1 Pool of potential investors to whom the Notes are offered**

BBVA shall subscribe for the whole of the Class A, B and C Notes issue and for part of the Class D, E and Z Notes issue and MERRILL LYNCH INTERNATIONAL shall subscribe for the Class D, E and Z Notes not subscribed by BBVA, as detailed in section 4.1.3 of this Securities Note.

Consequently, in accordance with the Securities Market Law and applicable implementing regulations, the offer of the Notes shall not be considered a public offering.

Similarly, the Notes shall not be offered or sold to: (i) a retail investor in the European Economic Area within the meaning of point (11) of Article 4(1) of MiFID II, (ii) a client in accordance with the provisions of Directive 2002/92/EC, where a customer is not classified as a professional client per the definition of point (10) of Article 4(1) of MiFID II; or (iii) a person who is not a qualified investor per the definition of Royal Decree 1310/2005 (as currently worded).

For the above purposes, the term “offer” includes communication in any form and by any means, of sufficient information on the terms of the offer and on the Notes offered such as enables an investor to decide whether to purchase or subscribe for the Notes.

By subscribing the Notes, each Noteholder agrees to the terms of the Deed of Incorporation and this Prospectus.

#### **Tranches**

Each Class is composed of a single placement class.

##### **4.13.2 Date or period for subscribing for or acquiring the Notes**

BBVA shall subscribe for the whole of the Class A, B and C Notes issue and for part of the Class D, E and Z Notes issue on 18 June 2018 and MERRILL LYNCH INTERNATIONAL shall subscribe on 18 June 2018 for the Class D, E and Z Notes not subscribed by BBVA by virtue of the Note Issue Management and Subscription Agreement, as detailed in section 4.1.3 of this Securities Note.

##### **4.13.3 Method and dates for paying for the subscription**

BBVA and MERRILL LYNCH INTERNATIONAL shall pay the total price of the face value of the Notes that they have subscribed (net of the fee received by MERRILL LYNCH INTERNATIONAL for subscribing the Notes) on the Closing Date, prior to 1 pm (CET), for same value date.

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

There are no restrictions on the free transferability of the Notes. They may be freely transferred by any means admissible at Law and in accordance with the rules of the AIAF Mercado de Renta Fija (“AIAF”) where their admission to trading shall be applied for by the Management Company. A transfer in the

accounts (book entry) will convey the ownership of each Note. 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 Notes having been paid up, apply for this Note Issue to be admitted to trading on AIAF, which is a qualified official secondary securities market pursuant to Article 43.2 d) of the Securities Market Law. The Management Company undertakes to carry out any action that may be necessary in order for that definitive admission to trading be achieved not later than one (1) 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 Notes to be eligible for being or remain listed and be delisted 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 abide by the same.

In the event that, by the end of the one (1) month period referred to in the first paragraph of this section, the Notes are not admitted to trading on the AIAF, the Management Company shall forthwith proceed to notify Noteholders thereof, moreover advising of the reasons for such breach, using the extraordinary notice procedure provided for in section 4.1.2 of the Additional 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.

It is not expected that there will be an agreement with any entity to provide liquidity for the Notes during the term of the issue.

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

#### **5.2.1 Note Issue Paying Agent**

The Note Issue will be serviced through BBVA as Paying Agent. Payment of interest and repayments shall be notified to Noteholders in the events and in such advance as may be provided for each case in section 4.1.1 of the Additional Building Block. Interest and amortisation of principal shall be paid to Noteholders 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 (the “**Note Issue Paying Agent Agreement**”) to service the Note Issue, the most significant terms of which are given in section 3.4.7.1 of the Additional 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 Notes amount to EUR one million one hundred and fifty thousand (€1,150,000.00). 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 fee to be paid to MERRILL LYNCH INTERNATIONAL as Subscriber and the initial fee payable to European DataWarehouse (“**EDW**”).

EDW is a company created with the support of the European Central Bank, founded and governed by market participants. It operates as a service company to respond to the need to providing information to investors in asset-backed securities.

## 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 legal adviser, has provided legal advice for establishing the Fund and issuing the Notes and has been involved in drawing up this Prospectus and in reviewing its legal, tax and contractual implications, the transaction and financial service agreements referred to herein, the Deed of Incorporation and the notarised certificate assigning the Initial Receivables.

MERRILL LYNCH INTERNATIONAL has designed the financial terms of the Fund and of the Note 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 prepared the special securitisation report on the most significant features of a sample of the selected loans on the terms set forth in section 2.2 of the Additional Building Block.

### 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 Additional Building Block, and of the remaining information on BBVA, on the Loans and on the Receivables given in this Prospectus.

In the Deed of Incorporation of the Fund and in each of the assignments of 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 incorporated 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 could render the information reproduced being inaccurate or deceptive.

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

DBRS and Moody's have, on the registration date of this Prospectus, assigned the following provisional ratings to the following Note Classes, and expect to assign the same final ratings by 1pm (CET) on 20 June 2018.

Note Class	DBRS Ratings	Moody's Ratings
Class A	AA (low) (sf)	Aa1 (sf)
Class B	A (sf)	A1 (sf)
Class C	BBB (sf)	Baa1 (sf)
Class D	BB (sf)	Ba2 (sf)
Class E	NR	B3 (sf)
Class Z	NR	Ca (sf)

Classes E and Z Notes have not been rated by DBRS.

If by 1pm (CET) on 20 June 2018 the Rating Agencies do not confirm as final any of the assigned provisional ratings, this circumstance shall forthwith be notified to the CNMV and be publicised in the manner provided for in section 4.1.2.2 of the Additional Building Block. Furthermore, this circumstance would result in the incorporation of the Fund, the Note 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 meaning of the ratings assigned to the Notes by DBRS and Moody's can be viewed at those Rating Agencies' websites: respectively [www.dbrs.com](http://www.dbrs.com) and [www.moody.com](http://www.moody.com).

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 and should not prevent potential investors from conducting their own analyses of the notes to be acquired. The ratings are not by any means a rating of the level of actuarial performance.

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 Noteholders, in accordance with the provisions of section 4.1 of the Additional Building Block.



**ADDITIONAL BUILDING BLOCK OF THE SECURITIES NOTE**  
**(Annex VIII to Commission Regulation (EC) No. 809/2004 of 29 April 2004)**

**1. SECURITIES**

**1.1 Minimum denomination of the issue**

The Fund shall be set up with the Initial Receivables which BBVA will assigned to the Fund upon being established and their total principal shall be equal to or slightly under EUR eight hundred million (€800,000,000), the aggregate face value amount of the Class A, B, C, D and E Notes.

In addition, the Fund shall issue a Class Z of Notes with an aggregate face value of EUR four million (€4,000,000.00), which shall be used to set up the Initial Cash Reserve and be deposited in the Treasury Account.

**1.2 Confirmation that the information relating to an undertaking or obligor not involved in the issue has been accurately 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 Notes issued to be satisfied.

Nevertheless, in order to hedge 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 Notes in each Class to be covered to a different extent. In exceptional circumstances, the enhancement transactions could actually fall short. The credit enhancement transactions are described in section 3.4.2, 3.4.3 and 3.4.4 of this Additional Building Block.

Not all the Notes issued have the same risk of default. Hence the different credit ratings assigned by the Rating Agencies to the Notes, 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 an event or circumstance of any nature unrelated to the Fund's operations or (ii) default indicating a serious permanent imbalance in relation to any of the Note Class or suggesting that it will occur, the Management Company may proceed to Early Liquidation of the Fund and thereby Early Amortisation of the Note 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 carried as assets of BBVA under consumer Loans granted to individuals resident in Spain for financing the purchase of new or used vehicles, comprising the Initial Receivables assigned to the Fund upon being established and the Additional Receivables later assigned during the Revolving Period.

Out of the selected portfolio loans at 21 May 2018 from which the Initial Receivables will be taken to be assigned to the Fund, 21.58% (30.24% in terms of outstanding principal) include a reservation of title clause with respect to the purchased vehicle for the benefit of BBVA, but not all such reservations of title are entered in the Chattels Register. Where initially provided for in the loan agreement, the reservation of

title can be entered by the Originator after the loan is arranged if the Obligor shows any sign whatsoever of inconsistency in payment of loan instalments, and that entry shall have the same legal effects as if it had been made upon the loan being arranged (although the effects of registration will only apply once registration has actually been made).

Under a reservation of title, title to the vehicles is not transferred to the Obligor absolutely until the Obligor has fulfilled all the obligations under the relevant loan agreement. Once the Obligor has fulfilled all obligations under the loan agreement, absolute title to the relevant vehicle shall be acquired by the Obligor, but the Obligor cannot until then dispose of the vehicle, other than with the consent of the beneficiary of the reservation of title.

If the reservation of title is entered in the Chattels Register, it shall be enforceable as against bona fide third parties following registration. Before it is entered in the Chattels Register, it shall be enforceable as against all third parties who were aware of the existence of that clause from the date on which they learned of its existence.

Upon being entered in the Chattels Register, the reservation of title vests the holder with a number of privileges over other creditors of the Obligor, such as the preference and priority established in Articles 1922 and 1926 of the Civil Code, and the creditor being considered to have a special privilege, all in terms of Article 16.5 of Law 28/1998 and Article 90.4 of the Insolvency Law. In addition, once the reservation of title has been entered in the Chattels Register, their holder may avail of the specific actions and proceedings provided for in Law 28/1998 and the Civil Procedure Law. There are no plans for the assignment of the Receivables and, concurrently, the benefit of reservations of title, to be entered in the Chattels Register in favour of the Fund. The Chattels Register is interconnected with the Vehicles Register at the Traffic Directorate General, which is a public register the purpose of which is informing as to title to a vehicle, its specifications, the number of previous owners, its administrative status (whether it is authorised to be used on the roads), the technical vehicle inspection (MOT) expiry date and charges or liens preventing the vehicle from being transferred.

BBVA usually originates loans for financing the purchase of vehicles initially amounting to no more than EUR 20,000 in a private document without a reservation of title clause, whereas loans for a higher amount are generally originated in a private document with a reservation of title clause. Additionally, BBVA usually arranges loans initially amounting to more than EUR 30,000 in an agreement certified by a commissioner for oaths. Out of the random sample selected by Deloitte to review the selected portfolio at 21 May 2018 described at the end of this same section, 509 sample loans (accounting for 99.80% of the number of sample transactions and 99.23% in terms of current balance of the sample) are loans originated in a private document and 1 sample loan (accounting for 0.20% of the number of sample transactions and 0.77% in terms of current balance of the sample) originated in an agreement certified by a commissioner for oaths.

BBVA's rights under insurance policies with a payment protection plan (death, total permanent disability due to accident, temporary disability, unemployment insurance or driver's licence disqualification insurance), if any, attached to the Loans shall be assigned to the Fund, but compulsory insurance policies taken out for the vehicles are excluded from assignment. In any case, it is not by any means a requirement for Obligors to take out insurance policies with a payment protection plan.

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 below in this section in accordance with the provisions of the Deed of Incorporation.

### **Maximum Receivable Amount**

The maximum amount of the Outstanding Balance of the Receivables pooled in the Fund shall be EUR eight hundred million (€800,000,000.00) (the "**Maximum Receivable Amount**"), equivalent to the aggregate face value of the Class A, B, C, D and E Notes.

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

The securitised assets are governed by Law 7/1995 or Law 16/2011, and Law 28/1998, shall apply, as the case may be. Law 16/2011 does not apply to loans in force on the effective date of such Law as provided for in its Transitional Provision.

The main novelties of Law 16/2011 lie in the definition of consumer credit, information duties, related contracts, the right to withdrawal, and arbitration as a means for resolving disputes. These statutory novelties are the result of the transposition into Spanish Law of Directive 2008/48/EC of the European Parliament and of the Council of 23 April 2008 on credit agreements for consumers and repealing Council Directive 87/102/EEC of the Council.

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

Simultaneously upon executing the Deed of Incorporation 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 undetermined number of Initial Receivables whose total principal shall be equal to the Maximum Receivable Amount (EUR 800,000,000.00) or a slightly lower amount closest thereto, given how difficult it is to exactly adjust to that amount because each of the Receivables will be assigned at each of their total outstanding 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 notarised assignment certificate, to be executed concurrently with the Deed of Incorporation, 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 101,709 loans, with outstanding principal at 21 May 2018 of EUR 919,110,157.14 and overdue principal of EUR 187,505.69.

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

Deloitte has reviewed a sample of the 101,709 selected loans from which the Initial Receivables shall be taken.

That review was performed 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, new or used vehicle, type of vehicle, identification of the obligor, loan origination date, loan maturity date, initial loan amount, current loan balance, fixed interest rate, repayment system, arrears in payment, transfer of the loans, insurance policies with a payment protection plan; and additionally, for loans with reservation of title over the financed vehicle, regarding: reservation of title, vehicle sale value, vehicle brand and vehicle identification. Selected loans in respect of which errors are detected in verifying the sample shall not be assigned to the Fund by the Originator.

The results are set out in a special securitisation 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 Initial Receivables: 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 of the selected loan obligors and type of employment of obligors**

The selected loan obligors are individuals. The following table gives the concentration of the ten obligors with the greatest weight in the portfolio of selected loans at 21 May 2018.

Selected loan portfolio at 21.05.2018				
Classification by Obligor				
	Loans		Outstanding principal (EUR)	
	No.	%		%
Obligor 1	1	0.001	64,328.91	0.007
Obligor 2	1	0.001	63,629.78	0.007
Obligor 3	1	0.001	61,496.86	0.007
Obligor 4	1	0.001	60,110.17	0.007
Obligor 5	1	0.001	59,053.95	0.006
Obligor 6	1	0.001	58,302.27	0.006
Obligor 7	1	0.001	58,117.75	0.006
Obligor 8	1	0.001	56,201.89	0.006
Obligor 9	1	0.001	52,656.99	0.006
Obligor 10	1	0.001	51,758.88	0.006
Rest of obligors: 101,356	101,699	99.990	918,524,499.69	99.936
<b>Total: 101,366 obligors</b>	<b>101,709</b>	<b>100.00</b>	<b>919,110,157.14</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 the same obligor. The concentration of the ten obligors with the greatest weight in the portfolio of selected loans is 0.064%, in terms of outstanding principal.

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

Selected loan portfolio at 21.05.2018				
Classification by type of employment of the obligor				
	Loans		Outstanding principal (EUR)	
	No.	%		%
Salaries employment under a permanent contract	57,293	56.33	520,426,705.23	56.62
Salaries employment under contracts other than an indefinite contract	10,914	10.73	99,279,707.17	10.80
Self-employed	11,333	11.14	106,284,495.59	11.56
Civil servant	5,830	5.73	53,745,418.02	5.85
Pensioner	10,011	9.84	81,798,627.92	8.90
Student	1,814	1.78	15,726,911.05	1.71
Landlord	151	0.15	1,470,737.49	0.16
Other*	4,363	4.29	40,377,554.67	4.39
<b>Total</b>	<b>101,709</b>	<b>100.00</b>	<b>919,110,157.14</b>	<b>100.00</b>

\* Includes: Housework and internships.

**b) Information regarding type of vehicle and distribution between new or used vehicle.**

The following table gives the distribution of the purpose of the selected loan portfolio at 21 May 2018.

Selected loan portfolio at 21.05.2018				
Type of vehicle				
	Loans		Outstanding principal (EUR)	
	No.	%		%
Automobiles:	<b>94,167</b>	<b>92.58</b>	<b>891,783,519.67</b>	<b>97.03</b>
<i>Passenger Cars</i>	87,740	86.27	810,143,902.34	88.14
<i>SUVs</i> <sup>1</sup>	4,482	4.41	62,489,114.54	6.80
<i>Light Commercial Vehicles</i>	1,184	1.16	11,842,120.57	1.29
<i>Mixed Vehicles</i> <sup>2</sup>	397	0.39	4,369,060.88	0.48
<i>Microcars</i>	364	0.36	2,939,321.34	0.32
Motorcycles:	<b>7,542</b>	<b>7.42</b>	<b>27,326,637.47</b>	<b>2.97</b>
<b>Total</b>	<b>101,709</b>	<b>100.00</b>	<b>919,110,157.14</b>	<b>100.00</b>

<sup>1</sup> Sport utility vehicles

<sup>2</sup> Vehicles for using both as *Passenger Cars* and/or *Light Commercial Vehicles*

The following table gives the distribution of the selected loan portfolio at 21 May 2018 between new or used vehicles.

Selected loan portfolio at 21.05.2018				
New or used vehicle				
	Loans		Outstanding principal (EUR)	
	No.	%		%
New	<b>55,352</b>	<b>54.42</b>	<b>518,016,746.95</b>	<b>56.36</b>
Used	<b>46,357</b>	<b>45.58</b>	<b>401,093,410.19</b>	<b>43.64</b>
<i>Used up to 5 years old</i>	15,204	14.95	149,681,511.05	16.29
<i>Used over 5 years old</i>	31,153	30.63	251,411,899.14	27.35
<b>Total</b>	<b>101,709</b>	<b>100.00</b>	<b>919,110,157.14</b>	<b>100.00</b>

Depreciation on a new vehicle is approximately 20% of its market value at the time of sale, together with a yearly average depreciation of 10% for the first three years (these percentages will vary depending on each model), and 6% from the fourth to the tenth.

BBVA's maximum admissible age for a used vehicle is 10 years in retail loans to finance the purchase of used vehicles. Where the vehicle is 8 years old or more, financing cannot exceed 24 months.

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

The following table gives the selected loan distribution based on year of origination of the selected loan portfolio at 21 May 2018.

Selected loan portfolio at 21.05.2018				
Classification by loan origination year				
Origination Year	Loans		Outstanding Principal	
	No.	%	(EUR)	%
2008	562	0.55	675,484.14	0.07
2009	1,343	1.32	4,044,123.13	0.44
2010	1,595	1.57	6,707,580.19	0.73
2011	2,456	2.41	11,567,675.22	1.26
2012	3,749	3.69	17,812,710.07	1.94
2013	4,560	4.48	22,904,693.26	2.49
2014	3,320	3.26	16,361,578.36	1.78
2015	5,827	5.73	37,670,189.37	4.10
2016	28,709	28.23	250,217,307.88	27.22
2017	48,893	48.07	542,696,589.92	59.05
2018	695	0.68	8,452,225.60	0.92
<b>Total</b>	<b>101,709</b>	<b>100.00</b>	<b>919,110,157.14</b>	<b>100.00</b>
	<b>1.58</b>	<b>Years</b>	<b>Weighted average age</b>	
	<b>9.92</b>	<b>Years</b>	<b>Maximum age</b>	
	<b>0.33</b>	<b>Years</b>	<b>Minimum age</b>	

**d) Information regarding selected loan principal**

The following table gives the outstanding loan principal distribution at 21 May 2018 by EUR 5,000 intervals, and the average, minimum and maximum amount. No details are given of intervals with no content.

Selected loan portfolio at 21.05.2018				
Classification by outstanding principal				
Principal interval (EUR)	Loans		Outstanding Principal	
	No.	%	(EUR)	%
0.00 -4,999.99	25,143	24.72	69,837,192.40	7.60
5,000.00 -9,999.99	38,054	37.41	289,944,881.02	31.55
10,000.00 -14,999.99	27,239	26.78	334,066,923.02	36.35
15,000.00 -19,999.99	6,486	6.38	110,005,552.18	11.97
20,000.00 -24,999.99	3,355	3.30	74,503,571.96	8.11
25,000.00 -29,999.99	1,130	1.11	30,320,741.53	3.30
30,000.00 -34,999.99	217	0.21	6,907,402.96	0.75
35,000.00 -39,999.99	50	0.05	1,839,093.86	0.20
40,000.00 -44,999.99	18	0.02	768,302.12	0.08
45,000.00 -49,999.99	7	0.01	330,838.64	0.04
50,000.00 -54,999.99	2	0.00	104,415.87	0.01
55,000.00 -59,999.99	4	0.00	231,675.86	0.03
60,000.00 -64,999.99	4	0.00	249,565.72	0.03
<b>Total</b>	<b>101,709</b>	<b>100.00</b>	<b>919,110,157.14</b>	<b>100.00</b>
	<b>Average principal:</b>		<b>9,036.66</b>	
	<b>Maximum principal:</b>		<b>64,328.91</b>	
	<b>Minimum principal:</b>		<b>500.01</b>	

e) **Information regarding applicable nominal interest rates applicable to the selected loans.**

The following table gives selected loan distribution by 0.50% nominal interest rate intervals applicable at 21 May 2018 and their average, minimum and maximum values. No details are given of intervals with no content.

<b>Selected loan portfolio at 21.05.2018</b>					
<b>Classification by applicable nominal interest rate</b>					
<b>% Interest Rate Interval</b>	<b>Loans</b>		<b>Outstanding Principal</b>		<b>% Interest Rate*</b>
	<b>No.</b>	<b>%</b>	<b>(EUR)</b>	<b>%</b>	
3.5000 - 3.9999	2,406	2.37	31,848,681.82	3.47	3.979
4.0000 - 4.4999	414	0.41	4,106,232.19	0.45	4.319
4.5000 - 4.9999	11,241	11.05	144,930,436.06	15.77	4.986
5.0000 - 5.4999	712	0.70	7,275,993.36	0.79	5.366
5.5000 - 5.9999	6,740	6.63	65,402,941.88	7.12	5.932
6.0000 - 6.4999	2,054	2.02	19,482,847.63	2.12	6.392
6.5000 - 6.9999	7,335	7.21	58,021,529.99	6.31	6.947
7.0000 - 7.4999	3,625	3.56	23,632,566.65	2.57	7.332
7.5000 - 7.9999	12,188	11.98	97,505,656.64	10.61	7.944
8.0000 - 8.4999	4,679	4.60	28,177,884.06	3.07	8.363
8.5000 - 8.9999	35,084	34.49	322,569,545.34	35.10	8.967
9.0000 - 9.4999	4,068	4.00	28,129,974.09	3.06	9.198
9.5000 - 9.9999	9,647	9.48	79,077,515.16	8.60	9.905
10.0000 - 10.4999	671	0.66	3,834,755.34	0.42	10.131
10.5000 - 10.9999	397	0.39	2,200,348.16	0.24	10.861
11.0000 - 11.4999	336	0.33	2,387,562.65	0.26	11.438
11.5000 - 11.9999	108	0.11	509,243.86	0.06	11.718
12.0000 - 12.4999	4	0.00	16,442.26	0.00	12.000
<b>Total</b>	<b>101,709</b>	<b>100.00</b>	<b>919,110,157.14</b>	<b>100.00</b>	
	<b>Weighted average:</b>				<b>7.665</b>
	<b>Simple average:</b>				<b>7.869</b>
	<b>Minimum:</b>				<b>3.750</b>
	<b>Maximum:</b>				<b>12.000</b>

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

f) **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).

<b>Loan portfolio at 21.05.2018</b>				
<b>Classification by instalment payment frequency</b>				
<b>Instalment payment frequency</b>	<b>Loans</b>		<b>Outstanding Principal</b>	
	<b>No.</b>	<b>%</b>	<b>(EUR)</b>	<b>%</b>
Monthly	101,709	100.00	919,110,157.14	100.00
<b>Total</b>	<b>101,709</b>	<b>100.00</b>	<b>919,110,157.14</b>	<b>100.00</b>

None of the selected loans has an interest or principal exclusion period at 21 May 2018 or the possibility of deferring instalments.

**g) Information regarding selected loan repayment system**

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

Loan portfolio at 21.05.2018 Classification by repayment system				
	Loans		Outstanding Principal	
	No.	%	(EUR)	%
EMI*	101,709	100.00	919,110,157.14	100.00
<b>Total</b>	<b>101,709</b>	<b>100.00</b>	<b>919,110,157.14</b>	<b>100.00</b>

\* Equate Monthly Instalment (EMI): fixed instalment repayment system based on the interest rate applied, the frequency of the instalments and the time to the final maturity date of the loan.

**h) Information regarding selected loan final maturity year**

The following table gives the selected loan distribution according to the year of final maturity, and the weighted total average residual life and the earliest and latest final maturity dates.

Selected loan portfolio at 21.05.2018 Classification by final repayment year						
Final maturity year	Loans		Outstanding Principal		Residual Life wght.avg*	
	No.	%	(EUR)	%	Years	Date
2018	4,275	4.20	5,109,814.72	0.56	0.42	22/10/2018
2019	10,895	10.71	30,922,106.91	3.36	1.20	31/07/2019
2020	12,207	12.00	62,973,321.52	6.85	2.18	24/07/2020
2021	18,260	17.95	137,456,750.16	14.96	3.19	27/07/2021
2022	21,532	21.17	207,366,099.00	22.56	4.17	21/07/2022
2023	11,754	11.56	133,584,776.23	14.53	5.16	18/07/2023
2024	8,043	7.91	101,947,619.55	11.09	6.17	22/07/2024
2025	5,193	5.11	74,293,466.10	8.08	7.20	01/08/2025
2026	3,535	3.48	55,136,486.23	6.00	8.21	02/08/2026
2027	5,894	5.79	108,045,458.80	11.76	9.19	28/07/2027
2028	121	0.12	2,274,257.92	0.25	9.63	04/01/2028
<b>Total</b>	<b>101,709</b>	<b>100.00</b>	<b>919,110,157.14</b>	<b>100.00</b>		
	<b>Weighted average:</b>				<b>5.22</b>	<b>09.08.2023</b>
	<b>Simple average:</b>				<b>4.12</b>	<b>02/07/2022</b>
	<b>Maximum:</b>				<b>9.63</b>	<b>05.01.2028</b>
	<b>Minimum:</b>				<b>0.08</b>	<b>20.06.2018</b>

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

**i) Information regarding geographical distribution by Autonomous Communities and Autonomous Cities**

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



<b>Selected loan portfolio at 21.05.2018</b>				
<b>Classification by Autonomous Communities and Autonomous Cities</b>				
	<b>Loans</b>		<b>Outstanding Principal (EUR)</b>	
	<b>No.</b>	<b>%</b>		<b>%</b>
Catalonia	19,837	19.50	175,882,270.61	19.14
Andalusia	18,268	17.96	165,461,115.18	18.00
Valencian Community	11,642	11.45	110,244,075.33	11.99
Madrid	11,894	11.69	104,511,066.47	11.37
Canary Islands	6,315	6.21	59,235,410.66	6.44
Murcia	5,249	5.16	51,766,677.30	5.63
Castille La Manche	5,746	5.65	51,639,832.95	5.62
Galicia	3,971	3.90	35,670,690.91	3.88
Castille Leon	3,998	3.93	34,137,215.56	3.71
Extremadura	3,542	3.48	32,008,258.04	3.48
Basque Country	3,464	3.41	29,813,704.72	3.24
Balearic Islands	2,786	2.74	24,486,848.05	2.66
Asturias	1,783	1.75	16,363,181.60	1.78
Aragon	1,429	1.40	12,937,826.92	1.41
Cantabria	671	0.66	5,970,145.89	0.65
Navarre	440	0.43	3,650,352.56	0.40
La Rioja	376	0.37	3,225,525.06	0.35
Melilla	224	0.22	1,731,091.44	0.19
Ceuta	74	0.07	374,867.89	0.04
<b>Total</b>	<b>101,709</b>	<b>100.00</b>	<b>919,110,157.14</b>	<b>100.00</b>

Barcelona is the province with the highest concentration, in terms of outstanding principal, at 13.34%, of the total selected portfolio. The four 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: Catalonia (19.14%), Andalusia (18.00%), Valencian Community (11.99%) and Madrid (11.37%), representing in aggregate 60.50%.

**j) Information regarding delays, if any, in collecting selected loan interest or principal instalments and loan principal amount, if any, that is currently more than 15 days overdue**

The following table gives the number of loans, the outstanding principal and the overdue principal on selected loans in good standing or with an overdue payment at 21 May 2018.

<b>Arrears in payment of instalments due at 21.05.2018</b>				
<b>Interval</b>	<b>Loans</b>	<b>Outstanding</b>	<b>Outstanding</b>	<b>Outstanding Principal</b>
<b>in Days</b>	<b>No.</b>	<b>Principal</b>	<b>Principal</b>	<b>+ overdue</b>
			<b>overdue</b>	<b>% of Total</b>
				<b>Outstanding Principal</b>
Performing	100,546	908,521,876.94	0.00	0.00
1 to 15 days	1,163	10,588,280.20	187,505.69	1.17
<b>Total</b>	<b>101,709</b>	<b>919,110,157.14</b>	<b>187,505.69</b>	<b>1.17</b>

As declared by the Originator in section 2.2.8.2.(14) of the Additional 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 fifteen (15) days overdue on their assignment date.

**k) Information regarding insurance with payment protection plan (compulsory vehicle insurance not included)**

The following table gives the loan distribution based on the existence of any insurance with payment protection plan:

<b>Selected loan portfolio at 21.05.2018</b>				
	<b>Loans</b>		<b>Outstanding Principal (EUR)</b>	
	<b>No.</b>	<b>%</b>		<b>%</b>
<b>Loans with no payment protection plan</b>	<b>20,401</b>	<b>20.06</b>	<b>190,481,812.33</b>	<b>20.72</b>
<b>Loans with 1 payment protection plan</b>	<b>79,468</b>	<b>78.13</b>	<b>713,133,017.44</b>	<b>77.59</b>
<i>For death</i>	<i>70,703</i>	<i>69.51</i>	<i>636,455,758.65</i>	<i>69.25</i>
<i>For death and permanent disability</i>	<i>135</i>	<i>0.13</i>	<i>1,130,227.57</i>	<i>0.12</i>
<i>For death and temporary disability</i>	<i>535</i>	<i>0.53</i>	<i>4,056,787.99</i>	<i>0.44</i>
<i>For death and unemployment</i>	<i>2,718</i>	<i>2.67</i>	<i>21,414,266.86</i>	<i>2.33</i>
<i>Insurance for driver's licence suspended</i>	<i>5,377</i>	<i>5.29</i>	<i>50,075,976.37</i>	<i>5.45</i>
<b>Loans with 2 payment protection plan</b>	<b>1,840</b>	<b>1.81</b>	<b>15,495,327.37</b>	<b>1.69</b>
<i>For death + insurance for driver's licence suspended</i>	<i>1,730</i>	<i>1.70</i>	<i>14,439,886.81</i>	<i>1.57</i>
<i>For death and permanent disability + insurance for driver's licence suspended</i>	<i>13</i>	<i>0.01</i>	<i>116,282.28</i>	<i>0.01</i>
<i>For death and temporary disability + insurance for driver's licence suspended</i>	<i>21</i>	<i>0.02</i>	<i>179,166.78</i>	<i>0.02</i>
<i>For death and unemployment + insurance for driver's licence suspended</i>	<i>76</i>	<i>0.07</i>	<i>759,991.50</i>	<i>0.08</i>
<b>Total</b>	<b>101,709</b>	<b>100.00</b>	<b>919,110,157.14</b>	<b>100.00</b>

Insurance policies with payment protection plan provide one hundred percent covers for the principal yet to be repaid.

**l) Information regarding reservation of title and registration thereof in the Chattels Register.**

The following table gives the selected loan distribution based on the existence of reservation of title with respect to the financed vehicle.

Selected loan portfolio at 21.05.2018				
Reservation of title	Loans		Outstanding Principal (EUR)	
	No.	%		%
With reservation of title	21,950	21.58	277,945,142.07	30.24
Without reservation of title	79,759	78.42	641,165,015.07	69.76
<b>Total</b>	<b>101,709</b>	<b>100.00</b>	<b>919,110,157.14</b>	<b>100.00</b>

Based on the review of the selected portfolio at 21 May 2018 of loans with reservation of title, 32 loans out of the subsample of 109 loans with reservation of title (representing 7.52% in terms of the current balance of the subsample), are loans with reservation of title entered, at 21 May 2018, in the Chattels Hire Purchase Register.

The following table gives the selected loan distribution based on registration of reservation of title in the Chattels Register.

Selected loan portfolio with reservation of title at 21.05.2018				
Is the reservation of title entered in the Chattels Register?	Loans		Outstanding Principal (EUR)	
	No.	%		%
No	15,784	71.91	193,614,900.82	69.66
Yes	6,166	28.09	84,330,241.25	30.34
<b>Total</b>	<b>21,950</b>	<b>100.00</b>	<b>277,945,142.07</b>	<b>100.00</b>

#### m) Information regarding vehicle sale value in loans with reservation of title clause

The financed vehicle sale value on the origination date of loans with a reservation of title clause is equal to or above the initial loan amount, minus any financing of origination and arrangement fees and, as the case may be, loan-related premiums under insurance policies taken out by the obligor (payment protection plan insurance and/or other policies).

The following table gives the distribution of loans with a reservation of title clause according to 5.00% intervals of the ratio, expressed as a percentage, between the initial loan amount and the financed vehicle sale value on the loan origination date plus any financed loan origination and arrangement fees and, as the case may be, loan-related payment protection plan and/or other insurance policy premiums. No details are given of intervals with no content.

Portfolio of selected loans with reservation of title at 21.05.2018					
Classification by ratio (%) initial loan amount / financed vehicle sale value (including origination and arrangement fees and payment protection plan and/or other insurance premiums)					
Ratio Intervals	Loans		Outstanding Principal		Ratio %*
	No.	%	(EUR)	%	
10.01 - 15.00	5	0.02	17,383.48	0.01	11.88
15.01 - 20.00	13	0.06	36,327.48	0.01	17.48
20.01 - 25.00	39	0.18	132,819.72	0.05	22.76
25.01 - 30.00	61	0.28	254,817.45	0.09	27.82
30.01 - 35.00	126	0.57	665,222.63	0.24	32.59
35.01 - 40.00	218	0.99	1,226,655.75	0.44	37.69
40.01 - 45.00	344	1.57	2,397,013.51	0.86	42.62

Portfolio of selected loans with reservation of title at 21.05.2018					
Classification by ratio (%) initial loan amount / financed vehicle sale value (including origination and arrangement fees and payment protection plan and/or other insurance premiums)					
Ratio Intervals	Loans		Outstanding Principal		Ratio %*
	No.	%	(EUR)	%	
45.01 - 50.00	497	2.26	3,526,148.57	1.27	47.89
50.01 - 55.00	680	3.10	5,328,951.68	1.92	52.57
55.01 - 60.00	723	3.29	6,191,491.49	2.23	57.63
60.01 - 65.00	909	4.14	8,389,633.49	3.02	62.64
65.01 - 70.00	1,268	5.78	13,126,216.75	4.72	67.69
70.01 - 75.00	1,643	7.49	18,867,695.54	6.79	72.66
75.01 - 80.00	2,148	9.79	26,461,197.36	9.52	77.69
80.01 - 85.00	3,031	13.81	40,658,494.55	14.63	82.62
85.01 - 90.00	3,798	17.30	54,354,356.97	19.56	87.56
90.01 - 95.00	3,354	15.28	51,258,240.09	18.44	92.30
95.01 - 100.00	3,093	14.09	45,052,475.56	16.21	98.34
<b>Total</b>	<b>21,950</b>	<b>100.00</b>	<b>277,945,142.07</b>	<b>100.00</b>	
	<b>Weighted Average:</b>				<b>83.14 %</b>
	<b>Simple Average:</b>				<b>80.03 %</b>
	<b>Minimum:</b>				<b>10.71 %</b>
	<b>Maximum:</b>				<b>100.00 %</b>

Averages weighted by the outstanding principal.

**n) Information regarding vehicle brand in loans**

The following table gives the distribution by vehicle brand of selected loans at 21 May 2018.

Selected loan portfolio at 21.05.2018				
Classification by vehicle Maker				
Vehicle Maker	Loans		Outstanding Principal	
	No.	%	(EUR)	%
FORD	12,284	12.08	113,957,523.31	12.40
PEUGEOT	10,734	10.55	104,880,292.79	11.41
CITROEN	9,251	9.10	84,366,374.99	9.18
OPEL	7,554	7.43	65,839,099.29	7.16
KIA	5,508	5.42	62,746,688.01	6.83
HYUNDAI	5,842	5.74	62,471,653.38	6.80
SEAT	5,676	5.58	48,463,701.93	5.27
NISSAN	4,496	4.42	44,241,186.16	4.81
RENAULT	5,418	5.33	44,115,487.53	4.80
VOLKSWAGEN	4,587	4.51	42,711,843.76	4.65
FIAT	2,966	2.92	25,654,529.12	2.79
MERCEDES BENZ	2,096	2.06	24,432,310.29	2.66
AUDI	1,972	1.94	20,513,790.09	2.23
TOYOTA	2,303	2.26	20,154,311.75	2.19

Selected loan portfolio at 21.05.2018				
Classification by vehicle Maker				
Vehicle Maker	Loans		Outstanding Principal	
	No.	%	(EUR)	%
BMW	1,991	1.96	19,798,745.72	2.15
DACIA	2,036	2.00	17,137,673.78	1.86
MAZDA	1,052	1.03	11,772,898.79	1.28
HONDA	1,593	1.57	10,703,747.69	1.16
SSANGYONG	850	0.84	10,329,538.02	1.12
MITSUBISHI	787	0.77	8,907,098.51	0.97
VOLVO	673	0.66	7,880,500.82	0.86
CHEVROLET	1,612	1.58	7,638,428.57	0.83
SUZUKI	1,079	1.06	7,399,222.83	0.81
SKODA	841	0.83	6,678,732.32	0.73
YAMAHA	1,879	1.85	6,659,746.94	0.72
JEEP	366	0.36	5,129,460.22	0.56
Rest: 69 makers (*)	6,263	6.16	34,525,570.53	3.76
<b>Total</b>	<b>101,709</b>	<b>100.00</b>	<b>969,660,002.70</b>	<b>100.00</b>

(\*) Vehicle makers with a ratio to the total selected loans, in terms of outstanding principal, of less than 0.50%.

The following table gives the distribution by vehicle brand of the portfolio of loans selected at 21 May 2018 with a reservation of title clause and based on new vehicle or used vehicle condition.

Selected loan portfolio at 21.05.2018 with reservation of title					
Classification by vehicle maker and new or used condition					
Vehicle Brand		Loans		Outstanding Principal	
		No.	%	(EUR)	%
<b>FORD</b>		<b>2,513</b>	<b>11.45</b>	<b>32,086,726.97</b>	<b>11.54</b>
	New	1,428	6.51	21,050,012.67	7.57
	Used	1,085	4.94	11,036,714.30	3.97
<b>PEUGEOT</b>		<b>2,142</b>	<b>9.76</b>	<b>27,594,321.77</b>	<b>9.93</b>
	New	1,123	5.12	17,818,766.51	6.41
	Used	1,019	4.64	9,775,555.26	3.52
<b>KIA</b>		<b>1,431</b>	<b>6.52</b>	<b>23,052,718.11</b>	<b>8.29</b>
	New	1,092	4.97	18,974,363.89	6.83
	Used	339	1.54	4,078,354.22	1.47
<b>HYUNDAI</b>		<b>1,379</b>	<b>6.28</b>	<b>22,233,673.08</b>	<b>8.00</b>
	New	960	4.37	17,557,171.67	6.32
	Used	419	1.91	4,676,501.41	1.68
<b>CITROEN</b>		<b>1,783</b>	<b>8.12</b>	<b>19,898,775.63</b>	<b>7.16</b>
	New	793	3.61	11,152,014.57	4.01
	Used	990	4.51	8,746,761.06	3.15
<b>OPEL</b>		<b>1,394</b>	<b>6.35</b>	<b>15,100,186.84</b>	<b>5.43</b>
	New	648	2.95	8,879,556.72	3.19
	Used	746	3.40	6,220,630.12	2.24
<b>NISSAN</b>		<b>1,125</b>	<b>5.13</b>	<b>15,070,694.30</b>	<b>5.42</b>
	New	440	2.00	7,059,573.62	2.54

Selected loan portfolio at 21.05.2018 with reservation of title					
Classification by vehicle maker and new or used condition					
Vehicle Brand		Loans		Outstanding Principal	
		No.	%	(EUR)	%
	Used	685	3.12	8,011,120.68	2.88
<b>VOLKSWAGEN</b>		<b>1,220</b>	<b>5.56</b>	<b>15,004,789.18</b>	<b>5.40</b>
	New	334	1.52	5,842,636.80	2.10
	Used	886	4.04	9,162,152.38	3.30
<b>MERCEDES BENZ</b>		<b>786</b>	<b>3.58</b>	<b>12,867,600.82</b>	<b>4.63</b>
	New	186	0.85	3,013,497.21	1.08
	Used	600	2.73	9,854,103.61	3.55
<b>RENAULT</b>		<b>1,290</b>	<b>5.88</b>	<b>12,708,107.30</b>	<b>4.57</b>
	New	361	1.64	5,458,795.48	1.96
	Used	929	4.23	7,249,311.82	2.61
<b>SEAT</b>		<b>1,089</b>	<b>4.96</b>	<b>12,046,058.39</b>	<b>4.33</b>
	New	353	1.61	5,692,880.14	2.05
	Used	736	3.35	6,353,178.25	2.29
<b>BMW</b>		<b>762</b>	<b>3.47</b>	<b>10,068,837.87</b>	<b>3.62</b>
	New	125	0.57	1,939,568.06	0.70
	Used	637	2.90	8,129,269.81	2.92
<b>AUDI</b>		<b>681</b>	<b>3.10</b>	<b>9,145,798.82</b>	<b>3.29</b>
	New	157	0.72	2,817,130.97	1.01
	Used	524	2.39	6,328,667.85	2.28
<b>TOYOTA</b>		<b>549</b>	<b>2.50</b>	<b>6,443,453.64</b>	<b>2.32</b>
	New	247	1.13	4,052,606.36	1.46
	Used	302	1.38	2,390,847.28	0.86
<b>FIAT</b>		<b>628</b>	<b>2.86</b>	<b>6,008,111.15</b>	<b>2.16</b>
	New	282	1.28	3,554,060.02	1.28
	Used	346	1.58	2,454,051.13	0.88
<b>MAZDA</b>		<b>279</b>	<b>1.27</b>	<b>4,371,815.34</b>	<b>1.57</b>
	New	187	0.85	3,283,975.23	1.18
	Used	92	0.42	1,087,840.11	0.39
<b>SSANGYONG</b>		<b>260</b>	<b>1.18</b>	<b>4,118,094.09</b>	<b>1.48</b>
	New	178	0.81	3,206,387.54	1.15
	Used	82	0.37	911,706.55	0.33
<b>VOLVO</b>		<b>250</b>	<b>1.14</b>	<b>3,769,985.15</b>	<b>1.36</b>
	New	72	0.33	1,381,264.24	0.50
	Used	178	0.81	2,388,720.91	0.86
<b>MITSUBISHI</b>		<b>229</b>	<b>1.04</b>	<b>3,451,515.33</b>	<b>1.24</b>
	New	156	0.71	2,638,712.85	0.95
	Used	73	0.33	812,802.48	0.29
<b>HONDA</b>		<b>241</b>	<b>1.10</b>	<b>3,064,312.39</b>	<b>1.10</b>
	New	135	0.62	1,872,603.04	0.67
	Used	106	0.48	1,191,709.35	0.43
<b>JEEP</b>		<b>160</b>	<b>0.73</b>	<b>2,976,004.87</b>	<b>1.07</b>
	New	102	0.46	2,002,108.74	0.72
	Used	58	0.26	973,896.13	0.35
<b>DACIA</b>		<b>257</b>	<b>1.17</b>	<b>2,236,274.78</b>	<b>0.80</b>

Selected loan portfolio at 21.05.2018 with reservation of title				
Classification by vehicle maker and new or used condition				
Vehicle Brand	Loans		Outstanding Principal	
	No.	%	(EUR)	%
New	140	0.64	1,390,697.13	0.50
Used	117	0.53	845,577.65	0.30
<b>LAND ROVER</b>	<b>113</b>	<b>0.51</b>	<b>1,928,712.28</b>	<b>0.69</b>
New	41	0.19	805,702.35	0.29
Used	72	0.33	1,123,009.93	0.40
<b>SKODA</b>	<b>142</b>	<b>0.65</b>	<b>1,402,732.11</b>	<b>0.50</b>
New	63	0.29	839,361.90	0.30
Used	79	0.36	563,370.21	0.20
<b>REST(*): 44 makers</b>	<b>1,247</b>	<b>5.68</b>	<b>11,295,841.86</b>	<b>4.06</b>
New	767	3.49	7,211,846.61	2.59
Used	480	2.19	4,083,995.25	1.47
<b>Total:</b>	<b>21,950</b>	<b>100.00</b>	<b>277,945,142.07</b>	<b>100.00</b>

(\*) Vehicle makers with a ratio to the total selected loans with a reservation of title clause, in terms of outstanding principal, of less than 0.50%.

#### 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, 22 October 2018, because neither the 20<sup>th</sup> nor the 21<sup>st</sup> of October 2018 are Business Days, and the Payment Date falling on 20 January 2020, 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, if applicable (no Additional Receivables will be purchased on that Payment Date):

- 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 0.75% 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.
- On the preceding Determination Date, the Outstanding Balance of Delinquent Receivables is in excess of 3.50% of the Outstanding Balance of Receivables.
- The Outstanding Balance of the Collateralised Notes is higher than the sum of (i) the Outstanding Balance of Non-Doubtful Receivables and (ii) the Principal Account balance.
- On the two (2) immediately preceding Payment Dates the Outstanding Balance of Non-Doubtful Receivables shall have been less than 90.00% of the Outstanding Principal Balance of the Collateralised Notes.

- e) The interest accrued on Classes A or B or C or D or E Notes is not paid due to a shortfall of Available Funds on the relevant Payment Date.
- f) The Cash Reserve cannot be provisioned up to the Required Cash Reserve amount on the relevant Payment Date.
- g) BBVA has been declared insolvent, in liquidation or in a position which might result in its credit institution authorisation being revoked or in a resolution process under Law 11/2015.
- h) BBVA has been replaced as Loan Servicer under the Servicing Agreement.
- i) Spanish tax laws shall have been modified to such an extent that the assignment of Additional Receivables is exceedingly burdensome for the Originator.
- j) 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 Collateralised Notes.
- k) The audited annual accounts of BBVA closed at 31 December 2018 or 31 December 2019 shall be howsoever qualified regarding its credit rating and the special securitisation reports on certain features and attributes of the Additional Receivables acquired during the years 2018 and 2019, which remain outstanding at 31 December of each of those years, shall verify more errors than allowed statistically.

#### 2.2.2.2.2 Acquisition Amount

The maximum 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 (the “**Acquisition Amount**”) shall be 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 Criteria

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

##### 1. Individual Criteria

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

1. That the Obligors are individuals 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 principal has already been fully drawn down.
4. That the outstanding principal balance of the Loan is between EUR five hundred (500) and EUR seventy thousand (70,000), both inclusive.
5. That the Loan is established at a fixed interest rate.
6. That the nominal interest rate of the Loans is not less than 3.75%.
7. That the Loan has no payments more than fifteen (15) days overdue.
8. That the final maturity date of the Loan does not extend beyond ten (10) years after the date of assignment to the Fund.
9. That Loan interest and repayment instalment frequency is monthly.



10. That the Loan principal repayment system is the EMI method.
11. That the Loan is not in an interest or principal repayment exclusion period.
12. That the Loan does not include clauses allowing regular interest payment and principal repayment to be deferred.
13. That at least six (6) instalments have fallen due on the Loan.

## 2. Global Criteria

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

1. That the prevailing average interest rate of the Receivables weighted by the Outstanding Balance of each Receivable is not less than 7.25%.
2. That 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 is not in excess of twenty-five percent (25.00%) of the total Outstanding Balance of the Receivables.
4. That 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 eighteen (18) months.
5. That 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 the Outstanding Balance of the Receivables the purpose of which is purchasing a used vehicle does not exceed forty-five percent (45.00%) of the total Outstanding Balance of the Receivables.
7. That the Outstanding Balance of the Receivables for purchasing passenger cars and SUVs is not less than ninety percent (90%) of the total Outstanding Balance of the Receivables
8. That (i) the Outstanding Balance of the Receivables for a same Obligor does not exceed 0.010% 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 0.100% of the total Outstanding Balance of the Receivables.
9. That 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 sixty-five percent (65.00%) of the total Outstanding Balance of the Receivables.

And exclusively in regard to the Additional Receivables:

10. That the average life of the Additional Receivables from the assignment date weighted by the Outstanding Balance of each Additional Receivable, 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. By no later than each Offer Request Date, the Management Company shall send the Originator a written notice demanding the assignment of Additional Receivables to the Fund, specifying the Acquisition Amount and the Payment Date on which the assignment to the Fund and payment for the assignment shall be made.
2. By 9am (CET) 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 Criteria and the other characteristics given in section 2.2.8.2 of this Additional 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 Criteria numbered from 2 to 11 and 13 and the Global Criteria according to 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 review of the Additional Receivables.

The Management Company shall, on the Fund's behalf, annually commission a review, using sampling techniques, of Additional Receivables acquired during the years 2018, 2019 and 2020, this being the Revolving Period, and which remain outstanding as of 31 December in each of those years.

The review 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 review shall be undertaken by an audit firm.

#### 2.2.2.3 Outstanding Balance of the Receivables

The outstanding balance (the "**Outstanding Balance**") of a Receivable shall be the sum of the principal not yet due and the 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**") are 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**") are Receivables that are delinquent at a date with a period of arrears equal to or greater than six (6) 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 Loan 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.

Default Receivables (the "**Default Receivables**") shall be deemed to be Receivables, whether or not overdue, the recovery of which is considered by the Management Company unlikely after an individualised analysis and Doubtful Receivables considered as such for a period in excess of thirty (30) months and

which are then written off the Fund's assets. Default Receivables shall have previously been classified as Doubtful Receivables.

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

The selected loans to be securitised through the Fund are loans granted by BBVA to individuals resident in Spain to finance the purchase of new or used vehicles without special security, other than the reservation of title clause in favour of BBVA to the vehicle purchased. Out of the selected portfolio loans at 21 May 2018, 21.58% (30.24% in terms of outstanding principal) have a reservation of title clause.

The assignment of the Receivables (credit rights in the Loans) to the Fund shall be done directly by means of sale by the Originator and acquisition by the Fund in accordance with the provisions of section 3.3 of the Additional 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 principal, 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 20 June 2018 and 5 January 2028. The final maturity date of the Loans assigned to the Fund upon acquisitions in successive acquisitions 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 eight hundred million (€800,000,000.00), equivalent to the face value of the Class A, B, C, D and E Notes.

### **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 eight hundred million (€800,000,000.00), the face value amount of the Class A, B, C, D and E Notes.

For loans with a reservation of title clause, the ratio of the initial loan amount to the financed vehicle sale value on the loan origination date plus any financed loan origination and arrangement fees and, as the case may be, loan-related payment protection plan and/or other insurance premiums, is as shown in section 2.2.2 n) of this Additional Building Block.

### **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 and motor cars. A summary of the procedures currently in place at BBVA is described below:

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

BBVA Consumer Finance is the unit within BBVA which specializes in consumer finance in the point of sale and is specialized in financing in the point of sale through prescribers, both in the car business – through agreements with manufacturers and dealers- and in the financing of consumer goods and corporate equipment.

- **Network of Branches**

BBVA Consumer Finance has a specialist network, with a commercial network in Spain consisting of 40 branches and 200 commercial managers covering over 8,000 points of sale distributed throughout national territory.

- **Multi-channel service**

It has the latest technical means and most advanced tools to make sure that its operations are most efficiently and swiftly managed both over the telephone and online.

## 2. Approval System

The following are the minimum documents to be submitted by the client in transactions processed through automatic decision procedures, which is the case of those making up the selected portfolio:

- Application / *crediconsumo* consumer credit agreement /INE / DAE Data Protection Law
- Identification documents: ID / residence permit / Foreigner Identification Number.
- Proof of direct debit at bank.
- Proof of income: Payslip, Personal Income Tax Return, etc., as the case may be.
- Title deeds, where appropriate: Real Estate Tax receipt / latest mortgage payment, etc...
- Vehicle papers, where appropriate: Road licence, specifications...
- Proof of seniority: employment history, etc.

Once all the client details have been entered in the system, the system carries out an automatic client analysis.

The final result or outcome may be: authorised, refused or doubtful:

- a) If the application has been AUTHORISED, the call centre of BBVA Consumer Finance (Call Centre) will convey the decision to the establishment / branch, and the agreement will be concluded.
- b) If the application has been REFUSED, the Call Centre will advise the establishment / branch of the refusal.
- c) If the outcome is DOUBTFUL, the transaction will automatically be forwarded (online) to the central risks unit (CRU) – Admission S.A.R. in order to be assessed by analysts.

In this way, CRU–Admission receives transactions pending a decision from the systems, and then analyses, issues a report and notifies that report.

Only where the final outcome is DOUBTFUL will the transaction be forwarded to a credit analyst who may request further information regarding the applicant, such as bank reports (age of the account, banking positions, payment history, etc.), personal and professional reports, and other references (such as in the case of guarantors), in order to thereby support applicant stability and capacity details.

BBVA uses a scoring assessment tool which is divided into three models:

- 1) Domestic or standard model: this is applied to transactions where the parties involved are resident Spaniards or foreigners from the first fifteen European Union member countries.

The following variables are taken into account in this model:

- Economic activity
- Type of contract / length of employment
- Age of asset / transaction term
- Intended use / sub-use

- Age / Habitual residence
- Filters (binary variable)
- Province
- Number of borrowers
- Guarantor score
- Income / Instalment ratio
- Partner classification

2) Foreigner model: this is applied to transactions for all other resident foreigners.

The following variables are taken into account in this model:

- Economic activity
- Type of contract / length of employment
- Age of asset / transaction term
- Intended use / sub-use
- Age / Habitual residence
- Marital Status
- Filters (binary variable)
- Province
- Number of borrowers
- Citizenship
- Guarantor score
- Income / Instalment ratio
- Partner classification

3) Guarantor model: this is applied to transaction guarantors. The score in this model is used as a variable in the above models.

The following variables are taken into account in this model:

- Economic activity
- Type of contract / length of employment
- Marital Status / Habitual residence
- Filters (binary variable)
- Relationship to first borrower
- Non-EU foreigner indicator
- Income / Instalment ratio

The corporate risks methodology unit in BBVA Group's risks area is responsible for subsequently calibrating the scoring model.

### 3. Transaction origination

Transactions shall be originated in ad hoc contractual documents 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.

## **Risk empowerment**

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 works. 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 policy-making bodies and is cascaded down the hierarchy. The empowerment figure is 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 are never 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 are 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 are defined on a case by case basis.

In this way, the cascade of empowerment for admission transactions is established as follows:

- BBVA Group's risk area.
- Risks Officer of BBVA CRU Consumer Finance
- Central Risks Unit.
- Business unit, exceptionally, for transactions previously processed at the Central Risks Unit

Similarly, the cascade of empowerment for new referrers and partnership arrangements is as follows:

- BBVA Group's risk area.
- Risks Officer of BBVA CRU Consumer Finance
- Central Risks Unit.
- Business units (other than in exceptions cancelling out their empowerment).

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

This document lists in chronological order all transactions proposed, whether they are authorised, refused using the empowerment or submitted for analysis and decision by higher levels.

### **• 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.

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

## **4. Monitoring the Risk and 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.

The BBVA Consumer Finance's Central Risks Unit prepares information on the evolution of the risk throughout all stages in all the Business Units, through the existing information systems, and submits to the relevant Committees all such aspects as are deemed appropriate as to monitoring of the risk.

#### 4.2 Irregular Investment Debt

According to its frequency and content, there are different kinds of reports:

- Regular Reports, which analyse the evolution of the risk on its main aspects, through standardized reports, among which those regarding arrears evolution, defaults, recoveries, etc.
- Occasional Reports, obtained through an alarm sign on the evolution of a prescriber or in order to improve the existing risk criteria, and which end is to provide greater information regarding decision making (i.e., prescribers in arrears or defaults higher than certain amount or reports on the position of BBVA Consumer Finance in a certain market).
- Reports on Risk and Scorings criteria, which are made on a frequency which varies depending on the product, as it is necessary to have a critical mass of clients sufficient for the study of the scoring systems to show statistically representative data.

In other words, the system uses a number of ad hoc computer applications to automatically detect the failure to pay the instalment, the recovery system starting off with a telephone call and sending out an advice letter; in turn, the system carries out various actions depending on the affected clients.

#### 4.3 Debt in Arrears

The management of the recovery activity since the transactions turning into doubtful due to the delinquency of the operations, is made through the Externalization areas (recovering agencies) for its out-of-court settlement, and through Court Management, all of the integrated in the Recovery Management EyP unit of BBVA.

From day 90 onwards (date on which the credit becomes doubtful due to the delinquency) a first delivery to the external agencies is made. If there is not a successful or potentially successful recovery activity the matter is assigned to another company. From the first year of management, half-yearly deliveries are made.

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

The procedural stages for enforcement are the following:

- Lodging of the claim.
- 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 greatly depends on each case, the average being around 18 months.

#### 4.4 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): focused on the out of court collection of clients with more recent and bigger debts.

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/ application: manages the accounts of all matters that are deemed doubtful assets within the meaning of the Bank of Spain Circular.
- Recovery management agenda: this tool is designed to control all flow of information regarding a anomalous state of a client's debt, i.e., its total or partial default in non-performing situations due to arrearage and is filled with daily information provided by corporate Arrears of BBVA.
- The tool keeps daily information flows with people and companies that manage debt recovery, as well as internal information. Such flows are sent and collect information on the necessary data for the management of the files. Each file, one per debtor, contains the different duties performed and the access to accounting data regarding the incurred debt. The duties are performed, on previously set dates, by the manager or the company, and depend on the state of the debt.
- 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 that BBVA, as owner of the Loans until their assignment to the Fund and as Originator, shall give to the Management Company, on the Fund's behalf, in the Deed of Incorporation and in the notarised certificate assigning Initial Receivables in relation to the Originator proper and to the Initial Receivables, and will reaffirm in each new acquisition of Additional Receivables in relation to the Originator proper and the Additional Receivables assigned, 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, entered in the Companies Register of Biscay and in the Bank of Spain's Register of Credit Institutions.
- (2) That neither at the date hereof nor at any time since it was incorporated has it been decreed to be insolvent nor has it been in any circumstance generating a liability which might result in the credit institution authorisation being revoked or in a resolution process under Law 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 Incorporation and the Initial Receivables assignment certificate and at the execution of the subsequent Additional Receivables assignment agreements, 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 two financial years ended 31 December 2017 and 2016 which have been filed with the CNMV and with the Companies Register. The audit reports on the annual accounts for both years are unqualified.

## **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, binding 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 Incorporation and the Initial Receivables assignment certificate and in subsequent contracts 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.
- (6) That the Loans are duly supported and originated in a loan agreement certified by a commissioner for oaths ("*póliza intervenida por fedatario público*") or in a private agreement.
- (7) That the agreements or the private documents recording the Loans contain no clauses preventing their assignment or requiring any authorisation or communication for the Loan to be assigned, without prejudice to other authorisation or notification requirements established by law to the Originator not affecting the assignment of the Receivables to the Fund.
- (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 purchasing new or used vehicles and that the vehicles consist of passenger cars, SUV vehicles, microcars, mixed-use vehicles, light commercial vehicles and motorcycles.
- (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 principal has been fully drawn down.
- (13) That all the Loan payment obligations are satisfied by directly debiting an account.
- (14) That on the date of assignment to the Fund, none of the Loans have any payments more than fifteen (15) 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 and the 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 are all fixed-rate Loans.
- (22) That at the assignment date of the Receivables, at least five (5) instalments have fallen due on each Loan.
- (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 repayment of the Loans from the Obligors.
- (25) That none of the Loans has matured before and does not mature on the date of assignment to the Fund.
- (26) That the outstanding principal balance of each Loan is between EUR five hundred (500) and EUR seventy thousand (70,000), both inclusive.
- (27) That each Loan interest and repayment instalment frequency is monthly.
- (28) That each Loan principal repayment system is the equated monthly instalment (EMI) method.
- (29) That none of the Loans includes clauses allowing regular interest payment and principal repayment to be deferred and there was no interest-free period at the date of assignment to the Fund.
- (30) That in Loans with reservation of title to the financed vehicle, the sale value of that vehicle at the Loan origination date is equal to or higher than the initial Loan amount, minus any financing of financed origination and arrangement fees and, as the case may be, Loan-related insurance policy premiums purchased by the Obligor (payment protection plan and/or other insurance policies) and that the value of the sale does not exceed ninety thousand (90,000) euros.
- (31) 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.
- (32) That the Loans are not finance lease transactions.
- (33) 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.
- (34) That none of the Loans consist of transactions for refinancing previous transactions in arrears or transactions restructured due to arrears in the same transaction.
- (35) That upon being assigned, the Receivables all satisfy the set Eligibility Criteria, except for the criteria referred in paragraph 13) of section 2.2.2.2.3.1 (Individual Criteria) of this Additional

Building Block with respect to the Initial Receivables, in which case at least five (5) instalments (instead of at least six (6) instalments) have fallen due on the Loans.

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

### **Rules for substituting the Receivables or, in default thereof, repayment to the Fund**

1. In the event of early redemption of the Receivables due to prepayment of the relevant Loan principal, there will be no substitution of the Receivables affected thereby, without prejudice to the Fund's acquisition 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 2.2.2.3 of this Additional 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 Receivables proposed to be assigned satisfying the characteristics given in section 2.2.8.2 of this Additional Building Block and the (Individual and Global) Eligibility Criteria, 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 Criteria 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 or in a private agreement, subject, respectively, to the same formal requirements established for the assignment of Initial Receivables or Additional Receivables, and both shall be communicated to the CNMV (via CIFRADOC/CNMV service) and the Rating Agencies.

- c) In the event of failure to substitute a Receivable 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 paid, 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 substitution or repayment, the Originator shall be inured to all of 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 Originator as Loan 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 Incorporation 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 Loan Servicer that shall 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 Originator as Loan 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 Originator and cannot be charged to the Fund or the Management Company. The Management Company shall notify the CNMV of the substitutions of Receivables resulting from a breach by the Originator on the terms of the procedures described in point 2 of this section.

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

Part of the Receivables loan Obligors have purchased insurance policies with a payment protection plan in the event of death, total permanent disability due to accident, temporary disability, unemployment insurance or driver's licence disqualification insurance, with BBVA as the beneficiary, and the rights thereunder are assigned to the Fund, as detailed in section 3.3.2 of this Additional Building Block. Insurance policies with a payment protection plan provide one hundred percent covers for the principal yet to be repaid and have been satisfied in full by Obligors upon the loans being arranged.

Section 2.2.2 I) of the Additional Building Block lists the loans with the insurance policies referred to in the preceding paragraph.

**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 Additional 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) percent 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.

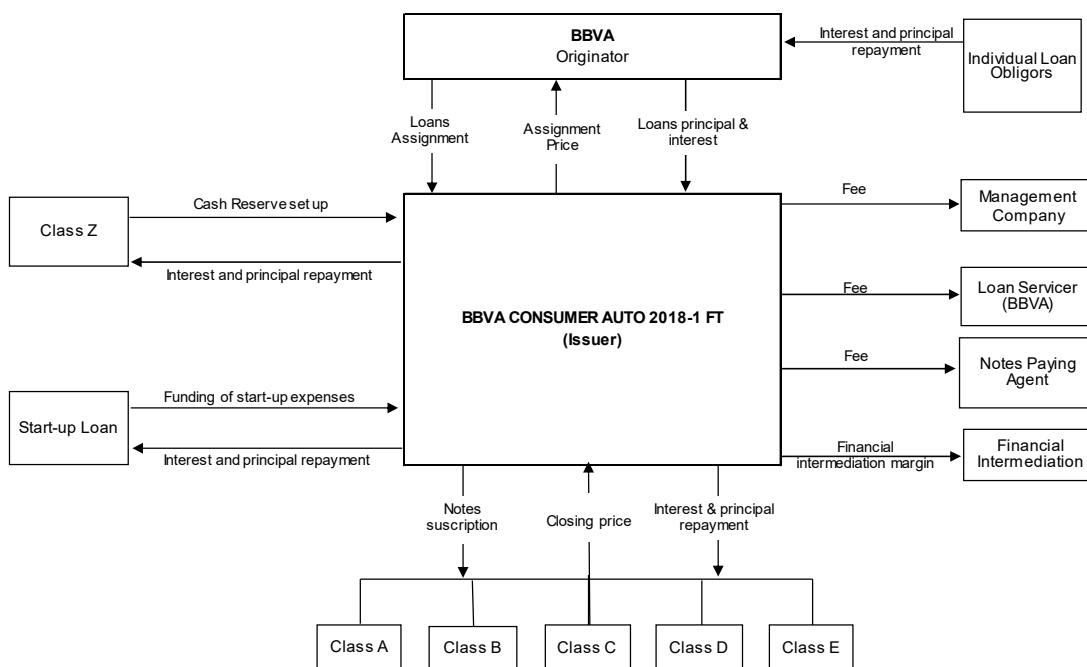
**2.4 Where the Issuer proposes to issue further securities backed by the same assets, statement to that effect and description of how the holders of that class will be informed**

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>800,000,000.00</b>	<b>Obligations and securities</b>	<b>804,000,000.00</b>
Receivables	800,000,000.00	Class A Notes	728,000,000.00
		Class B Notes	23,200,000.00
		Class C Notes	32,800,000.00
		Class D Notes	10,000,000.00
		Class E Notes	6,000,000.00
		Class Z Notes	4,000,000.00
Treasury Account (Cash Reserve and interest timing difference 1 <sup>st</sup> Payment Date)	6,600,000.00	Start-Up Loan	3,750,000.00
Principal Account	to be determined		
Funds for paying the Fund's initial expenses	1,150,000.00		
		<b>Short-term creditors</b>	<b>to be determined</b>
		Receivables interest accrued	to be determined
<b>TOTAL</b>	<b>807,750,000.00</b>	<b>TOTAL</b>	<b>807,750,000.00</b>

(Amounts in EUR)

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

### **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 and takes responsibility for the contents of this Prospectus.
- (ii) BBVA is the Originator of the Receivables to be acquired by the Fund, will be one of the Lead Managers, will be the Subscriber for all of the Class A, B and C Notes and for part of the Class D, E and Z Notes and also takes responsibility for the contents of the Securities Note.

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

- (iii) MERRILL LYNCH INTERNATIONAL has designed the financial terms of the Fund and of the Note Issue will be one of the Lead Managers and the Subscriber for the Class D, E and Z Notes not subscribed by BBVA.
- (iv) GARRIGUES, as independent legal adviser, has provided legal advice for the incorporation of the Fund and the Note Issue and has been involved in drawing up this Prospectus and in reviewing its legal, tax and contractual implications, the transaction and financial service agreements referred to herein, the Deed of Incorporation and the notarised certificate assigning the Initial Receivables.
- (v) CUATRECASAS participates as the legal advisor of MERRILL LYNCH INTERNATIONAL in its capacity as Subscriber and Lead Manager.
- (vi) Deloitte has prepared the special securitisation 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.
- (vii) DBRS and Moody's are the Rating Agencies that have assigned the ratings to Note Issue Classes A, B, C and D and Moody's has also assigned the ratings to Note Issue Classes E and Z.

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

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.

### **3.3 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 Incorporation being executed, assign the Initial Receivables to the Fund by virtue of a receivables assignment agreement, perfected in a certificate executed before a notary (*póliza notarial*).

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

Each new acquisition by the Fund of Additional Receivables shall be executed in a contract signed by the Management Company, for and on behalf of the Fund, and BBVA on each assignment date. All expenses and taxes generated from execution of the successive assignments of Additional Receivables shall be borne by the Fund.

In each new acquisition of Additional Receivables, the Management Company shall send to the CNMV on the assignment date via CIFRADOCC/CNMV service:

- (i) An itemisation of all the Additional Receivables assigned to the Fund with the main features allowing them to be identified.
- (ii) A written statement by the Management Company, also signed by BBVA, that the Additional Receivables meet all the Eligibility Criteria (Individual and Global) stipulated for their assignment to the Fund.

3.3.1.3 The Originator's assignment of the Receivables to the Fund shall not be notified to the Obligors except for Debtors in the Autonomous Community of Extremadura in accordance with Law 4/2018 of 21 February on the Consumers Statute of Extremadura, which requires the obligor to be notified of, inter alia, assignments to securitisation funds of receivables arising from loans.

Notwithstanding the above, in the event of insolvency, liquidation, substitution of the Loan Servicer, or a resolution process under Law 11/2015, or because the Management Company deems it reasonably justified, the Management Company may demand the Loan 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 Loan Servicer failing to notify Obligors within five (5) Business Days of receiving the request and in the event of the Loan 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. BBVA (in its role as Originator) will assume the expenses involved in notifying the Obligors even when notification is made by the Management Company.

### 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 on principal, interest or any other amount they may owe in respect of the Loans. 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 Additional Building Block.
4. The Receivables under each Loan shall be assigned for all outstanding principal yet to be repaid at the assignment date and for all ordinary and late-payment interest on each Loan, and for the rights derived from the insurance policies with a payment protection plan with BBVA as the beneficiary (death, total permanent disability due to accident, temporary disability, unemployment or driver's licence disqualification), if any, related 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 principal repayment amounts due.
- (ii) To receive all Loan 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 and under loan-related insurance policies, 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 Article 61.k) of Corporation Income 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 paid by the Originator as Loan Servicer in connection with the recovery actions in the event of default by the Obligors on their obligations, 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 the nominal value of the Loan principal. 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 nominal value of the 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 nominal value of the principal 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 nominal value of the Initial Receivables shall be fully made on the Note Closing Date, for same value date, upon the subscription for the Note 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 for the deferment of payment until the Closing Date.
  - b) Payment of the nominal value of the Additional Receivables shall be made in full on the relevant Payment Date on which the assignment occurs, for same value date, 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, as described in section 3.4.1 below, falling on the first interest settlement date of each Receivable, and will not be subject to the Fund Priority of Payments.

If the incorporation 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, AIFMR and Solvency II Regulation

In compliance with the provisions of (i) Article 405 of Regulation 575/2013, (ii) Article 51 of the Regulation (EU) No 231/2013 of 19 December 2012 supplementing Directive 2011/61/EU of Alternative Investment Funds Managers (the “**AIFMR**”) and (iii) article 254 of the Delegated Regulation (UE) 2015/35 of 10 October 2014 supplementing Directive 2009/138/EC of the European Parliament and Council on the taking-up and pursuit of the business of Insurance and Reinsurance (“**Solvency II Regulation**”), each as interpreted and applied on the date hereof, 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.

In addition, in compliance with the provisions of Article 409 of Regulation 575/2013, and Article 22 of Commission Delegated Regulation (EU) No. 625/2014 of 13 March 2014 supplementing Regulation 575/2013 by way of regulatory technical standards specifying the requirements for investor, sponsor, original lenders and originator institutions relating to exposures to transferred credit risk (“**Delegated Regulation 625/2014**”), the Originator provides and confirms (to the Management Company and potential investors) certain details as to that retention. In particular:

- That BBVA is the retainer and acts as originator (as those terms are defined in Delegated Regulation 625/2014) in the securitisation.
- That BBVA 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. Potential investors may in this regard obtain that information at EDW.
- That, pursuant to Article 405.a), BBVA, as originator of the securitisation, shall undertake in the Deed of Incorporation to retain on an ongoing basis 5% at least of the face value of each of the tranches sold or transferred to investors.
- That the Originator shall agree in the Deed of Incorporation to notify the Management Company of fulfilment of the retention commitment taken on in order for the latter in turn to post that information at its website [www.edt-sg.com](http://www.edt-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.

The above information will be confirmed on a quarterly basis and in any of the following circumstances:

- a) where a breach of the retention commitment referred to in Article 405.1 of Regulation 575/2013 occurs;
  - b) where the performance of the securitisation position or the risk characteristics of the securitisation or of the underlying exposures materially change;
  - c) following a breach of the obligations included in the documentation relating to the securitisation.
- That the Originator shall agree in the Deed of Incorporation 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.

### **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 Noteholders**

Securitized Receivable amounts received by the Loan Servicer and owed to the Fund will be paid by the same into the Treasury Account on the second day after the date on which they are received by the Loan Servicer or the following business day if that is not a business day, for same value date (the "**Collection Dates**"). 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 Noteholders will be paid interest accrued and, upon the Revolving Period termination, principal will be repaid on the Notes in each Class on the terms set for each of them and in the Priority of Payments given in section 3.4.6.2 of this Additional Building Block or, when the Fund is liquidated, in the Liquidation Priority of Payments given in section 3.4.6.3 of this Additional Building Block, as appropriate.

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

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

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

- (i) Cash Reserve set up with the payment of the Class Z Notes.

This reserve mitigates the credit risk derived from Receivables' delinquency and default and the risk arising out of the timing different in settling Receivables (monthly) and Notes (quarterly).

- (ii) Treasury Account:

Account to which the income received on the Receivables is credited until payment of Note interest and acquisition of Additional Receivables on the next Payment Date during the Revolving Period or, when it is over, Note principal repayment.

- (iii) Principal Account:

Account to which the amounts of the Principal Available Funds not applied to acquiring Additional Receivables are credited during the Revolving Period.

- (iv) Subordination and deferment in interest payment and principal repayment between the Notes in each Class, 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 Classes.

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

The Management Company shall set up on the Closing Date an Initial Cash Reserve using the payment of the Class Z Notes 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 four million (€4,000,000.00) ("**Initial Cash Reserve**").
2. Subsequently, on each Payment Date, the Cash Reserve shall be provisioned until it reaches the Required Cash Reserve amount established herein 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 EUR four million (€4,000,000.00) during the Revolving Period and, after the Revolving Period, the lower of:

- (iii) EUR four million (€4,000,000.00); and
- (iv) The higher of:
  - a) 0.50% of the Outstanding Principal Balance of the Class A, B and C Notes.
  - b) EUR one million (€1,000,000.00).

Notwithstanding the above, the Required Cash Reserve amount will be equal to zero once the Class A, B and C Notes are fully repaid.

#### **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, upon liquidation of the Fund, in the Liquidation Priority of Payments.

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

#### **3.4.3.1 Start-Up Loan**

The Management Company shall, for and on behalf of the Fund, enter with the Originator into an agreement on the date of incorporation of the Fund whereby the Originator shall grant to the Fund a commercial loan (the “**Start-Up Loan**”) amounting to EUR three million seven hundred and fifty thousand (€3,750,000.00) (the “**Start-Up Loan Agreement**”). The Start-Up Loan amount shall be delivered on the Closing Date and applied to finance the Fund set-up and Note issue and admission expenses and to cover the difference between Receivables’ Interest collection and Note 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 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 22 October 2018, because neither the 20<sup>th</sup> nor the 21<sup>st</sup> of October 2018 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 capitalised with the Start-Up Loan principal and shall 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 Note Issue as well as the admission expenses and the portion designed to cover the difference between Receivables’ interest collection and Note 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, 22 October 2018, because neither the 20<sup>th</sup> nor the 21<sup>st</sup> of October 2018 are Business Days, and the following until the Payment Date falling on 20 July 2021, inclusive.
- (ii) The portion of Start-Up Loan principal not used shall be repaid on the first Payment Date, 22 October 2018, because neither the 20<sup>th</sup> nor the 21<sup>st</sup> of October 2018 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, satisfying (i) overdue interest and (ii) 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 remain in force until the earlier of: (i) the Final Maturity Date, or (ii) the date on which the Management Company proceeds with the Early Liquidation of the Fund, or (iii) the date on which the Start-Up Loan is fully repaid in accordance with the rules for repayment of the Start-Up Loan Agreement.

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 Note Issue expenses and all other obligations undertaken by the Management Company, for and on behalf of the Fund, originated upon the Fund being incorporated 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.

### **3.4.3.2 Subordination of Class B, C, D, E and Z Notes**

Class B Note interest payment and principal repayment is deferred with respect to Class A Notes, as provided in the Priority of Payments and in the Liquidation Priority of Payments.

Class C Note interest payment and principal repayment is deferred with respect to Class A and Class B Notes, as provided in the Priority of Payments and in the Liquidation Priority of Payments.

Class D Note interest payment and principal repayment is deferred with respect to Class A, Class B and Class C Notes and as provided in the Priority of Payments and in the Liquidation Priority of Payments.

Class E Note interest payment and principal repayment is deferred with respect to Class A, Class B, Class C and Class D Notes, as provided in the Priority of Payments and in the Liquidation Priority of Payments.

Class Z Note interest payment and principal repayment is deferred with respect to Class A, Class B, Class C, Class D and Class E Notes and 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 ordinal numbers in the priority of payments of the Fund of Note interest payment and principal repayment in each Class.

### **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 incorporation 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 Note 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) 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 Note interest paid by the Fund, until due for payment to the Tax Administration.

BBVA shall pay a 0.10% 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 Notes) 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 incorporation of the Fund and the first Determination Date, 5 October 2018, exclusive.

In the event that the rating of BBVA or of the replacing entity in which the Treasury Account is opened (either of them the “**Treasury Account Provider**”) should, at any time during the life of the Note Issue, be downgraded:

- a) below BBB (high) according to the minimum DBRS rating (the “**DBRS Minimum Rating**”), which shall be the higher of
- (i) if the institution has a long-term critical obligation rating (COR) from DBRS, a step below said COR; and
  - (ii) the long term issuer rating assigned by DBRS to the Treasury Account Provider or, if none exists, the private ratings or internal evaluations performed by DBRS;
- or
- b) below a Moody's long-term deposit rating of Baa3 (or if such rating is withdrawn);

the Management Company shall, within no more than thirty (30) calendar days from the day of the occurrence of any of these events, after notifying the Rating Agencies, do one of the following remedial actions 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 ratings given to the Notes by the Rating Agencies not to be adversely affected:

- a) Obtain from an institution:
- with a DBRS Minimum Rating of BBB (high), and/or
  - with a long-term deposit rating at least as high as Baa3 by Moody's

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 remains downgraded.

- b) Transfer the Treasury Account to an institution:
- with a DBRS Minimum Rating of BBB (high), and
  - with a long-term deposit rating at least as high as Baa3 by Moody's,

and arrange 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 its rating given by the Rating Agencies, forthwith upon that occurrence throughout the life of the Note issue.

In the event of b) above occurring and thereafter:

- the DBRS Minimum Rating is BBB (high) or higher, and
- the BBVA credit rating according to the Moody's long-term deposit rating is Baa3 or higher,

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 actions 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 or removed, 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 incorporation 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 acquire Additional Receivables during the Revolving Period will be transferred 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 equal to the difference between the face values of the Note Issue principal and of the Initial Receivables acquired shall also be credited on the Closing Date.

BBVA shall pay a 0.10% 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 (both being equal to the Interest Accrual Periods established for the Notes) 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 BBVA or of the replacing entity in which the Principal Account is opened (either of them the "**Principal Account Provider**") should, at any time during the life of the Note Issue, be downgraded:

- below a BBB (high) DBRS Minimum Rating; or
- below a long-term deposit rating of Baa3 by Moody's (or if such rating is withdrawn),

the Management Company shall, within not more than thirty (30) calendar days from the day of the occurrence of any of these events, after notifying the Rating Agencies, do one of the following remedial actions 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 ratings given to the Notes by the Rating Agencies not to be adversely affected:

a) Obtain from an institution:

- with a DBRS Minimum Rating of BBB (high), and/or
- with a long-term deposit rating at least as high as Baa3 from Moody's,

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 remains downgraded.

b) Transfer the Principal Account to an institution:

- with a DBRS Minimum Rating of BBB (high), and
- with a long-term deposit rating at least as high as Baa3 from Moody's,

and arrange 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 its rating given by the Rating Agencies, forthwith upon that occurrence throughout the life of the Note issue.

In the event of b) above occurring and thereafter:

- the DBRS Minimum Rating is BBB (high) or higher, and
- the BBVA credit rating according to the Moody's long-term deposit rating is Baa3 or higher,

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 actions 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 or removed, 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 (i) in the event that the Rating Agencies do not confirm the provisional ratings assigned to the Notes as final ratings by 1pm (CET) on 20 June 2018 or (ii) if the Note Issue Management and Subscription Agreement is fully terminated in accordance with the provisions of section 4.1.3 of the Securities Note. 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 this Additional 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 Note Closing Date and until the first Payment Date, exclusive**

The source of the amounts available to the Fund on the Note 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) Note subscription payment.
- b) Drawdown of Start-Up Loan principal.

2. **Application:** the Fund shall apply the funds described above to the following payments:

- a) Payment of the price for acquiring the Initial Receivables at their nominal value.
- b) Payment of the Fund set-up and Note issue and admission expenses.
- c) Setting up of 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 or the Final Maturity Date, 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, for and on behalf of the Fund, proceed successively to apply the Available Funds and the Principal Available Funds in the order of priority of payments given herein 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 Loan Servicer concerning the items applied):

- a) Receivables’ principal repayment income during the Determination Period preceding the relevant Payment Date.
- b) Receivables’ 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 Receivable amounts received by the Fund during the Determination Period preceding the relevant Payment Date.
- 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, inclusive, 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 meet 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 the servicing fee payable to the latter, and all other expenses and service fees, including those arising under the Note Issue Paying Agent Agreement. Only expenses prepaid or disbursed on the Fund’s behalf by and Receivable amounts reimbursable to it, provided they are all properly supported and the Servicing Agreement fee if BBVA should be replaced as Loan Servicer will be paid to the Loan Servicer and in relation to the Servicing Agreement in this priority.
2. Payment of interest due on Class A Notes.
3. Payment of interest due on Class B Notes unless this payment is deferred to the 8<sup>th</sup> place in the order of priority.

This payment shall be deferred to the 8<sup>th</sup> place when, on the Determination Date preceding the relevant Payment Date, the difference between (a) the Outstanding Principal Balance of the Collateralised Notes and (b) the Outstanding Balance of Non-Doubtful Receivables, is greater than the Outstanding Principal Balance of Class C Notes, Class D Notes and Class E Notes, and provided that Class A Notes have not been and will not be fully amortised on the relevant Payment Date.



4. Payment of interest due on Class C Notes unless this payment is deferred to the 9<sup>th</sup> place in the order of priority.

This payment shall be deferred to the 9<sup>th</sup> place when, on the Determination Date preceding the relevant Payment Date, the difference between (a) the Outstanding Principal Balance of the Collateralised Notes and (b) the Outstanding Balance of Non-Doubtful Receivables, is greater than the Outstanding Principal Balance of Class D Notes and Class E Notes, and provided that Class A and B Notes have not been and will not be fully amortised on the relevant Payment Date.

5. Withholding of an amount sufficient for the Required Cash Reserve amount to be maintained.
6. Payment of interest due on Class D Notes unless this payment is deferred to the 10<sup>th</sup> place in the order of priority.

This payment shall be deferred to the 10<sup>th</sup> place when, on the Determination Date preceding the relevant Payment Date, the difference between (a) the Outstanding Principal Balance of the Collateralised Notes and (b) the Outstanding Balance of Non-Doubtful Receivables, is greater than the Outstanding Principal Balance of Class E Notes, and provided that Class A, B and C Notes have not been and will not be fully amortised on the relevant Payment Date.

7. Principal Withholding 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 Collateralised Notes, 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 in section 3.4.6.2.2.

8. Payment of interest due on Class B Notes when this payment is deferred from the 3<sup>rd</sup> place in the order of priority as established herein.
9. Payment of interest due on Class C Notes when this payment is deferred from the 4<sup>th</sup> place in the order of priority as established herein.
10. Payment of interest due on Class D Notes when this payment is deferred from the 6<sup>th</sup> place in the order of priority as established herein.
11. Payment of interest due on Class E Notes.
12. Payment of interest due on Class Z Notes.
13. Repayment of principal of Class Z Notes.

Partial amortisation of Class Z Notes shall occur on each Payment Date in accordance with the provisions of section 4.9.2.6 of the Security Note.

14. Payment of Start-Up Loan interest due.
15. Repayment of Start-Up Loan principal.
16. Payment to the Loan Servicer of the fee established under the Servicing Agreement.

In the event that BBVA should be replaced as Loan Servicer by a third party, payment of the management fee due to the third party, the new servicer, shall be moved up to 1<sup>st</sup> place above, along with the other payments included therein.

17. 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 Note issue and admission expenses and the ongoing fee payable to EDW.
- b) Fund management fee payable to the Management Company.
- c) Rating Agency fees for monitoring and maintaining the rating of the Notes.
- d) Expenses relating to keeping the Note accounting record representing the Notes 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 reviewing of the Additional Receivables.
- f) Note amortisation expenses.
- g) Expenses deriving from announcements and notices relating to the Fund and/or the Notes.

The Fund's ordinary expenses in its first year, including those derived from the Note Issue Paying Agent Agreement, are estimated at EUR three hundred thousand (300,000.00). Because a significant part of those expenses are directly related to the Outstanding Principal Balance of the Collateralised Notes 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) If applicable, costs incurred in preparing and executing an amendment to the Deed of Incorporation 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 Note issue and admission expenses in excess of the Start-Up Loan principal.
- f) Costs incurred for each Meeting of Creditors.
- g) In general, any other extraordinary required expenses or costs or those that are not classed under ordinary expenses that were borne by the Fund or borne or incurred by the Management Company for and on behalf of the Fund.

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

#### **1. Source**

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

- a) the Principal Withholding amount actually applied in seventh (7<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 Revolving Period, payment of the assignment price comprising the nominal value of the outstanding 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 first to amortising Class A Notes until fully amortised; second, to amortising Class B Notes until fully amortised; third, to amortising Class C Notes until fully amortised; fourth, to amortising Class D Notes until fully amortised; and fifth and last, to amortising Class E Notes until fully amortised.

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

The Management Company shall proceed to liquidate the Fund when the Fund is liquidated on the Final Maturity Date or Early Liquidation applies under 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 A, B, C, D and E Notes 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 the servicing fee payable to the latter, and all other expenses and service fees, including those derived from the Note Issue Paying Agent Agreement. Only expenses prepaid or disbursed on the Fund’s behalf by and Receivable amounts reimbursable to the Loan Servicer, provided they are all properly supported, and the fee under the Servicing Agreement in the event that BBVA should be replaced as Loan Servicer, shall be made to the Loan Servicer under the Servicing Agreement in this order.
3. Payment of interest due on Class A Notes.
4. Repayment of Class A Note principal.
5. Payment of interest due on Class B Notes.
6. Repayment of Class B Note principal.
7. Payment of interest due on Class C Notes.
8. Repayment of Class C Note principal.
9. Payment of interest due on Class D Notes.
10. Repayment of Class D Note principal.
11. Payment of interest due on Class E Notes.
12. Repayment of Class E Note principal.
13. In the event of the loan being arranged for early amortisation of the Class A, B, C, D and E Notes 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.
14. Payment of interest due on Class Z Notes.
15. Repayment of Class Z Note principal.
16. Payment of Start-Up Loan interest due.

17. Repayment of Start-Up Loan principal.

18. Payment to the Loan Servicer of the fee established under the Servicing Agreement.

In the event that BBVA is replaced as Loan Servicer by a third party, payment of the management fee payable to the third party, the new servicer, shall be moved up to 1<sup>st</sup> place above, along with the other payments included therein.

19. 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 incorporation of the Fund, in order 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 ratings assigned to the Notes.

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, and 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 end of the months of March, June, September and December, 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 incorporated, inclusive, and 30 September 2018, 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, 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, 22 October 2018, because neither the 20<sup>th</sup> nor the 21<sup>st</sup> of October 2018 are Business Days.

If the Fund does 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 be aggregated without any penalty whatsoever with 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.

Notwithstanding the above, the Financial Intermediation Margin will only be settled as established in section 5 of Rule 19 of Circular 2/2016.

The Financial Intermediation Agreement shall be fully terminated (i) in the event that the Rating Agencies do not confirm any of the provisional ratings assigned to the Notes as final ratings by 1pm (CET) on 20 June 2018 or (ii) if the Note Issue Management and Subscription Agreement is fully terminated in accordance with the provisions of section 4.1.3 of the Securities Note.

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

#### 3.4.7.1 Note Issue Paying Agent

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

The main obligation to be undertaken on by BBVA (the “**Paying Agent**”) under the Note Issue Paying Agent Agreement is to pay, on each Payment Date, Note interest and, as the case may be, to repay Note principal through IBERCLEAR, after deducting, as the case may be, 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 Paying Agent’s rating should, at any time during the life of the Note Issue, be downgraded:

- below a BBB (high) DBRS Minimum Rating or
- below a long-term deposit rating of Baa3 from Moody’s (or if such rating is withdrawn),

the Management Company shall, within not more than thirty (30) calendar days from the day of the occurrence of any of these events, after notifying the Rating Agencies, do one of the following remedial actions in order to allow a suitable level of guarantee to be maintained with respect to the commitments derived from the Note Issue Paying Agent Agreement in order for the ratings given to the Notes by the Rating Agencies not to be adversely affected:

a) Obtain from an institution:

- with a DBRS Minimum Rating of BBB (high), and/or
- with a long-term deposit rating at least as high as Baa3 from Moody’s,

an unconditional, irrevocable and first demand guarantee securing for the Fund, merely upon the Management Company so requesting, performance of the commitments made by the Paying Agent for such time as the Paying Agent remains downgraded.

b) revoke the appointment of the Paying Agent, and proceed to appoint another institution:

- with a DBRS Minimum Rating of BBB (high), and
- with a long-term deposit rating at least as high as Baa3 from Moody’s,

to replace it before terminating the Note Issue Paying Agent Agreement. Should BBVA be replaced as Paying Agent, the Management Company shall be authorised to modify the fee payable to the substitute institution, which may be higher than the one agreed with BBVA in the Note Issue Paying Agent Agreement.

In this regard, the Paying Agent shall irrevocably agree to notify the Management Company of any change or removal of its rating given by the Rating Agencies, forthwith upon that occurrence throughout the life of the Note issue.

All costs, expenses and taxes incurred in connection with doing and arranging the above shall be borne by BBVA or, as the case may be, the replacing Paying Agent.

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

In consideration of the services to be provided by the Paying Agent, the Fund, throughout the Management Company shall pay thereto on each Payment Date during the term of the agreement, a fee of EUR twelve thousand (€12,000.00), including taxes if applicable. 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 does not have sufficient liquidity to pay the full fee on a Payment Date, the unpaid amounts accrued shall be aggregated without any penalty whatsoever with 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 Note Issue Paying Agent Agreement shall be fully terminated (i) in the event that the Rating Agencies do not confirm the provisional ratings assigned to the Notes as final ratings by 1pm (CET) on 20 June 2018 or (ii) if the Note Issue Management and Subscription Agreement is fully terminated in accordance with the provisions of section 4.1.3 of the Securities Note.

### 3.5 Name, address and significant business activities of the Originator of the securitised assets

The securitised Receivables' 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: Calle Azul number 4, 28050 Madrid (Spain).

Gran Vía number 12, 48001 Bilbao (Spain).

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

#### Significant economic activities of BBVA

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

The following is the consolidated information for the BBVA Group at 31 December 2017, at 31 March 2017 and at 31 March 2018 and a comparison of the information for the latter two dates. The financial information in relation to the consolidated figures at 31 December 2017 has been audited. That information was prepared in accordance with International Financial Reporting Standards applicable to it under Regulation (EC) No 1606/2002 and Bank of Spain Circular 4/2004, as currently worded.

BBVA GROUP	31.03.2018 (B)	Δ% (B-C)/C	31.03.2017 (C)	31.12.2017
<b>BALANCE SHEET (MEUR)</b>				
Total assets	685,441	-4.7	719,193	690,059
Loans to customers	381,683	-11.6	431,899	400,369
Customer deposits	360,213	-9.6	398,499	376,379
Other customer funds	130,440	-3.6	135,290	134,906
Total customer funds	490,653	-8.1	533,789	511,285
Equity	51,823	-5.6	54,918	53,323
<b>INCOME STATEMENT (MEUR)</b>				
Interest income	4,288	-0.8	4,322	17,758
Gross income	6,096	-4.5	6,383	25,270
Net interest income	3,117	-4.0	3,246	12,770
Pre-tax profit	2,237	8.3	2,065	6,931
Profit attributed to the Group	1,340	11.8	1,199	3,519
<b>DATA PER SHARE AND STOCK MARKET RATIOS</b>				
Number of shares (millions)	6,668	1.5	6,567	6,668
Trading price (EUR)	6.43	-11.6	7.27	7.11
Market capitalisation (MEUR)	42,868	-10.2	47,739	47,422
Attributable earnings per share (EUR)*	0.19	11.8	0.17	0.48
Book value per share (EUR)	6.81	-7.0	7.32	6.96
Tangible book value per share (EUR)	5.58	-5.1	5.88	5.69

<b>BBVA GROUP</b>	<b>31.03.2018 (B)</b>	<b>Δ% (B-C)/C</b>	<b>31.03.2017 (C)</b>	<b>31.12.2017</b>
Dividend yield (Div./price as%)	3.4	-33.3	5.1	4.2
<b>KEY RATIOS (%)</b>				
ROE (Attributed profit/Average own funds**)	11.9		10.2	7.4
ROTE (Attributed profit/Average own funds capital without goodwill**)	14.6		12.8	9.1
ROA (Attributed profit/Average total)	0.97		0.84	0.68
RORWA (Attributed profit/Average risk-Efficiency ratio)	1.83		1.56	1.27
Risk cost	48.9		49.1	49.5
Delinquency rate	0.85		0.90	0.87
Vehicle purchase financing loan delinquency rate	4.4		4.9	4.6
Coverage ratio	3.6		4.2	3.3
	73		71	65
<b>CAPITAL RATIO (%)</b>				
CET1	10.9		11.0	11.1
Tier I***	12.8		12.8	13.0
Total ratio ***	15.4		15.3	15.4
<b>ADDITIONAL INFORMATION</b>				
Number of shareholders	890,146	-3.2	919,274	891,453
Number of employees	131,745	-0.9	133,007	131,856
Number of branches	8,200	-3.5	8,499	8,271
Number of ATMs	31,602	1.3	31,185	31,688

\*Adjusted for the remuneration of additional Tier 1 capital instruments (arising as a result of the allocation of the cost of capital of Additional Tier 1 instruments).

\*\* The denominator includes average own funds of the Group but does not take into account another equity caption titled "Other comprehensive income accumulated in equity". If this had been taken into account, ROE would have been 9.1% in the first quarter of 2017, 6.4% in 2017 and 9.9% in the first quarter of 2018 and ROTE would have been 11.1%, 7.7% and 11.7% respectively.

\*\*\* Capital ratios are calculated per Basel III CRD IV standards, which apply a phase-in of 80% for 2017. As of 31.03.2018, these ratios include the NIIIF9 transitory treatment, estimated according to the CRR article 473 bis.

### **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 Noteholders**

EUROPEA DE TITULIZACIÓN shall be responsible for managing and being the authorised representative of the Fund, on the terms set in Law 5/2015, and on the terms of the Deed of Incorporation and of this Prospectus.

The Management Company shall discharge for the Fund the functions attributed to it in Law 5/2015.

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

The Meeting of Creditors shall be established upon and by virtue of the Deed of Incorporation and shall remain in force and in effect until repayment of the Notes in full or cancellation of the Fund, as established in section 4.11 of the Securities Note.

### 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 Note Issue, in accordance with the provisions of this Prospectus and the Deed of Incorporation. Moreover, making all appropriate decisions in the event of the incorporation 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 to the review of the Additional Receivables.
- (v) Providing Noteholders, the CNMV, any other supervising entity and the Rating Agencies with all such information and notices as may be prescribed by the laws in force and specifically as established in this Prospectus.
- (vi) Complying with the calculation duties provided for and taking the actions laid down in the Deed of Incorporation 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) As the case may be, extending or amending the agreements entered into on behalf of the Fund, substituting each of the Fund service providers on the terms provided for in each agreement, and indeed, if necessary, amending the same and entering 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 amending the Deed of Incorporation on the terms laid down in Article 24 of Law 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 ratings assigned to the Notes by the Rating Agencies. In addition, those actions shall not require the Deed of Incorporation to be amended if they do not result in a change of the Priority of Payments or the Liquidation Priority of Payments. The Deed of Incorporation 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 Criteria 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, formally executing the assignment with BBVA and submitting to the CNMV, via CIFRADO/CNMV service, an itemisation of the Additional Receivables, and a declaration that said Additional Receivables meet all the stipulated Eligibility Criteria (Individual and Global) for their acquisition.



- (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. As established in sections 3.7.1.4 and 3.7.2 of this Additional Building Block, the Management Company entrusts BBVA, as Loan Servicer, with this duty on the terms described in the aforementioned section 3.7.2, subject to the Management Company's liability as provided for in Article 26.1.b) of Law 5/2015.
- (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 Loan 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 Note Class payable on each Payment Date.
- (xv) Calculating and determining on each Determination Date the principal to be amortised and repaid on each Note Class 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 provided for 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 Additional 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 Notes.
- (xxi) Performing all of the duties that correspond in relation to the Meeting of Creditors as established in section 4.11 of the Securities Note.

### **3.7.1.3 Resignation and replacement of the Management Company**

The Management Company shall be replaced in managing and representing the Fund, in accordance with Articles 32 and 33 of Law 5/2015 set forth herein and with such rules as 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 from 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 replacement expenses originated shall be borne by the resigning management company and may in no event be passed on to the Fund.

*Forced replacement.*

- (i) In the event that the Management Company is adjudged insolvent and/or has 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 previous section.
- (ii) In the event provided for in the preceding section, if four months elapse from the occurrence determining the replacement and no new management company has found willing to take over management, there will be Early Liquidation of the Fund and Early Amortisation of the Note Issue, in accordance with the provisions of the Deed of Incorporation and in this Prospectus.

The Management Company agrees to execute such public and private documents as may be necessary for it to be replaced by another management company, in accordance with the system provided for in the preceding paragraphs of this section. The replacing management company shall be replaced in the Management Company's rights and duties under this Prospectus. Furthermore, the Management Company shall hand to the replacing 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 servicer 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) must not result in an additional cost or expense for the Fund, (ii) shall have to be legally possible, (iii) shall not result in the ratings assigned to the Notes by the Rating Agencies being downgraded, and (iv) 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 the Management Company a servicing fee consisting of:

- (i) An initial fee which shall accrue upon the Fund being established and be payable on the Closing Date.
- (ii) The sum of (a) a fixed amount on each Payment Date and (b) a periodic fee on the Outstanding Principal Balance of the Notes 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 incorporation 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 fixed amount referred to in (a) on each Payment Date, shall be cumulatively reset, from the year 2020, inclusive, and be effective from 1 January of each year.
- (iii) Fee for preparing the file for EDW and for each submission.

If on a Payment Date the Fund does not, in the Priority of Payments, have sufficient liquidity to settle the servicing fee, the amount due shall accrue interest equal to the Nominal Interest Rate established for Class A Notes. The unpaid amount and interest due shall be aggregated for payment with 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**

Notwithstanding the obligations of servicing and management of the Receivables corresponding to the Management Company in accordance with article 26.1.b) of Law 5/2015, the Management Company has entered into a Servicing Agreement with the Originator by virtue of which the Management Company subcontract or delegate in the Originator the functions of servicing and managing the Loans from which the

Receivables will be derived. Relations between BBVA, the Fund, represented by the Management Company, and the Management Company, in relation to custody, servicing and management of the Loans underlying the Receivables it shall have assigned to the Fund, shall be governed by the Loan servicing agreement (the “**Servicing Agreement**”).

The above shall all be construed without prejudice to the Management Company’s liability in accordance with Article 26.1 b) of Law 5/2015.

BBVA (as loan servicer, the “**Loan Servicer**”) shall accept the appointment received from the Management Company and thereby agree as follows:

- (i) To service and manage and be the custodian of the Loans underlying the Receivables according to the terms of the rules 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 as it would devote and use to service its own loans and in any event on the terms provided for in the Servicing Agreement.
- (iii) That the procedures it applies and will apply to service and manage the Loans are and will continue to be in accordance with the laws and statutory regulations in force applicable thereto.
- (iv) To faithfully comply with 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 Loan Servicer shall not be liable for things done on the Management Company’s specific instructions.

In any event, the Loan 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 provided for 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 this Additional Building Block, the Loan Servicer waives the bringing of any action holding the Fund liable.

The most relevant terms of the Servicing Agreement are given in the following paragraphs of this section.

### **3.7.2.1 Ordinary Loan servicing and custody system and procedures**

#### **1. Custody of agreements, private contracts, documents and files**

The Loan 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 claim or enforce a Loan, or that is requested by any competent authority, duly informing the Management Company.

The Loan 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, the Loan Servicer 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 Loan Servicer shall continue managing collection of all Loan amounts payable by the Obligors, including both principal or interest and any other item. The Loan 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 the Loan Servicer for the Fund's account shall be paid by the Loan Servicer into the Fund's Treasury Account on the relevant Collection Dates, as this term is defined in section 3.4.1 of this Additional Building Block.

The Loan Servicer shall in no event pay any Loan payment amount whatsoever to the Fund not previously received from the Obligors.

### **3. Information**

The Loan 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 Loan Servicer shall prepare and provide 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 Loan 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 heeding requests by Obligors with the same diligence and procedures as for loans not assigned.

The Management Company may previously issue instructions to or authorise the Loan 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 authorise the Loan Servicer to enter into 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 Loan Servicer may under no circumstances on its own account and without being so requested by the Obligor enter into 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 Loan Servicer shall in renegotiating the Loan interest rate clause ensure that the new terms are in keeping with market conditions and are no different from those applied by the Loan Servicer proper in renegotiating or granting its fixed-rate loans. For these purposes, market interest rate means the fixed interest rate offered by the Loan Servicer on the Spanish market for loans without mortgage security granted to individuals for financing the purchase of vehicles, 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 7.25%. Renegotiation from time to time of the interest rate applicable to a Loan may be at no event take place where the change is to a floating interest rate.

#### **b) Extending the period of maturity**

1. The Loan Servicer shall in no event consider at its own initiative, i.e. without being so requested by the Obligor, a change in the final maturity date of the Loan that could result in an extension of the term thereof. The Loan 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 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 Note Issue.
3. The term of a specific Loan may be extended provided that the following requirements are met:
  - a) That the Loan 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 20 July 2029.

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 Loan 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 Loan Servicer shall forthwith notify the Management Company of the terms resulting from each renegotiation. Such notice shall be made through the computer 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 Loans will be kept by the Loan 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 Loan 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 on the payment obligations, the Loan Servicer shall take the measures 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 measures to be carried out, without prejudice to its right to be reimbursed by the Fund. Those measures shall include all such court and out-of-court actions as the Loan Servicer may deem necessary to claim and collect the amounts owed 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 Law 5/2015, ownership and security interests, if any, in 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 or other actions***

The Loan 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 an enforcement action 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 Law and if this should be necessary, the Management Company shall grant in the Deed of Incorporation as full and extensive a power of attorney as may be required at law to the Loan 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 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 Loan Servicer. These authorities may be extended or amended in another deed where appropriate.

The Loan 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 fails to resume payments or the Loan Servicer, and the latter with the Management Company's consent, fails 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 Loan Servicer, on such terms and subject to such limits as it deems fit.

Additionally, the Loan 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, where applicable.

#### **6. Set-off**

In the exceptional event that, despite the representation given in section 2.2.8 of this Additional Building Block, a Loan Obligor has a net, due and payable credit right against the Loan Servicer, and, because the assignment is made without the Obligor being aware, a Loan is fully or partially set-off against that receivable, the Loan 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 Loan 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 Note Class by the Rating Agencies being downgraded. Notwithstanding any subcontracting or subdelegation by the Loan 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 Law 5/2015, and (ii) the Loan Servicer 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 Loan Servicer's breach of its Loan custody, servicing, management and information obligations, laid down in the Servicing Agreement.

#### **8. Obligors' death, disability, unemployment and driver's licence disqualification insurance**

Part of the Loans originated by BBVA have insurance contracts attached thereto with a payment protection plan in the event of death, total permanent disability due to accident, temporary disability, unemployment or driver's licence disqualification.

BBVA shall, as the case may be, coordinate actions for collecting compensations derived from the insurance policies with a payment protection plan in the event of death, total permanent disability due to accident, temporary disability, unemployment or driver's licence disqualification, on the terms and conditions of the actual policies, paying the amounts received to the Fund as the beneficiary.

#### **9. Award of properties**

The Fund's assets may include any amounts, real or chattel properties, securities or interests received to pay Receivable Loan principal, interest or expenses, both in the amount decided in a court decision resulting from court proceedings initiated upon the failure to pay the Receivables, and originating in the sale or operation of the properties or securities awarded or given in lieu of foreclosure or, as a result of any of the aforementioned proceedings, under administration for payment in an award procedure.

If real or chattel properties should be awarded, given in lieu of foreclosure or recovered for the benefit of the Fund, the Management Company shall, through the Loan Servicer, proceed to take possession of any such properties, if applicable, enter them in registers, and market and sell or otherwise make liquid the same within the shortest possible space of time, at market prices, and the Loan Servicer shall take an active role in order to expedite their disposal. Based on the foregoing, the Loan Servicer's

duties shall include managing, administering, marketing and selling or otherwise make liquid the properties owned by the Fund as if they belong to the Loan Servicer, safeguarding at all times the Fund's interests, and the Loan Servicer shall in so doing apply the same management policies and allocate the same physical, human and organisational resources as it applies to administer and hold its own properties of similar characteristics, although the Loan Servicer shall at no time warrant the outcome of the sales of any such properties.

### 3.7.2.2 Term and substitution

The services shall be provided by the Loan Servicer until all obligations undertaken by the Loan Servicer as Originator of the Loans are discharged, once all the Loans serviced thereby have been repaid, or when liquidation of the Fund concludes after its termination, without prejudice to a possible early revocation of its appointment under the Servicing Agreement.

In the event of breach by the Loan Servicer of the obligations imposed on the Loan Servicer under the Servicing Agreement, or in the event of downgrade or loss of the Loan Servicer's credit rating or its financial circumstances changing to an extent that may be detrimental to or place at risk the financial structure of the Fund or Noteholders' rights and interests, the Management Company shall proceed, in addition to demanding that the Loan Servicer perform 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 Notes by the Rating Agencies not to be adversely affected: (i) demand the Loan 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 Loan Servicer's obligations; (iii) establish a cash or securities account for the benefit of the Fund in an amount sufficient to secure all or part of the Loan Servicer's obligations, and (iv) terminate the Servicing Agreement, in which case the Management Company shall previously designate a new Loan 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 Loan Servicer, only (iv) above shall be valid. Any additional expense or cost derived from the aforesaid actions shall be covered by the Loan Servicer and at no event by the Fund or the Management Company.

If in any of the events described in the preceding paragraph the Servicing Agreement has to be terminated and a new back-up loan servicer has to be nominated, the Management Company (in this regard, the "**Back-Up Loan Servicer Facilitator**") shall use its best efforts to nominate a new back-up loan servicer (the "**Back-up Loan Servicer**") within not more than sixty (60) days.

In regard to the appointment of a Back-up Loan Servicer, the Parties undertake to act as follows:

#### a) Loan Servicer Commitments

The Loan Servicer makes the follow undertakings to the Management Company:

- To provide the Management Company with all documentary and computerised Loan information enabling the Back-up Loan Servicer to manage and service the 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 necessary to issue collection orders to Obligors 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 Law or law replacing, amending or implementing the same and the General Data Protection Regulation.
- 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 Loan Servicer actually being substituted, to assist the Management Company and the Back-up Loan Servicer using all reasonable efforts in the substitution process and, as the case may be, notify Obligors.

- To do such things and execute such contracts as shall require the Loan Servicer's involvement in order for functions to be effectively transferred to the Back-up Loan Servicer.
- The Loan 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 Loan Servicer Facilitator.

b) The Management Company's undertakings as Back-Up Loan Servicer Facilitator

The Management Company agrees to use its best efforts in order to find a Back-up Loan Servicer. The Management Company agrees to keep a record of all actions taken to find the Back-up Loan Servicer, and the corresponding date, which shall include, but not be limited to, the following documents: analysis of potential back-up loan servicers, communications and discussions with the same, justification of decisions as to potential back-up loan servicers, legal opinions, communications with the Loan Servicer, the CNMV, the Rating Agencies and, as the case may be, the Loan Servicer's insolvency practitioner.

The Originator's assignment of the Receivables to the Fund will not be notified to the Obligors except to the Obligors of Extremadura, according to Law 4/2018 of 21 February amending Law 6/2001 of 24 May on the Consumers Statute of Extremadura, which requires the obligor to be notified of, inter alia, assignments to securitisation funds of receivables arising from loans.

Notwithstanding the above, in the event of insolvency, liquidation or substitution of the Loan Servicer or if the Loan Servicer is involved in a resolution process under in Law 11/2015 or because the Management Company deems this reasonably justified, the Management Company may demand the Loan Servicer to notify Obligors of the transfer to the Fund of the Loan receivables then outstanding, 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 Loan Servicer failing to notify Obligors within five (5) Business Days of receiving the request and in the event of insolvency or liquidation of the Loan Servicer, the Management Company itself shall notify Obligors 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 Loan 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 Loan Servicer shall provide the Back-up Loan 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 Back-up Loan Servicer to carry on the relevant activities.

The Servicing Agreement shall be fully terminated (i) in the event that the Rating Agencies do not confirm the provisional ratings assigned to the Notes as final ratings by 1pm (CET) on 20 June 2018 or (ii) if the Note Issue Management and Subscription Agreement is fully terminated in accordance with the provisions of section 4.1.3 of the Securities Note.

### **3.7.2.3 Liability of the Loan Servicer and indemnity**

Pursuant to Article 26.1.b) of Law 5/2015, the Management Company shall be responsible for servicing and managing the Receivables pooled in the Fund. The Management Company shall therefore not be released or exonerated from any such liability by subcontracting or entrusting that duty to the Loan Servicer, on the terms described in this Article 3.7.2 and in Article 3.7.1.4 of this Additional Building Block.

The Loan 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 Loan 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 Additional Building Block. In addition, the Loan Servicer waives the bringing of any action holding the Fund liable.



The Management Company may take action against the Loan 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 Loan Servicer.

Upon the Loans terminating, the Fund shall, through its Management Company, retain a right of action against the Loan Servicer until fulfillment of its obligations.

Neither Noteholders nor any other creditor of the Fund shall have any direct right of action whatsoever against the Loan 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 Law 5/2015, the Management Company shall be liable to Noteholders 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 Loan Servicer's remuneration**

In consideration of the services provided for in the Servicing Agreement, the Loan Servicer shall be entitled to receive a fee in arrears on each Payment Date during the term of the Servicing Agreement, which shall accrue for the exact number of days elapsed in each Determination Period preceding the Payment Date and on the Outstanding Balance of the Loans serviced and, as the case may be, the value of the properties on the preceding Payment Date.

If BBVA is replaced in that servicing responsibility, the Management Company will be entitled to change the fee for the new Loan Servicer, which may be in excess of that agreed with BBVA.

The management fee will be paid provided that the Fund has sufficient liquidity on the relevant Payment Date in the Priority of Payments or, upon liquidation of the fund, in the Liquidation Priority of Payments. If the Fund, through its Management Company, due to a liquidity shortfall in the Priority of Payments, fails to pay on a Payment Date the full fee due to the Loan Servicer, overdue amounts shall be aggregated without any penalty whatsoever with the fee payable on the following Payment Dates, until fully paid, as the case may be.

Furthermore, on each Payment Date, the Loan 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, holding, appraising 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, upon liquidation of the Fund, 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 Additional Building Block.

- (i) Start-Up Loan:
  - Start-Up Loan Agreement
  - Description in section 3.4.3.1 of this Additional Building Block.
- (i) Treasury Account:
  - Guaranteed Interest Rate Account (Treasury Account) Agreement
  - Description in section 3.4.4.1 of this Additional Building Block.
- (ii) Principal Account:
  - Guaranteed Interest Rate Account (Principal Account) Agreement
  - Description in section 3.4.4.2 of this Additional Building Block.

(ii) Financial Intermediation:

Financial Intermediation Agreement

Description in section 3.4.6.4 of this Additional 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 stipulated deadlines, the information described herein 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 frequency stipulated in each case.

###### **a) Notices to Noteholders referred to each Payment Date**

Quarterly, at least three (3) Business Days in advance of each Payment Date for i) and ii) below and at least one (1) Business Day in advance of each Payment Date for iii), iv) and v) below, it shall proceed to notify Noteholders of the following information:

- i) Interest amounts resulting from the Notes in each Class, along with the amortisation of the Notes.
- ii) Furthermore, and if appropriate, interest and amortisation amounts accrued by the Notes and not settled due to a shortfall of Available Funds, in accordance with the rules of the Priority of Payments.
- iii) The Outstanding Principal Balance of the Notes in each Class, after the amortisation to be settled on each Payment Date, and the ratio of such Outstanding Principal Balance to the initial face amount of each Note.
- iv) Obligors' Receivable principal prepayment rate during the three calendar months preceding the Payment Date.
- v) The average residual life of the Notes in each Class 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 at least three (3) Business Days in advance of each Payment Date for i) and ii) above and at least one (1) Business Day in advance of each Payment Date for iii), iv) and v) above.

###### **b) Information referred to each Payment Date:**

In relation to the Receivables at the Determination Date preceding the Payment Date, the following information shall be notified:

1. Outstanding Balance.
2. During the Revolving Period, the acquisition amount of Additional Receivables.
3. Interest and principal amount of instalments in arrears.
4. Interest rate.
5. Receivable maturity years.

6. Outstanding Balance of Doubtful Receivables and cumulative amount of Doubtful Receivables from the date on which the Fund is incorporated.

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 on the Management Company's website.

In relation to new assignments of Additional Receivables:

Submission to the CNMV on each Payment Date during the Revolving Period of an itemisation of the Additional Receivables assigned, in a computer file through the CIFRADO/CNMV system, as well as the related declaration that those Additional Receivables meet the stipulated Eligibility Criteria (Individual and Global) for their acquisition.

**c) Annually, the annual report:**

The annual report referred to in Article 35.1 of Law 5/2015 containing, inter alia, the annual accounts (balance sheet, profit & loss account, cash flow and recognised income and expense statements, annual report and management report) and audit report, shall be submitted to the CNMV within four (4) months of the close of each financial year.

**d) Quarterly, the quarterly reports:**

The quarterly reports referred to in Article 35.3 of Law 5/2015 shall be submitted to the CNMV to be filed in the relevant register within two (2) months of the end of each calendar quarter.

#### **4.1.2 Extraordinary notices**

Pursuant to Article 36 of Law 5/2015, the Management Company shall forthwith disclose 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 Notes issued or the Loans.

In particular, a material event shall be considered to be any material change in the Deed of Incorporation, if applicable, termination of the incorporation of the Fund or a decision in due course to proceed to Early Liquidation of the Fund and Early Amortisation of the Note 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 Incorporation 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 reported as statutory material disclosures in accordance with the provisions of Article 228 of the Securities Market Law.

Additionally, the Nominal Interest Rate determined for the Notes in each Class by mutual accord of the Lead Managers shall be considered additional information to this Prospectus as established in section 4.4.1.2 of the Securities Note and shall be subject of an extraordinary notice.

#### **4.1.3 Procedure to notify Noteholders**

Notices to Noteholders 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 Noteholders 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 Incorporation 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.

Exceptionally, the Nominal Interest Rate determined for the Notes in each Class by mutual accord of the Lead Managers shall be notified by the Management Company to the Paying Agent, the CNMV, AIAF and IBERCLEAR.

3. Notices and other information.

The Management Company may provide Noteholders 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 Circular 2/2016, 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 Note 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.

**Francisco Javier Eiriz Aguilera, 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 13 June 2018.**

## GLOSSARY OF DEFINITIONS

**“Acquisition Amount”** (**“Importe de Adquisición”**) means 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.

**“Additional Receivables”** (**“Derechos de Crédito Adicionales”**) means the Receivables acquired by the Fund during the Revolving Period.

**“AIAF”** (**“AIAF”**) means AIAF Mercado de Renta Fija.

**“AIFMR”** (**“AIFMR”**) means the Delegated Regulation (EU) No 231/2013 of 19 December 2012 supplementing Directive 2011/61/EU of Alternative Investment Funds Managers.

**“Available Funds”** (**“Fondos Disponibles”**) means, 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 Additional Building Block.

**“Back-Up Loan Servicer”** (**“Gestor Sustituto de los Préstamos”**) means the back-up loan servicer as established in section 3.7.2.2 of the Additional Building Block.

**“Back-Up Loan Servicer Facilitator”** (**“Facilitador del Gestor Sustituto de los Préstamos”**) means the Management Company, if the Servicing Agreement has to be terminated and a new Back-Up Loan Servicer has to be nominated.

**“BBVA”** (**“BBVA”**) means BANCO BILBAO VIZCAYA ARGENTARIA, S.A.

**“Business Day”** (**“Día Hábil”**) means any day other than a public holiday in the city of Madrid or a public holiday in the city of London or non-business day in the TARGET 2 calendar (or future replacement calendar).

**“Cash Reserve”** (**“Fondo de Reserva”**) means the Initial Cash Reserve set up on the Closing Date and subsequently provisioned up to the Required Cash Reserve amount.

**“CET”** (**“CET”**) means “Central European Time”.

**“Circular 2/2016”** (**“Circular 2/2016”**) means Circular 2/2016 of 20 April, of the Spanish Securities Market Commission, on securitisation fund accounting rules, annual accounts, public financial statements and non-public statistical information statements.

**“Civil Procedure Law”** (**“Ley de Enjuiciamiento Civil”**) means Civil Procedure Law 1/2000 of 7 January.

**“Class”** (**“Serie”**) means each class of Notes.

**“Class A Notes”** (**“Bonos de la Serie A”**) means Class A Notes, with ISIN ES0305364004, issued by the Fund having a total face amount of EUR seven hundred and twenty eight million (€728,000,000.00) comprising seven thousand two hundred and eighty (7,280) Notes having a unit face value of EUR one hundred thousand (€100,000).

**“Class A”** (**“Serie A”**) means Class A Notes issued by the Fund.

**“Class B Notes” (“Bonos de la Serie B”)** means Class B Notes, with ISIN ES0305364012, issued by the Fund having a total face amount of EUR twenty three million two hundred thousand (€23,200,000.00) comprising two hundred and thirty two (232) Notes having a unit face value of EUR one hundred thousand (€100,000).

**“Class B” (“Serie B”)** means Class B Notes issued by the Fund.

**“Class C Notes” (“Bonos de la Serie C”)** means Class C Notes, with ISIN ES0305364020, issued by the Fund having a total face amount of EUR thirty two million eight hundred thousand (32,800,000.00) comprising three hundred and twenty eight (328) Notes having a unit face value of EUR one hundred thousand (€100,000).

**“Class C” (“Serie C”)** means Class C Notes issued by the Fund.

**“Class D Notes” (“Bonos de la Serie D”)** means Class D Notes, with ISIN ES0305364038, issued by the Fund having a total face amount of EUR ten million (€10,000,000.00) comprising one hundred (100) Notes having a unit face value of EUR one hundred thousand (€100,000).

**“Class D” (“Serie D”)** means Class D Notes issued by the Fund.

**“Class E Notes” (“Bonos de la Serie E”)** means Class E Notes, with ISIN ES0305364046, issued by the Fund having a total face amount of EUR six million (€6,000,000.00) comprising sixty (60) Notes having a unit face value of EUR one hundred thousand (€100,000).

**“Class E” (“Serie E”)** means Class E Notes issued by the Fund.

**“Class Z Notes” (“Bonos de la Serie Z”)** means Class Z Notes, with ISIN ES0305364053, issued by the Fund having a total face amount of EUR four million (€4,000,000.00) comprising forty (40) Notes having a unit face value of EUR one hundred thousand (€100,000).

**“Class Z” (“Serie Z”)** means Class Z Notes issued by the Fund.

**“Closing Date” (“Fecha de Desembolso”)** means 21 June 2018, the date on which the Note subscription cash amount shall be paid up.

**“CNMV”** means Spanish Securities Market Commission (*Comisión Nacional del Mercado de Valores*).

**“Collateralised Notes” (“Bonos Colateralizados”)** means the Classes A, B, C, D and E.

**“Collection Dates” (“Fechas de Cobro”)** means the dates on which the Loan Servicer pays into the Treasury Account the Receivable amounts previously received, i.e. the second day after the date on which the Loan Servicer received those amounts or, if that is not a business day, the following business day. In this connection, business days shall be taken to be all those that are business days in the banking sector in the city of Madrid.

**“Consumer Protection Law” (“Ley General para la Defensa de los Consumidores y Usuarios”)** means the Royal Legislative Decree 1/2007, of November 16, approving the consolidated text of the General Law for the Defence of Consumers and Users and other complementary laws (*Real Decreto Legislativo 1/2007, de 16 de noviembre, por el que se aprueba el texto refundido de la Ley General para la Defensa de los Consumidores y Usuarios y otras leyes complementarias*).

**“CPR” (“TACP”)** means the effective constant annual early amortisation or prepayment rate at which average lives and durations of the Notes are estimated in this Prospectus.

**“Corporate Income Tax Regulation” (“Reglamento del Impuesto de Sociedades”)** means the Corporate Income Tax Regulation approved by Royal Decree 634/2015, of 10 July (*Real Decreto 634/2015, de 10 de julio, por el que se aprueba el Reglamento del Impuesto sobre Sociedades*).

“**CUATRECASAS**” means CUATRECASAS GONÇALVES PEREIRA, S.L.P.

“**Data Protection Law**” (“**Ley de Protección de Datos**”) means Organic Law 15/1999 of 13 December on Personal Data Protection (*Ley Orgánica 15/1999, de 13 de diciembre, de Protección de Datos de Carácter Personal*).

“**DBRS**” means DBRS Ratings Limited.

“**Deed of Incorporation**” (“**Escritura de Constitución**”) means the public deed recording the incorporation of the Fund and the issue by the Fund of the Asset-Backed Notes.

“**Default Receivables**” (“**Derechos de Crédito Fallidos**”) means Receivables, whether or not overdue, the recovery of which is considered by the Management Company unlikely after an individualised analysis and Doubtful Receivables considered as such for a period in excess of thirty (30) months and which are written off the Fund’s assets. Default Loans shall have previously been classified as Doubtful Receivables.

“**Delegated Regulation 625/2014**” (“**Reglamento Delegado 625/2014**”) means Commission Delegated Regulation (EU) No. 625/2014 of 13 March 2014, supplementing Regulation (EU) 575/2013 by way of regulatory technical standards specifying the requirements for investor, sponsor, original lenders and originator institutions relating to exposures to transferred credit risk.

“**Delinquent Receivables**” (“**Derechos de Créditos Morosos**”) means Receivables that are delinquent with a period of arrears in excess of three (3) months in payment of overdue amounts, excluding Doubtful Receivables.

“**Deloitte**” means Deloitte, S.L.

“**Determination Dates**” (“**Fechas de Determinación**”) means the dates falling on the tenth (10<sup>th</sup>) Business Day preceding each Payment Date. The first Determination Date shall be 5 October 2018.

“**Determination Periods**” (“**Periodos de Determinación**”) means periods comprising 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 incorporation of the Fund, inclusive, and the first Determination Date, 5 October 2018, 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, 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**” (“**Distribución de los Fondos Disponibles de Principales**”) means 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 Additional Building Block.

“**Doubtful Receivables**” (“**Derechos de Crédito Dudosos**”) means Receivables that at a date are delinquent with a period of arrears equal to or greater than six (6) months in payment of overdue amounts or classified by the Management Company because there are reasonable doubts as to their full repayment based on indications or information obtained by the Loan Servicer.

“**Early Amortisation**” (“**Amortización Anticipada**”) means Note 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**” (“**Supuestos de Liquidación Anticipada**”) means 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” (“Liquidación Anticipada”)** means liquidation of the Fund and hence Early Amortisation of the Note 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”** means European DataWarehouse.

**“Eligibility Criteria” (“Requisitos de Elección”)** means the requirements (Individual criteria and Global Criteria) to be satisfied by the Additional Receivables to be assigned to and included in the Fund on the relevant assignment date.

**“EUROPEA DE TITULIZACIÓN”** means EUROPEA DE TITULIZACIÓN, S.A., SOCIEDAD GESTORA DE FONDOS DE TITULIZACIÓN.

**“Final Maturity Date” (“Fecha de Vencimiento Final”)** means the final Note amortisation date, i.e. 20 July 2031 or the following Business Day if that is not a Business Day.

**“Financial Intermediation Agreement” (“Contrato de Intermediación Financiera”)** means the financial intermediation agreement entered into between the Management Company, for and on behalf of the Fund, and BBVA.

**“Financial Intermediation Margin” (“Margen de Intermediación Financiera”)** means, 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” (“Fondo”)** means BBVA CONSUMER AUTO 2018-1 FONDO DE TITULIZACIÓN.

**“GARRIGUES”** means J&A GARRIGUES, S.L.P.

**“General Data Protection Regulation” (“Reglamento General de Protección de Datos”)** means the Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC.

**“Global Criteria” (“Requisitos Globales”)** means the criteria 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” (“Contrato de Apertura de Cuenta a Tipo de Interés Garantizado (Cuenta de Principales)”)** means 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” (“Contrato de Apertura de Cuenta a Tipo de Interés Garantizado (Cuenta de Tesorería)”)** means the guaranteed interest rate account (Treasury Account) agreement entered into by the Management Company, for and on behalf of the Fund, and BBVA.

**“IBERCLEAR”** means Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. Unipersonal.

**“Individual Criteria” (“Requisitos Individuales”)** means the individual Criteria each of the Additional Receivables shall satisfy to be assigned to and included in the Fund on the relevant assignment date.

**“Initial Cash Reserve” (“Fondo de Reserva Inicial”)** means the Cash Reserve set up on the Closing Date with the payment of the Class Z Notes amount totalling EUR four million (€4,000,000.00).



**“Initial Receivables” (“Derechos de Crédito Iniciales”)** means the Receivables acquired by the Fund upon being established.

**“Interest Accrual Period” (“Periodo de Devengo de Intereses”)** means 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.

**“Insolvency Law” (“Ley Concursal”)** means Insolvency Law 22/2003 of 9 July as currently worded (*Ley 22/2003, de 9 de julio, Concursal*).

**“Law 11/2015” (“Ley 11/2015”)** means Law 11/2015 of 18 June on the recovery and resolution of credit institutions and investment firms (*Ley 11/2015, de 18 de junio, de recuperación y resolución de entidades de crédito y empresas de servicios de inversión*).

**“Law 16/2011” (“Ley 16/2011”)** means Law 16/2011 of 24 June on Consumer Credit Contracts, as amended (*Ley 16/2011, de 24 de junio, de Crédito al Consumo*).

**“Law 28/1998” (“Ley 28/1998”)** means Law 28/1998 of July 13 on Chattels Hire Purchase, as amended (*Ley 28/1998, de 13 de julio, de Venta a Plazos de Bienes Muebles*).

**“Law 27/2014” (“Ley 27/2014”)** means Law 27/2014 of 27 November of Corporate Income Tax (*Ley 27/2014, de 27 de noviembre, del Impuesto sobre Sociedades*).

**“Law 5/2015” (“Ley 5/2015”)** means Law 5/2015 of 27 April on Promoting Corporate Financing (*Ley 5/2015, de 27 de abril, de Fomento de la Financiación Empresarial*).

**“Law 7/1995” (“Ley 7/1995”)** means of March 23, on consumer credit (*Ley 7/1995, de 23 de marzo, de Crédito al Consumo*).

**“Lead Managers” (“Entidades Directoras”)** means BBVA and MERRILL LYNCH INTERNATIONAL.

**“Liquidation Available Funds” (“Fondos Disponibles de Liquidación”)** means, 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 Notes, in accordance with the provisions of section 4.4.3 (iii) of the Registration Document.

**“Liquidation Priority of Payments” (“Orden de Prelación de Pagos de Liquidación”)** means 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.

**“Loan Servicer” (“Gestor de los Préstamos”)** means BBVA (or any replacement institution as Loan Servicer), in its capacity as Loan servicer in accordance with the Servicing Agreement. This shall be without prejudice to the Management Company’s responsibility under Article 26.1 b) of Law 5/2015.

**“Loans” (“Préstamos”)** means the loans owned by BBVA granted to Individuals resident in Spain for financing the purchase of new or used vehicles, from which the Receivables shall be derived.

**“Management Company” (“Sociedad Gestora”)** means EUROPEA DE TITULIZACIÓN, S.A., SOCIEDAD GESTORA DE FONDOS DE TITULIZACIÓN.

**“Maximum Receivable Amount” (“Importe Máximo de los Derechos de Crédito”)** means the maximum amount of the Outstanding Balance of the Receivables pooled in the Fund, which shall be EUR eight hundred million (€800,000,000.00).

**“Meeting of Creditors” (“Junta de Acreedores”)** means the meeting of the Noteholders and the Start-Up Loan provider that shall be established upon and by virtue of the issuance of the Notes and shall remain in force and in effect until repayment of the Notes in full or cancellation of the Fund.

**“Moody’s”** means Moody’s Investors Service Limited.

**“NIR” (“TIR”)** means internal rate of return as defined in section 4.10.1 of the Securities Note.

**“Nominal Interest Rate” (“Tipo de Interés Nominal”)** means the fixed annual nominal interest rate payable quarterly, applicable to each Note Class.

**“Non-Delinquent Receivables” (“Derechos de Crédito No Morosos”)** means Receivables that are not deemed to be either Delinquent Receivables or Doubtful Receivables.

**“Non-Doubtful Receivables” (“Derechos de Crédito No Dudosos”)** means Receivables that are not deemed to be Doubtful Receivables at a date.

**“Note Issue Management and Subscription Agreement” (“Contrato de Dirección y Suscripción, de la Emisión de Bonos”)** means the Note Issue management and subscription agreement entered into between the Management Company, for and on behalf of the Fund, BBVA and MERRILL LYNCH INTERNATIONAL.

**“Note Issue” (“Emisión de Bonos”)** means the issue of asset-backed notes issued by the Fund with an aggregate face value of EUR eight hundred and four million (804,000,000.00), consisting of eight thousand and forty (8,040) Notes pooled in six Classes (Classes A, B, C, D, E and Z).

**“Note Issue Paying Agent Agreement” (“Contrato de Agencia de Pagos de los Bonos”)** means the Note Issue paying agent agreement entered into by the Management Company, for and on behalf of the Fund, and BBVA, as Paying Agent.

**“Notes” or “Asset-Backed Notes” (“Bonos” o “Bonos de Titulización”)** means Class A Notes, Class B Notes, Class C Notes, Class D Notes, Class E Notes and Class Z Notes issued by the Fund.

**“Obligors” (“Deudores”)** means the Loan borrowers and, as the case may be, third-party Loan guarantors.

**“Offer Dates” (“Fechas de Oferta”)** means 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” (“Fechas de Solicitud de Oferta”)** means 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” (“Entidad Cedente”)** means BBVA, originator of the Receivables.

**“Outstanding Balance of the Receivables” (“Saldo Vivo de los Derechos de Crédito”)** means the sum of outstanding principal and overdue principal not paid into the Fund for each and every one of the Receivables.

**“Outstanding Principal Balance of the Collateralised Notes” (“Saldo de Principal Pendiente de los Bonos Colateralizados”)** means the sum of the outstanding principal to be repaid (outstanding balance) at a given date of the Classes A, B, C, D and E.

**“Outstanding Principal Balance of the Note Issue” (“Saldo de Principal Pendiente de la Emisión de Bonos”)** means the sum of the outstanding principal to be repaid (outstanding balance) at a given date of the Classes A, B, C, D, E and Z making up the Note Issue.

**“Outstanding Principal Balance of the Class” (“Saldo de Principal Pendiente de la Serie”)** means the sum of the outstanding principal to be repaid (outstanding balance) at a date on all the Notes making up the Class.

**“Paying Agent” (“Agente de Pagos”)** means the firm servicing the Notes. The Paying Agent shall be BBVA (or any other institution taking its stead as Paying Agent).

**“Payment Date” (“Fecha de Pago”)** means 20 January, 20 April, 20 July and 20 October of each year or the following Business Day if any of those is not a Business Day. The first Payment Date shall be 22 October 2018, because neither the 20<sup>th</sup> nor the 21<sup>st</sup> of October 2018 are Business Days.

**“Principal Account” (“Cuenta de Principales”)** means 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” (“Fondos Disponibles de Principales”)** means 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 Notes, which shall be the sum of a) the Principal Withholding amount actually applied in seventh (7<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” (“Retención de Principales”)** means, 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 Collateralised Notes, and (ii) the sum of a) the Outstanding Balance of Non-Doubtful Receivables and b) the Principal Account balance.

**“Priority of Payments” (“Orden de Prelación de Pagos”)** means 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.

**“Prospectus” (“Folleto”)** means this document registered in the CNMV, as provided for in Regulation 809/2004 and other applicable laws.

**“Rating Agencies” (“Agencias de Calificación”)** means DBRS and Moody’s.

**“Receivables” (“Derechos de Crédito”)** means the Initial Receivables and the Additional Receivables.

**“Regulation 575/2013” or “CRR” (“Reglamento 575/2013” or “CRR”)** means Regulation (EU) No. 575/2013 of the European Parliament and of the Council of 26 June on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No. 648/2012.

**“Regulation 809/2004” (“Reglamento 809/2004”)** means Commission Regulation (EC) No. 809/2004 of 29 April 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.

**“Required Cash Reserve” (“Fondo de Reserva Requerido”)** means, on each Payment Date, EUR four million (€4,000,000.00) during the Revolving Period and, after the Revolving Period, the lower of: (i) EUR four million (4,000,000.00) and (ii) the higher of a) 0.50% of the Outstanding Principal Balance of the Class A, B and C Notes and b) EUR one million (1,000,000.00). Notwithstanding the above, the Required Cash Reserve amount will be equal to zero once the Class A, B and C Notes are fully repaid.

**“Revolving Period” (“Periodo de Restitución”)** means each Payment Date in the period comprised between the first Payment Date, 22 October 2018, because neither the 20<sup>th</sup> nor the 21<sup>st</sup> of October 2018 are Business Days, and the Payment Date falling on 20 January 2020, both inclusive, or on a previous Payment Date in the event of early termination of the Revolving Period.

**“Royal Decree 1310/2005” (“Real Decreto 1310/2005”)** means Royal Decree 1310/2005 of 4 November partly implementing Securities Market Law 24/1988 of 28 July 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 (*Real Decreto 1310/2005, de 4 de noviembre, por el que se desarrolla parcialmente la Ley 24/1988, de 28 de julio, del Mercado de Valores, en materia de admisión a negociación de valores en mercados secundarios oficiales, de ofertas públicas de venta o suscripción y del folleto exigible a tales efectos*).

**“Royal Decree 878/2015” (“Real Decreto 878/2015”)** means Royal Decree 878/2015 of 2 October on the registration, clearing and settlement of negotiable securities represented by book entries representations of book entry and the clearing and settlement of stock market, as amended (*Real Decreto 878/2015, de 2 de octubre, sobre registro, compensación y liquidación de valores negociables representados mediante anotaciones en cuenta, sobre el régimen jurídico de los depositarios centrales de valores y de las entidades de contrapartida central y sobre requisitos de transparencia de los emisores de valores admitidos a negociación en un mercado secundario oficial*).

**“Rules” (“Reglamento”)** means the rules applicable to the Meeting of Creditors.

**“Securities Market Law” (“Ley del Mercado de Valores”)** means the consolidated text of the Securities Market Law approved by Legislative Royal Decree 4/2015 of 23 October (*Real Decreto Legislativo 4/2015, de 23 de octubre, por el que se aprueba el texto refundido de la Ley del Mercado de Valores*).

**“Servicing Agreement” (“Contrato de Gestión”)** means the Loan custody, servicing and management agreement entered into between the Management Company, in its own name and on behalf of the Fund, and BBVA, as Loan Servicer.

**“Solvency II Regulation” (“Reglamento Solvencia II”)** means the Regulation (UE) 2015/35 of 10 October 2014 supplementing Directive 2009/138/EC of the European Parliament and Council on the taking-up and pursuit of the business of Insurance and Reinsurance.

**“Start-Up Loan Agreement” (“Contrato de Préstamo para Gastos Iniciales”)** means the commercial subordinated loan agreement entered into by the Management Company, for and on behalf of the Fund, and BBVA for EUR three million seven hundred and fifty thousand (€3,750,000.00).

**“Subscriber/s” (“Entidad/es Suscriptora/s”)** means BBVA and/or MERRILL LYNCH INTERNATIONAL.

**“Transfer Tax and Stamp Duty Act” (“Ley del Impuesto sobre Transmisión y Actos Jurídicos Documentados”)** means the consolidated text of the Transfer Tax and Stamp Duty Act approved by Legislative Royal Decree 1/1993 of 24 September (*Real Decreto Legislativo 1/1993, de 24 de septiembre, por el que se aprueba el Texto refundido de la Ley del Impuesto sobre Transmisiones Patrimoniales y Actos Jurídicos Documentados*).

**“Treasury Account” (“Cuenta de Tesorería”)** means 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.

**“VAT Act” (“Ley del IVA”)** means the Law 37/1992, of 28 December, on Value Added Tax (*Ley 37/1992, de 28 de diciembre, del Impuesto sobre el Valor Añadido*).