

IM PRESTAMOS FONDOS CEDULAS FONDO DE TITULIZACION DE ACTIVOS

ASSET BACKED SECURITIES

| | | |
|---------|---------------|------|
| A Bonds | 344,100,000 € | Aaa |
| B Bonds | 6,900,000 € | Baa2 |
| C Bonds | 900,000 € | Ba2 |

*BACKED BY LOANS GRANTED TO "CEDULAS HIPOTECARIAS" FUNDS
DESTINED TO PROVIDE THE RESERVE FUND*

SELLER



UNDERWRITER



FINANCIAL AGENT



FONDO DESIGNED AND STRUCTURED BY



FONDO INCORPORATED AND MANAGED BY



This document is a translation of the Spanish Prospectus registered at the CNMV. This document is not a securities offer or other document with any legal effect. No other document but the final Prospectus registered at the CNMV may be considered as having any legal effect.

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This document constitutes the informative prospectus (the **Prospectus**) of the *IM PRÉSTAMOS FONDOS CÉDULAS, Fondo de Titulización de Activos*, (the **Fondo**) approved by and registered at the *CNMV*, in accordance with the provisions of European Commission Regulation 809/2004 of 29th April 2004 (**Regulation 809/2004**), consisting of:

1. A description of the principal risk factors related to the issue, to the securities and to the assets that support the issue (the **Risk Factors**);
2. A document for the registration of the securities, prepared in conformity with Annex 7 of Regulation 809/2004 (the **Registration Document**);
3. A note on the securities, prepared in conformity with Annex 13 of Regulation 809/2004 (the **Securities Note**);
4. An additional building block prepared following the template provided in Regulation 809/2004 (the **Additional Building Block**).
5. A glossary of definitions.

IM PRESTAMOS FONDOS CEDULAS

FONDO DE TITULIZACION DE ACTIVOS

RISK FACTORS

1 RISKS DERIVED FROM THE LEGAL NATURE AND THE ACTIVITY OF THE ISSUER

1.1 Nature of the *Fondo* and liabilities of the *Sociedad Gestora*.

The *Fondo* constitutes a separate estate lacking legal personality that, in accordance with *Real Decreto 926/1998*, is managed by a *Sociedad Gestora de Fondos de Titulización* (Management Company).

The *Fondo* is established as a closed vehicle.

The *Sociedad Gestora* will perform for the *Fondo* the functions described in *Real Decreto 926/1998*, including the defence of the interests of the Bondholders as third-party agent in the absence of a bondholder syndicate.

1.2 Forced substitution of the *Sociedad Gestora*.

In accordance with article 19 of *Real Decreto 926/1998*, should the *Sociedad Gestora* be declared in bankruptcy it must proceed to find another *Sociedad Gestora* to replace it. If four months have elapsed since the event that determined the replacement without a new *Sociedad Gestora* prepared to take charge of the management, the *Fondo* will be liquidated early and the securities will be amortised.

1.3 Limitation of actions against the *Sociedad Gestora*.

The Bondholders and other ordinary creditors of the *Fondo* will not take action against the *Sociedad Gestora* except when it is in breach of its duties or the Deed of Incorporation of the *Fondo* and this Prospectus.

1.4 Bankruptcy of the *Sociedad Gestora*, the Seller or any of the Issuers.

The Seller and the *Sociedad Gestora* may be declared bankrupt and this may affect their contractual relations with the *Fondo*, in accordance with *Ley Concursal* (Bankruptcy Act).

In the case of bankruptcy of the *Sociedad Gestora*, it must be replaced by another *Sociedad Gestora* in conformity with the provisions of article 19 of *Real Decreto 926/1998*. The structure of this asset securitisation does not allow for the existence of any sums in cash that may be integrated into the mass of the *Sociedad Gestora* except if the parties are in breach, as the amounts collected as income of the *Fondo* must be paid into accounts opened

in its name by the *Sociedad Gestora* (acting not as an agent of the *Fondo*, but as its legal representative).

Fondos AyT and *Fondos TDA*, as *Fondos de Titulización de Activos*, are not subject to the Bankruptcy Act, but are bound to the Priority Order of Payments established in their Deeds of Incorporation.

The assets of the *Fondos AyT* and the *Fondos TDA* are comprised of *Cédulas Hipotecarias* issued by financial entities and the amounts of their corresponding Reserve Funds, amounts available for use in accordance with the priority of payments of each *Fondo*. In accordance with the Bankruptcy Act, in the event of bankruptcy of any one of the Issuers of the *Cédulas Hipotecarias* sold to a *Fondo AyT* or to a *Fondo TDA*, these will enjoy the privilege set out in article 90.1.1, in relation to the credit for principal and interest of said *Cédulas Hipotecarias*, despite the fact that such amounts due will be paid from the mass, during the bankruptcy process, up to a maximum amount corresponding to the amounts collected by the bankrupt Issuer, from the total number of mortgages included in its balance sheet at any given time.

2 RISKS DERIVED FROM THE SECURITIES

2.1 Limited liquidity.

There are no guarantees that a negotiation with a minimum frequency or volume may take place for the Bonds in the market. In addition, under no circumstance will the *Fondo* repurchase the Bonds from the holders, although they may be fully amortised in advance in the event of the Early Liquidation of the *Fondo*, in the cases and terms established in section 4.4.3 of the Registration Document.

2.2 Yield.

The calculation of the yield, the average life and duration of the Bonds is subject to amortisation and interest rate evolution assumptions that may not happen.

2.3 Penalty Interests.

In the case of lack of payment to the bondholders, the amounts due but not paid, both for interest and principal, for the latter on the Final Maturity Date of the *Fondo*, will not accrue penalty interest in case of default or any additional interest of any kind.

2.4 Subordination of the Bonds.

The payment of interest and reimbursement of principal of the B Bonds will be subordinated to the A Bonds, whereas the C Bonds will be subordinated to the A and B Bonds both for interest payment and reimbursement of principal. Nevertheless, there is no certainty that these rules of subordination will protect the A, B and C Bondholders from the risk of loss.

The rules of subordination between the different Series are established in the Priority Order of Payments in accordance with section 3.4.6 of the Additional Building Block.

2.5 Rating of the Bonds.

The credit risk of the Bonds issued from the *Fondo* has been evaluated by *Moody's Investors Service España, S.A.*

The final ratings assigned may be reviewed, suspended or withdrawn at any time by the Rating Agency based on any information it receives.

These ratings do not constitute, and will not be interpreted as, an invitation, a recommendation or an incitement for the investors to carry out any kind of operation with the Bonds, specifically, to buy, maintain, encumber or sell such Bonds.

2.6 Limited liability.

The Bonds issued by the *Fondo* do not represent a direct obligation of the *Sociedad Gestora* or the Seller, or the Issuers of the *Cédulas Hipotecarias* grouped in the *Fondos AyT* and *Fondos TDA*, or of these two. Nevertheless, and as is indicated in the following section 3.2, the credit risk associated with the Bonds is related to the *Cédulas Hipotecarias* grouped in the *Fondos AyT* and *Fondos TDA*. The flow of resources used to meet the obligations derived from the Bonds is ensured or guaranteed only in the specific circumstances and with the limits mentioned in this Prospectus. With the exception of these guarantees, there are no others granted by any public or private entities, including the Issuers, the Seller, the *Sociedad Gestora*, and any other companies affiliated to or participated by any of the former.

The Loans and the rights that they entail, together with the Liquidity Facility, the Financial Interest Rate Swap Agreement, and the balances deposited in the Treasury Account, are the only source of income of the *Fondo* and, therefore, of payments to the Bondholders.

3 RISKS DERIVED FROM THE ASSETS THAT BACK THE ISSUE

3.1 Seller of the Loans.

The Seller, in accordance with article 348 of the *Código Civil* (Commercial Code), is responsible to the *Fondo* exclusively for the existence and legitimacy of the Loans in the terms and conditions declared in the Deed of Incorporation of the *Fondo*, as well as for the title with which it carries out the sale, but does not assume any liability for the default of the debtors of the Loans (*Fondos AyT* and *Fondos TDA*) or the Issuers, nor will it assume in any other manner any liability for directly or indirectly guaranteeing the success of the transaction, nor will it grant guarantees or endorsements, either by virtue of the Deed of Incorporation or of any other agreement or contract. All of this despite the responsibilities of the Seller for the representations and guarantees described in section 2.2.8 of the Additional Building Block and those derived from the different agreements signed with the *Fondo*.

3.2 Risk of default of the Loans.

The holders of the Bonds will run the risk of default of the securitised Loans, which, in turn, run the risk of default of any of the *Cédulas Hipotecarias* grouped in the *Fondos AyT* and *Fondos TDA*.

The *Fondos AyT* and the *Fondos TDA* are the borrowers of the Loans. As *Fondos de Titulización de Activos*, they are closed in relation to the resources that they have available as well as to the procedures of order and priority of payments. Therefore, the risk of default of the Loans is directly related to the risk of default of the Issuers of the *Cédulas Hipotecarias* grouped in these *Fondos*, in particular with the risk of default of the obligations derived from the *Cédulas Hipotecarias* issued by the original lenders of the Loans.

Both collection of the principal and interest of the *Cédulas Hipotecarias* are, in accordance with article 12 of *Ley 2/1981*, especially guaranteed, without the need for them to be inscribed in the Register, by a senior mortgage over all those that are registered to the Issuers at any moment, despite their universal equity liability. The credit right of the *Fondos AyT* and the *Fondos TDA*, as holders of the *Cédulas Hipotecarias*, against the Issuers, in addition to being guaranteed as described above, will also enjoy the right to claim the payment from the Issuers; the *Fondos AyT* and *Fondos TDA*, as holders of the *Cédulas Hipotecarias*, are privileged creditors, as indicated in section 3 of article 1923 of the *Código Civil* (Civil Code), against any other creditors in relation to all the credits guaranteed with mortgages inscribed in favour of the Issuers.

The default of a *Cédula Hipotecaria*, whichever its Issuer may be, may imply the default of one of the Loans. The level of recoveries and of collections of a *Cédula Hipotecaria* is directly related to the guarantee described above, and conditions the recovery of the unpaid amounts of the Loans.

In addition, the *Fondo* has incorporated a Reserve Fund as a guarantee, calculated in accordance with the levels of risk associated to the operation. Should there be any deterioration in such levels, the Bonds may experience losses that, in any event, will be consistent with the rating levels assigned to the bonds by the Rating Agency on the Date of Incorporation.

In addition, it is necessary to highlight a number of aspects also directly related to the *Cédulas Hipotecarias*, and which define new risks associated to the Loans:

- The *Cédulas Hipotecarias* have, in all cases, stated penalty interest at a fixed rate in the event of default. In the event of default of a *cédula*, the amounts derived from such defaulted interest will be used to pay the interest of the Loans, defined at a variable rate. Consequently, from a certain level of market interest rate, in the event of default of the *Cédulas*, the resources derived from defaulted interest of the *Cédulas* may be lower than those required to address the interest of the Loans.
- The Loan agreements anticipate a specific situation in which the lender may undergo a reduction in its remuneration. If an Issuer defaults the *Cédula Hipotecaria* sold to a *Fondo AyT* or a *Fondo TDA*, the portion of the Loan granted by such Issuer will begin to accrue interest at the rate current at any given time in the Treasury Account of the corresponding *Fondo AyT* or *Fondo TDA*, respectively. This interest rate will be lower than the interest rate accrued by the performing Loans.
- Should any Issuer amortise in advance a *Cédula Hipotecaria* sold to a *Fondo AyT* or a *Fondo TDA*, the part of the Loan granted by such Issuer will begin to accrue interest at the current rate at any given moment in the Treasury Account of the corresponding *Fondo AyT* or *Fondo TDA*, that will in addition have an economic effect on the *Fondo* should said portion be one of those sold to the *Fondo*. This interest rate of the Treasury

Account is, in any event, lower than the interest rate that the Loans accrue when such early amortisation does not take place.

- The principal and the interest of the portion of a Loan granted by an Issuer that may have missed a payment of a *Cédula Hipotecaria* will be postponed until the full payment of the principal and the interest of the remaining parts of such Loan that have not failed to pay the *Cédulas Hipotecarias*. It must be noted that in relation to the payment of the Variable Remuneration established for the *TDA* Loans, clause 4.5 of the *Contrato de Gestión Interna TDA* (*TDA* Internal Management Agreement) establishes that the principal and the Variable Remuneration that would correspond to the Issuers in breach will be subordinate to the fulfilment by the said Issuer of the payment obligations of its *Cédulas Hipotecarias*.

In order to cover these risks, the *Fondo* will benefit from the Reserve Fund, regulated in section 3.4.2.2 of the Additional Building Block, and from the Liquidity Facility Agreement, regulated in section 3.4.7.3 of the Additional Building Block.

3.3 Specific risks related to the interest rate of the Loans.

The Loans accrue a variable interest rate, based on the 1-year EURIBOR rate, resetting and settled annually on different dates throughout the year. All of the Bonds accrue variable interest, based on the 3-month EURIBOR rate, resetting and settled quarterly on each Payment Date, that do not coincide with those corresponding to any of the Loans. In order to cover these risks, among others, the *Fondo* will enter into the Financial Interest Rate Swap Agreement.

3.4 Risk of early amortisation of the Loans.

The Loans may be amortised in advance under extraordinary circumstances, in accordance with the rules provided in the Deed of Incorporation of each *Fondo*, due to which IRR, the duration and the amortisation of the Bonds may undergo variations in relation to the values initially forecast.

In this sense, and in respect of the *TDA* Loans, clause 4 of the *TDA* Loans Agreement covers the situation of the early amortisation when the corresponding *Fondo TDA* is extinguished before its final maturity date.

On the other hand, and in respect of the *AyT* Loans, clause 6.2 of the *AyT* Loans Agreement establishes that partial amortisations will not take place except with the authorisation of the *Sociedad Gestora*, prior approval of the reduction of the Reserve Fund by the Rating Agency.

IM PRESTAMOS FONDOS CEDULAS FONDO DE TITULIZACION DE ACTIVOS

REGISTRATION DOCUMENT FOR SECURITIES (ANNEX 7 OF EC REGULATION 809/2004)

1 PERSONS RESPONSIBLE

1.1 Persons responsible for the information that appears in the Registration Document.

José Antonio Trujillo del Valle, acting in the name and on behalf of INTERMONEY TITULIZACIÓN, SGFT, S.A. (the *Sociedad Gestora*), entity promoting the IM PRÉSTAMOS FONDOS CÉDULAS, FONDO DE TITULIZACIÓN DE ACTIVOS (the *Fondo*), assumes responsibility/liability for the content of this Registration Document.

José Antonio Trujillo del Valle acts in his capacity as Chairman of INTERMONEY TITULIZACIÓN, SGFT, S.A., by virtue of the agreement adopted by the Board of Directors of the *Sociedad Gestora* on April 23, 2007.

1.2 Declaration of the persons responsible for the Registration Document.

José Antonio Trujillo del Valle, representing the *Sociedad Gestora*, declares that following the due diligence to guarantee the information contained in this Registration Document, to the best of his knowledge, it is in conformity with fact and does not incur in any omissions that may affect its content.

2 ACCOUNTING AUDITORS

2.1 Auditors of the *Fondo*.

In conformity with section 4.4.2 of this Registration Document, the *Fondo* lacks historical financial information.

Nevertheless, during the life of the *Fondo*, the annual accounts of the *Fondo* will be audited annually by accounting auditors.

In its meeting on April 23, 2007, the Board of Directors of the *Sociedad Gestora* designated Ernst & Young, S.L., inscribed in the Official Register of Accounting Auditors (R.O.A.C.) with number S0530, with registered address in Plaza Pablo Ruiz Picasso 2, 28020 Madrid, and Company ID Code B-78970506, as auditors of the *Fondo*, without specifying the number of accounting periods for which it has been designated. The Board of Directors of the *Sociedad Gestora* will inform the *Comisión Nacional del Mercado de Valores (CNMV)* of any changes that may take place in reference to the designation of the auditors.

2.2 Period and Accounting Criteria used by the *Fondo*.

The accounting periods of the *Fondo* will commence on January 1st and terminate on December 31st of each year, except the first accounting period, which will commence on the Date of Incorporation and terminate on December 31st 2007, and the last one, which will end on the Date of Final Maturity of the *Fondo*, except if the life of the *Fondo* is extended to the Legal Maturity Date or if *Fondo* is liquidated in advance, in which case such date will be the final date of the last accounting period.

The accrual principle will be expressly followed in the preparation of the accounting information relating to the *Fondo*.

3 RISK FACTORS

The specific risk factors of the *Fondo* are those described in section 1 of the document included in this Prospectus as “RISK FACTORS”.

4 INFORMATION ON THE ISSUER

4.1 Declaration of the establishment of the Issuer as *Fondo de Titulización de Activos*.

IM PRÉSTAMOS FONDOS CÉDULAS, FONDO DE TITULIZACIÓN DE ACTIVOS is incorporated in conformity with Spanish legislation as a closed *Fondo de Titulización de Activos*.

4.2 Legal name of the issuer.

The name of the *Fondo* is IM PRÉSTAMOS FONDOS CÉDULAS, FONDO DE TITULIZACIÓN DE ACTIVOS. The names IM PRÉSTAMOS FONDOS CÉDULAS, FTA and IM PRÉSTAMOS FONDOS CÉDULAS will also be used.

4.3 Registration of the issuer.

The incorporation of the *Fondo* and the issue of the asset-backed bonds (the ***Bonds***) must be registered and inscribed in the Official Registers of the *CNMV* in advance, in agreement with article 5 of *Real Decreto 926/1998*. This Prospectus has been registered in the Official Registers of the *CNMV* on July 24, 2007.

Registro Mercantil (Companies House)

It is hereby stated that neither the incorporation of the *Fondo* nor the Bonds that may be issued from its assets will be registered in the *Registro Mercantil* in accordance with the power included in article 5.4 of *Real Decreto 926/1998*.

4.4 Date of incorporation and period of activity of the issuer, if not permanent.

4.4.1 Date of incorporation of the *Fondo*.

Once this Prospectus has been registered in the *CNMV*, the *Sociedad Gestora*, together with the Seller, will grant the Deed of Incorporation of the *Fondo* in the terms established. This will take place on the Date of Incorporation of the *Fondo*, July 25, 2007.

The Deed of Incorporation of the *Fondo* will follow article 6 of *Ley 24/1988* and will therefore be the deed of issue of the Bonds and the deed that establishes the representation of the Bonds as book entries.

The *Sociedad Gestora* declares that the content of the Deed of Incorporation of the *Fondo* will coincide with the draft sent to the *CNMV*, and that the terms of the Deed of Incorporation do not under any circumstance contradict, modify, alter or render void the content of this Prospectus.

The Deed of Incorporation may not be modified except under exceptional circumstances and provided that this does not contradict current legislation. These modifications may not, in any event, result in a detriment to the bondholders, or the modification of their credit rating. The Rating Agency and the *CNMV* will be notified prior to such modifications and the authorization of the *CNMV* must be obtained should this be necessary.

4.4.2 Period of Activity of the *Fondo*.

The activity of the *Fondo* will commence on the day of the granting of the Deed of Incorporation of the *Fondo*.

The *Fondo* is incorporated for a term that will range from the date of granting of the Deed of Incorporation until the second anniversary of the Date of Final Maturity (hereon, the ***Legal Maturity Date***) except in the event of the extinction and liquidation of the *Fondo* prior to such date in accordance with section 4.4.3 of this Registration Document.

4.4.3 Termination of the *Fondo*.

The *Fondo* will be terminated as a result of the causes described in *Real Decreto 926/1998* and *Ley 19/1992* and, in particular, of the following; in any event, the *CNMV* and the Rating Agency must be informed and the Order of Priority of Payments of section 3.4.6 of the Additional Building Block must be applied:

- (i) When the Loans are fully amortised.
- (ii) When the Bonds are fully amortised.
- (iii) When, in the opinion of the *Sociedad Gestora*, exceptional circumstances render impossible, or extremely difficult, the maintenance of the financial balance of the *Fondo*, including cases of modification of current regulations, i.e. tax regulations, and the establishment of withholding obligations that may affect such balance.
- (iv) In the event covered by article 19 of *Real Decreto 926/1998*, that establishes the obligation to liquidate the *Fondo* in advance in the event that 4 months have elapsed since the event that determined the replacement of the *Sociedad Gestora*, as a result of its bankruptcy, and no new *Sociedad Gestora* is prepared to take over of the management of the *Fondo*.
- (v) If the provisional ratings granted to the Bonds of Series A, B and C by the Rating Agency are not confirmed prior to the beginning of the Subscription Period, the *Sociedad Gestora* will cancel the incorporation of the *Fondo*, the purchase of the Loans, the issue of the Bonds and the remaining Agreements of the *Fondo*. The extinction of the *Fondo* will be duly notified to the *CNMV*. Within the maximum term of one month from the occurrence of the cause that forced the cancellation, the *Sociedad*

Gestora will execute a Notary Act declaring the obligations of the *Fondo* to be liquidated and cleared, and that the *Fondo* has been extinguished.

- (vi) On the Final Maturity Date of the *Fondo*, provided that the Available Resources of the *Fondo* allow for the cancellation of its outstanding obligations.
- (vii) In any case, the *Fondo* will be terminated on the Legal Maturity Date or on the immediately following Business Day, should it not be a Business Day.

The Final Maturity Date of the *Fondo* will be January 24th, 2020 or, should this not be a Business Day, the following Business Day except if the *Fondo* is terminated and settled prior to such date.

The Legal Maturity Date of the *Fondo* will be the date of the second anniversary of the Final Maturity Date of the *Fondo* or the following Business Day should this not be a Business Day.

4.4.4 Liquidation of the *Fondo*.

The *Sociedad Gestora* will proceed to liquidate the *Fondo* if any of the events described in section 4.4.3 above take place, by selling its assets and clearing its liabilities in accordance with the Order of Priority of Payments of section 3.4.6 of the Additional Building Block.

In the event that there are any outstanding payment obligations of *Fondo* to any of the Bondholders, the *Sociedad Gestora* will carry out its best efforts to ensure the sale of the Loans for a price at least equal to the principal pending amortisation plus the unpaid interest accrued. In any case, the *Sociedad Gestora* will offer the sale of the assets of the *Fondo* to 5 financial entities active in the purchase and sale of these assets, including SANTANDER, and will not sell them for a price lower than the best offer received.

The Seller will have a preferential right to acquire from third parties Credit Rights remaining in the *Fondo*'s assets, in the terms established by the *Sociedad Gestora* and in accordance with the stipulations of the previous paragraph. To this end the *Sociedad Gestora* will submit to the Seller a list of assets and of bids received from third parties, and the Seller may exercise the right as regards any or all of the assets offered by the *Sociedad Gestora*, within ten Business Days following the receipt of this list, and always provided the Seller's bid is at least equal to the highest bid made by third parties.

This preferential right does not in any case imply an agreement, undertaking or declaration of intent to buy back or repurchase Credit Rights.

Should any amounts remain in the balance derived from the liquidation of the assets of the *Fondo* once the liquidation process of the *Fondo* has been carried out, this amount will be paid to the Seller.

Once 6 months have elapsed from the liquidation of the assets remaining in the *Fondo* and the distribution of the Available Resources, the *Sociedad Gestora* will grant a Notary Act to be remitted to the CNMV, declaring (i) the termination of the *Fondo*, (ii) the causes that led to this, (iii) the liquidation procedure, and (iv) the application of the Order or Priority of Payments in the liquidation. This notification will be published in *Boletín Diario del Mercado ALAF* or by any other means of publication that may be of general acceptance in the market and complying with any further procedures that are required.

If the *Sociedad Gestora* proceeds with the liquidation of the *Fondo* in agreement with this Section, it will imply the sale of the assets and the assignment of the corresponding resources to the cancellation of the liabilities of the *Fondo* in accordance with the Order or Priority of Payments established in section 3.4.6 of the Additional Building Block.

4.5 Address, legal personality and legislation applicable to the issuer.

IM PRÉSTAMOS FONDOS CÉDULAS, Fondo de Titulización de Activos (the *Fondo*), is incorporated, in accordance with its rules of incorporation, as a closed *Fondo*, lacking independent legal personality and with its legal representation and administration corresponding to the *Sociedad Gestora*.

The registered address of the *Fondo* will be that of the *Sociedad Gestora*, in Plaza Pablo Ruiz Picasso s/n, Torre Picasso, planta 22, Madrid (Spain). The contact telephone number of the *Sociedad Gestora* is +34 91 432 64 88. Further contact details of the *Sociedad Gestora* and of the *Fondo*, may be found at www.imtitulizacion.com.

The *Fondo* is incorporated and is subject to Spanish legislation. The *Fondo* is regulated in conformity with (i) this Prospectus (ii) the Deed of Incorporation of the *Fondo*, (iii) *Real Decreto 926/1998, de 14 de mayo* and the provisions that develop it, (iv) *Ley 19/1992, de 7 de julio, sobre Régimen de Sociedades y Fondos de Inversión Inmobiliaria y sobre Fondos de Titulización Hipotecaria*, in relation to aspects not covered by *Real Decreto 926/1998* and when applicable, (v) *Ley 24/1988, de 28 de julio, del Mercado de Valores* (Securities Market Act), in its current wording, pertaining to the supervision, inspection, sanction and all that may prove applicable, (vi) *Ley 3/1994, de 14 de abril*, by which the Spanish legislation on credit entities is adapted to the Second Directive on Banking Coordination, (vii) *Real Decreto 1310/2005, de 4 de noviembre, por la que se desarrolla parcialmente Ley 24/1988, de 28 de julio, del Mercado de Valores*, and (viii) any other legal and regulatory provisions that may be in force at any moment and which may prove to be applicable.

Any disputes that may arise in relation to this Prospectus is subject to the Courts and Tribunals of Madrid, and the Seller, the Bondholders and the *Sociedad Gestora* waive any other jurisdiction to which they may be entitled.

4.5.1 Tax regime of the *Fondo*.

In accordance with article 1.2 of *Real Decreto 926/1998*; article 5.10 of the *Ley 19/1992*; article 7.1.h) of *Texto Refundido de la Ley del Impuesto sobre Sociedades, aprobado por el Real Decreto Legislativo 4/2004, de 5 de Marzo*, (Corporate Tax Act); article 20.1.18 of the *Ley 37/1992, de 28 de Diciembre, del Impuesto sobre el Valor Añadido* (Value Added Tax Act); article 59.k) of *Real Decreto 1777/2004, de 30 de Julio* (Corporate Tax Regulations); article 45.I.B).15 of *Texto Refundido de la Ley del Impuesto sobre Transmisiones Patrimoniales y Actos Jurídicos Documentados, aprobado por el Real Decreto Legislativo 1/1993, de 24 de septiembre*, (Stamp Tax), and the *Disposición Adicional Quinta* of the *Ley 3/1994*, and *Ley 35/2006, de 28 de noviembre, del impuesto sobre la Renta de las Personas Físicas y de modificación parcial de las leyes de los impuestos sobre Sociedades, sobre la Renta de no Residentes y sobre el Patrimonio*, the specific characteristics of the current taxation regime for the *Fondo* are as follows:

- (i) Article 5.10 of *Ley 19/1992* establishes that the incorporation of *fondos de titulización hipotecaria* (mortgage backed funds) is exempt from the Stamp Tax heading “corporate operations”.

In addition, article 16 of *Real Decreto Ley 3/1993*, enabled the Government to “extend the regime provided for the securitisation of mortgage participations (...) to the securitisation of other loans and credit rights”, and such qualification is endorsed and extended by the *Disposición Adicional Quinta* of *Ley 3/1994*.

In addition, *Real Decreto 926/1998* establishes that the *fondos de titulización de activos* will be subject to the rules of *Ley 19/1992* regarding *fondos de titulización hipotecaria*, insofar as they may prove to be applicable and not covered by such rule, taking into consideration their specific nature.

Therefore, even though *Real Decreto 926/1998* may not specifically deal with the fiscal treatment applicable to *fondos de titulización de activos*, it is understood that the exemption from such heading is also applicable to the incorporation of *fondos de titulización de activos* (such as the *Fondo*).

- (ii) The issue of the Bonds is exempt from VAT (article 20.1.18 of *Ley del IVA*) and from Stamp Tax (article 45-I.B, number 15 of the revised text of such tax).
- (iii) The *Fondo* is subject to Corporate Tax, at the rate determined in agreement with Title IV of the revised text of the Corporate Tax Act, and the current general rate of 32.5%, which will be set at 30% for the tax periods commencing January 1, 2008.
- (iv) In relation to the benefits obtained from Loans that constitute payment of the *Fondo*, there is no obligation to retain or to make payments on account of Corporate Income Tax.
- (v) The management and custody services rendered to the *Fondo* by the *Sociedad Gestora* are exempt from VAT in agreement with article 20.1.18.n) of the Law on VAT.
- (vi) The sale of Loans to the *Fondo* is exempt from VAT.

4.6 Issuer’s authorised and issued Capital.

Not applicable.

5 DESCRIPTION OF THE *FONDO*

5.1 Main activity.

The sole object of the *Fondo* is the transformation of the Credit Rights derived from the Loans into homogenous, standardized and fixed income securities, susceptible of being traded in organized securities markets. The amount of the issue and the liquidation of the Financial Interest Rate Swap agreement on the Closing Date will be destined in full to purchase the Credit Rights, to establish the Reserve Fund and to finance the Issue Expenses.

5.2 General description of the participants in the *Fondo*.

- INTERMONEY TITULIZACION, SOCIEDAD GESTORA DE FONDOS DE TITULIZACION, S.A. acts as *Sociedad Gestora* in the incorporation, administration and legal representation of the *Fondo*. *InterMoney Titulización* has also carried out the financial design of the operation.

InterMoney Titulización, a company that manages securitisation funds, is incorporated in Spain and registered in the *Registro Especial de Sociedades Gestoras de Fondos de Titulización* of the CNMV, with number 10.

Registered address: Plaza Pablo Ruiz Picasso s/n, Torre Picasso, planta 22, 28020 Madrid, Spain.

Company ID Code: A-83774885

More detailed information on the *Sociedad Gestora* may be found in section 6 of this Registration Document.

- BANCO SANTANDER CENTRAL HISPANO, S.A. (**SANTANDER**) acts as Seller, counterpart of the Financial Interest Rate Swap Agreement, Liquidity Facility Provider, Financial Agent, counterpart of the *Fondo* in the Treasury Account Agreement and Underwriter. SANTANDER has also carried out the financial design of the operation.

SANTANDER is a financial entity incorporated in Spain that is registered in the *Registro Mercantil de Santander*, in Book 83, Sheet 1, Page 9 inscription 1519, with its codification number in the Bank of Spain being 0083. Registered address: Paseo de Pereda 9-12, Santander. Company ID Code: A-39000013.

The ratings for SANTANDER’s unsubordinated and unsecured long and short-term debt are:

| | RATINGS | | |
|------------|---------|-----|-------|
| | Moody's | S&P | Fitch |
| Long-term | Aa1 | AA | AA |
| Short-term | P-1 | A1+ | F1+ |

These ratings have been confirmed in May 2007 (S&P), June 2007 (Fitch) and May 2007 (Moody’s).

- CUATRECASAS has provided the legal advice for the operation. Registered address: Paseo de Gracia, 111 08008 Barcelona. Company ID Code: B-59942110.
- ERNST & YOUNG, S.L. (“**Ernst & Young**”) acts as auditor of the *Fondo*. Ernst & Young is registered in the R.O.A.C. with number S0530.

Registered address: Plaza Pablo Ruiz Picasso, s/n 28020 Madrid

Company ID Code: A-78970506

- Moody’s Investor Service España, S.A. (“**Moody’s**” or the “**Rating Agency**”, without distinction) intervenes as Rating Agency for the credit risks of the Bonds.

Moody’s Investor Service España, S.A. is a Spanish public limited company, with Company ID Code A-80448475 and registered address in C/Bárbara de Braganza 2, 28004 Madrid, Spain.

There is no knowledge of any kind of direct or indirect ownership or control between the mentioned legal entities that participate in the securitisation operation.

6 ADMINISTRATION, MANAGEMENT AND SUPERVISION BODIES

In accordance with *Real Decreto 926/1998*, the *Fondos de Titulización de Activos* lack independent legal personality.

By virtue of the above, the information relating to *InterMoney Titulización, S.G.F.T., S.A.*, as *Sociedad Gestora* incorporating, administering and representing *IM PRÉSTAMOS FONDOS CÉDULAS, Fondo de Titulización de Activos* is detailed below.

6.1 Incorporation and Registration in the *Registro Mercantil* (Companies House).

InterMoney Titulización, Sociedad Gestora de Fondos de Titulización S.A. was incorporated through a public notary deed granted on October 16, 2003 before the Notary of Madrid Antonio Huerta Trólez, protocol number 2572, with the prior authorization of the Ministry of the Economy, granted on October 6, 2003. It is registered in the *Registro Mercantil de Madrid*, in Volume 19.277, book 0, sheet 127, section 8, page M-337707, inscription 1, dated October 21, 2003, and is also registered in the *Registro Especial de Sociedades Gestora de Fondos de Titulización* of the *CNMV*, with number 10.

The mandate of the *Sociedad Gestora* is permanent, except in the case of concurrence of any of the causes that may establish its dissolution under legal and statutory provisions.

6.2 Account audits.

The annual accounts of *InterMoney Titulización* for the financial periods ending on December 31, 2005 and 2006 have been audited by Price Waterhouse Coopers S.L., with its registered address in Madrid, registered in the ROAC (Official Register of Accounting Auditors) with number S0242.

The audit reports on the annual accounts for the financial periods 2005 and 2006 do not present exceptions.

6.3 Corporate purpose.

In accordance with legal requisites, article 2 of its Statutes establishes that: “The object of the Company will be the incorporation, administration and legal representation of *Fondos de Titulización de Activos* and *Fondos de Titulización Hipotecaria*”. In addition, and in conformity with current regulations, it will be responsible, as manager of third-party business, for the representation and defence of the interests of the holders of the securities issued from the *Fondos* it manages and for the remaining regular creditors of the same.

The following table details the *fondos de titulización* currently administered, indicating their date of incorporation and the principal of the bonds issued and their outstanding balances.

| Securitization Fund | Date of incorporation | Initial Balance of the Bonds euros | Bond Balance on 31/12/2004 euros | Bond Balance on 31/12/2005 euros | Bond Balance on 31/12/2006 euros | Bond Balance on 11/07/2007 euros |
|---|-----------------------|---------------------------------------|--|--|--|--|
| Hipotecaria (FTH) | | 2,000,000,000.00 | 945,470,954.00 | 1,715,716,086.70 | 1,366,435,521.10 | 1,219,351,301.80 |
| IM Pastor 3, FTH | 09/06/2005 | 1,000,000,000.00 | -- | 930,593,024.30 | 722,964,553.70 | 639,945,013.00 |
| IM Pastor 2, FTH | 23/06/2004 | 1,000,000,000.00 | 945,470,954.00 | 785,123,062.40 | 643,470,967.40 | 579,406,288.80 |
| Activos (FTA) | | 33,573,135,000.00 | 7,908,650,674.14 | 12,969,795,832.83 | 26,338,676,971.36 | 30,567,988,637.85 |
| IM Grupo Banco Popular FTPYME II, FTA | 02/07/2007 | 2,039,000,000.00 | -- | -- | -- | 2,039,000,000.00 |
| White Tower Europe 2007-1, FTA | 22/05/2007 | 107,835,000.00 | -- | -- | -- | 107,835,000.00 |
| Cédulas Grupo Banco Popular 3, FTA | 23/04/2007 | 2,000,000,000.00 | -- | -- | -- | 2,000,000,000.00 |
| IM Cédulas 10, FTA | 16/02/2007 | 1,300,000,000.00 | -- | -- | -- | 1,300,000,000.00 |
| IM Caja Laboral 1, FTA | 04/12/2006 | 910,800,000.00 | -- | -- | 910,800,000.00 | 872,827,376.50 |
| IM Grupo Banco Popular FTPYME I, FTA | 29/11/2006 | 2,030,000,000.00 | -- | -- | 2,030,000,000.00 | 1,772,435,275.00 |
| IM Grupo Banco Popular Empresas 1, FTA | 18/09/2006 | 1,832,400,000.00 | -- | -- | 1,759,805,873.55 | 1,539,776,505.60 |
| IM Cajamar 4, FTA | 13/09/2006 | 1,012,000,000.00 | -- | -- | 984,567,635.80 | 914,143,625.95 |
| IM Terrassa MBS 1, FTA | 19/06/2006 | 525,000,000.00 | -- | -- | 507,307,613.46 | 457,690,964.08 |
| IM FIGENCAT Sabadell 2, FTA | 29/06/2006 | 500,000,000.00 | -- | -- | 500,000,000.00 | 500,000,000.00 |
| IM Cédulas 9, FTA | 06/06/2006 | 1,275,000,000.00 | -- | -- | 1,275,000,000.00 | 1,275,000,000.00 |
| IM Pastor 4, FTA | 05/06/2006 | 920,000,000.00 | -- | -- | 843,557,692.00 | 762,958,360.60 |
| Cédulas Grupo Banco Popular 2, FTA | 07/04/2006 | 3,000,000,000.00 | -- | -- | 3,000,000,000.00 | 3,000,000,000.00 |
| IM Cédulas 7, FTA | 28/03/2006 | 1,250,000,000.00 | -- | -- | 1,250,000,000.00 | 1,250,000,000.00 |
| IM Cajamar 3, FTA | 08/03/2006 | 1,215,600,000.00 | -- | -- | 1,076,926,901.76 | 992,065,950.24 |
| INTERMONEY MASTER CÉDULAS, FTA / IM Cédulas M1 | 29/11/2005 | 1,655,000,000.00 | -- | 1,655,000,000.00 | 1,655,000,000.00 | 1,655,000,000.00 |
| IM Terrassa 1 FIGENCAT, FTA | 28/11/2005 | 320,000,000.00 | -- | 320,000,000.00 | 254,423,121.78 | 223,648,414.32 |
| IM Ceres 2 Cajamar, FTA | 25/11/2005 | 400,000,000.00 | -- | 400,000,000.00 | 400,000,000.00 | 292,876,506.76 |
| IM Cédulas 5, FTA | 10/06/2005 | 1,250,000,000.00 | -- | 1,250,000,000.00 | 1,250,000,000.00 | 1,250,000,000.00 |
| IM Cédulas 4, FTA | 08/03/2005 | 2,075,000,000.00 | -- | 2,075,000,000.00 | 2,075,000,000.00 | 2,075,000,000.00 |
| IM Banco Popular FTPYME 1, FTA | 22/12/2004 | 2,000,000,000.00 | 2,000,000,000.00 | 1,626,887,011.04 | 1,180,126,932.16 | 1,008,429,048.32 |
| IM FTPYME Sabadell 3, FTA | 18/11/2004 | 600,000,000.00 | 600,000,000.00 | 502,290,508.80 | 391,689,424.88 | 335,990,421.76 |
| IM Cédulas 3, FTA | 16/11/2004 | 1,060,000,000.00 | 1,060,000,000.00 | 1,060,000,000.00 | 1,060,000,000.00 | 1,060,000,000.00 |
| IM Cajamar 1, FTA | 23/07/2004 | 370,000,000.00 | 365,271,362.14 | 304,042,175.69 | 247,151,619.23 | 226,446,932.02 |
| IM Cédulas 2, FTA | 07/06/2004 | 1,475,000,000.00 | 1,475,000,000.00 | 1,475,000,000.00 | 1,475,000,000.00 | 1,475,000,000.00 |
| IM Ceres 1 Cajamar, FTA | 04/06/2004 | 450,500,000.00 | 408,379,312.00 | 301,576,137.30 | 212,320,156.74 | 181,864,256.70 |
| IM Cédulas 1 Grupo Banco Popular, FTA | 05/02/2004 | 2,000,000,000.00 | 2,000,000,000.00 | 2,000,000,000.00 | 2,000,000,000.00 | 2,000,000,000.00 |
| TOTAL | | 35,573,135,000.00 | 8,854,121,628.14 | 14,685,511,919.53 | 27,705,112,492.46 | 31,787,339,939.65 |

6.4 Share Capital.

The share capital of the *Sociedad Gestora* on the date of registration of this Prospectus is 1,000,000 Euros, fully disbursed and represented by 100,000 nominative shares with a principal value of 10 Euros each.

All of the shares are of the same class and series and carry equal rights.

The audited equity of *Sociedad Gestora* is detailed in the following table:

| EQUITY | 31/12/2004 | 31/12/2005 | 31/12/2006 |
|---|--------------|--------------|--------------|
| Share Capital | 1,000 | 1,000 | 1,000 |
| Legal Reserve | - | 47.6 | 142 |
| Voluntary Reserve | - | 370.4 | 373 |
| Accumulated Losses | (58) | 0 | 0 |
| Results for the financial year, net of Interim Dividend | 476 | 342 | 328 |
| TOTAL | 1,418 | 1,760 | 1,843 |

Figures in thousands of Euros.

6.5 Shareholding in other companies.

The *Sociedad Gestora* does not have any participation in any other companies.

6.6 Administration, management and supervisory bodies.

The governance and administration of the *Sociedad Gestora* are statutorily entrusted to the General Shareholders Meeting and to the Board of Directors. Their authorities and powers are those that correspond to the said bodies as established by *Ley de Sociedades Anónimas* and *Real Decreto 926/1998*, in relation its corporate purpose.

Board of Directors:

The Board of Directors is comprised of the following persons:

- José Antonio Trujillo del Valle (Executive Chairman)
- Carmen Barrenechea Fernández
- Rafael Bunzl Csonka
- Iñigo Trincado Boville
- Juan Muñoz Achirica (Secretary of the Board).

All of the board members have their registered address in Madrid, Torre Picasso planta 23, Plaza Pablo Ruiz Picasso s/n.

Chief Executive Officer:

There is no CEO.

6.7 Principal activities of those mentioned in section 6.6 performed outside the *Sociedad Gestora* if relevant to the *Fondo*.

The following Board Members of the *Sociedad Gestora* carry out the following tasks outside the Company:

| NAME | Position in other companies |
|----------------------------|--|
| Mr. Rafael Bunzl Csonka | General Manager of CIMD Group. |
| Mr. Iñigo Trincado Boville | General Manager of CIMD Group. |
| Mr. Juan Muñoz Achirica | Control Department Director of CIMD Group. |

6.8 Creditors of the *Sociedad Gestora* in more than 10%.

The *Sociedad Gestora* has not received any loans or credits from any persons or entities whatsoever.

6.9 Lawsuits of the *Sociedad Gestora*.

The *Sociedad Gestora* is not currently in any situation of bankruptcy or involved in lawsuits that may affect its current or future financial situation or its capacity to carry out the tasks of management and administration of the *Fondo*.

7 MAIN SHAREHOLDERS

InterMoney Titulización, S.G.F.T., S.A., is part of the CIMD Group.

The share distribution of the *Sociedad Gestora* is as follows:

| | Percentage | No. of shares |
|---|------------|---------------|
| <i>Corretaje e Información Monetaria y de Divisas, S.A.</i> | 70% | 70,000 |
| Board Members, directors and employees of the Company | 30% | 30,000 |

The total percentage of the shares belonging to member of the Board of Directors is 20%.

8 FINANCIAL INFORMATION RELATING TO THE ASSETS AND LIABILITIES OF THE ISSUER, FINANCIAL POSITION AND PROFIT AND LOSS

8.1 Declaration on initiation of trading and financial statements of the Issuer prior to the date of the Registration Document.

In agreement with section 4.4.2 of this Registration Document, the activity of the *Fondo* will begin on the Date of Incorporation therefore no financial statements have been prepared to date.

8.2 Financial background information when an Issuer has initiated trading and the financial statements have been received.

Not applicable.

8.2. Financial background information for issues of individual securities in excess of 50,000 Euros.

Not applicable.

8.3 Legal and arbitration procedures.

Not applicable.

8.4 Important adverse changes in the financial situation of the issuer.

Not applicable.

9 INFORMATION ON THIRD PARTIES, DECLARATIONS OF EXPERTS AND DECLARATIONS OF INTEREST

9.1 Declaration or reports by experts.

No declarations or reports are included.

9.2 Information from third parties.

Not applicable.

10 REFERENCE DOCUMENTS

10.1 Reference documents.

The following documents (or copies of the same) will be available to the public for consultation during the period of validity of this Registration Document, and by the means indicated below:

- The Prospectus will be available to the public in hardcopy in the registered office of the *Sociedad Gestora* and in electronic format via the websites of the *CNMV* (www.cnmv.es), of the *Sociedad Gestora* (www.imtitulizacion.com) and of AIAF (www.aiaf.es). This Prospectus is available to the public, free-of-charge, at the Underwriter. In addition, it may be consulted at the *CNMV*, Paseo de la Castellana 19, Madrid.
- In addition, the following documentation will be available for consultation at the registered address of the *Sociedad Gestora*:
 - a) Deed of Incorporation of the *Fondo* (available during the whole life of the *Fondo*).
 - b) The certifications of the company agreements of the *Sociedad Gestora* and the Seller.
 - c) Statutes and Deed of Incorporation of the *Sociedad Gestora* and its audited annual accounts.
 - d) Rating letters (provisional and final) of the Rating Agency with the communication of the ratings assigned.
- IBERCLEAR will also have a copy of the Deed of Incorporation of the *Fondo* available to the bondholders and the general public.
- In addition, the documents mentioned in a), b) and d) may be consulted at the *CNMV*.

IM PRESTAMOS FONDOS CEDULAS FONDO DE TITULIZACION DE ACTIVOS

SECURITIES NOTE (ANNEX 13 OF REGULATION EC 809/2004)

1. PERSONS RESPONSIBLE

1.1. Persons responsible for the information contained in the Securities Note and in the Additional Building Block of the Securities Note.

José Antonio Trujillo del Valle, acting in the name of and representing INTERMONEY TITULIZACIÓN, SGFT, S.A. (the *Sociedad Gestora*), the company promoting IM PRÉSTAMOS FONDOS CÉDULAS, FONDO DE TITULIZACIÓN DE ACTIVOS (the *Fondo*), accepts responsibility for the content of this Securities Note and the Additional Building Block.

José Antonio Trujillo del Valle acts in his capacity as Chairman of INTERMONEY TITULIZACIÓN, SGFT, S.A., granted by the Board Meeting of the *Sociedad Gestora* on April 23, 2007.

1.2. Declaration by those responsible for the Securities Note.

José Antonio Trujillo del Valle, hereto representative, declares that following reasonable diligence, the information contained in this Securities Note and the Additional Building Block is, to the best of his knowledge, true to fact and that there are no omissions that could affect its content.

2. RISK FACTORS

The risk factors associated to the securities are described in section 2 of Risk Factors in this Prospectus.

The risk factors associated with the assets are described in section 3 of Risk Factors in this Prospectus.

3. KEY INFORMATION

3.1. Interest of individuals and legal entities taking part in this offer.

The identity of the legal persons taking part in this offer, and their direct, indirect or controlling participation is detailed in section of 5.2 of the Registration Document.

The interest of the various parties involved in the Bond issue is as follows:

- a) *InterMoney Titulización, SGFT, S.A.* is the *Sociedad Gestora* and is responsible for the financial design of the *Fondo* and for the Bond issue.
- b) SANTANDER is the Seller of the Loans, counterpart of the Financial Interest Rate Swap Agreement, the Financial Agent, the Liquidity Facility Provider, counterparty

in the Treasury Account Agreement, the Underwriter of the Bond issue and is responsible for the financial design of the *Fondo* and the issue of bonds.

c) Ernst & Young is the auditor of the *Fondo*.

d) Cuatrecasas is the legal advisor on the Bond issue.

The *Sociedad Gestora* is not aware of any other significant link or business interest among the above, with the exception of the strictly professional interest arising from their participation in this transaction as detailed in this section.

José Antonio Trujillo del Valle, acting in the name of and representing the *Sociedad Gestora* declares that he is unaware of the existence of any type of link or economic interest among the experts who have participated in the design of the *Fondo* or who provided advice about its structure, or among any other party.

4. INFORMATION RELATING TO THE SECURITIES TO BE ADMITTED TO TRADING

4.1 Total value of the securities.

4.1.1. Value of the bond issue.

The total principal value of the Bond issue will be 351,900,000 Euros. The principal value of each of the Bonds will be 100,000 Euros. The Bonds will be grouped into various series:

- Series A will consist of 3,441 A Bonds, with a total value of 344,100,000 Euros.
- Series B will consist of 69 B Bonds, with a total value of 6,900,000 Euros.
- Series C will consist of 9 C Bonds with a total value of 900,000 Euros.

The issue price of the A, B and C Bonds will be as follows:

- Issue price of A Bonds: 100%.
- Issue price of B Bonds: 100%.
- Issue price of C bonds: 100%.

4.1.2. Underwriting of the Bond placement

The placement is directed at qualified investors, as defined in article 39 of *Real Decreto 1310/2005, de 4 de noviembre*, which partially developed *Ley 24/1988, de 28 de julio*.

Subscription of the Bonds

Santander has agreed with the *Sociedad Gestora* to subscribe, either directly or through third parties, all of the Bonds issued by the *Fondo*.

On the Date of Incorporation of the *Fondo*, the *Sociedad Gestora* will sign a Subscription and Underwriting Agreement for the Placement of the (the **Subscription and Underwriting Contract**), by which *Santander* will undertake to subscribe or find, under its own responsibility, subscribers for all the Bonds. The Bond placement will take place during the Subscription Period.

The Subscription and Underwriting Contract will be terminated in the event that the Rating Agency does not confirm the provisional ratings granted to the A, B and C series Bonds detailed in this Prospectus prior to the start of the Subscription Period.

The Underwriter will pay the full amount of the Bonds corresponding to its subscription commitments no later than 11:00 am, Madrid time, on the Closing Date, to the Treasury Account opened in the name of the *Fondo* at the Financial Agent, value that day. *Santander* will not receive any insurance or placement commission for the commitments undertaken as Underwriter.

The amount paid by each Underwriter will be the amount arising from multiplying the number of Bonds each has underwritten by the price of issue and the principal amount of each bond.

4.2 Description of the class and type of securities.

The Bonds have the legal status of fixed income securities with explicit returns, and are subject to the regime established by the *Ley del Mercado de Valores* and other applicable legislation.

4.3 Legislation governing the issue.

The legal regime governing the Bond issue is as follows: (i) *Real Decreto 926/1998* and subsequent modifications, (ii) *Ley 19/1992*, for issues not covered by *Real Decreto 926/1998* to the extent that they are applicable, (iii) *Ley del Mercado de Valores*, (iv) *Real Decreto 1310/2005, de 4 de noviembre*, which partially modified *Ley 24/1988, de 28 de julio*, (v) Regulation (EC) 809/2004 of the Commission of 29 April 2004, and (vi) all other legislation and regulations applicable at any time.

This Securities Note has been prepared based on the model established in Annex 13 of Regulation 809/2004 of the Commission, of 29 April 2004, relating to the application of Directive 2003/71/EC of the European Parliament and the Council with regard to information contained in Prospectuses, together with the format, incorporation for reference purposes, publication of such prospectuses and the distribution of publicity.

4.4 Indication of whether the securities are nominative or to the bearer, and whether the securities are in the form of titles or annotations on account.

The Bonds will be exclusively represented by book entries in accordance with *Real Decreto 926/1998*, and they will be constituted as such by virtue of their registration in the appropriate accounting ledger. The corresponding Deeds will meet the requirements of article 6 of the *Ley del Mercado de Valores*, in accordance with the dispositions of section 9 of article 5 of *Ley 19/1992*.

IBERCLEAR will be the entity responsible for the ledger entries of the Bonds. The Bondholders will be identified as such (for their own purposes and for third parties) by the accounting records kept by IBERCLEAR. The liquidation of the Bonds will be carried out in accordance with the operational standards for securities listed on the AIAF Market and represented by book entries, or as may be approved in the future by IBERCLEAR.

The registered address of IBERCLEAR is Plaza de la Lealtad 1, Madrid.

4.5 Currency of the Issue.

The Bonds are denominated in Euros.

4.6 Ranking of the securities based on their subordination.

The principal and interest for each Series of Bonds will be repaid in accordance with the Priority Order of Payments established in section 3.4.6 of the Additional Building Block.

In accordance with this Priority Order of Payments, payments of principal and interest for C Bonds will be subordinated to payment of the principal and interest of the B Bonds. Equally, the payment of principal and interest for B Bonds will be subordinated to the payment of capital and interest of the A Bonds.

4.6.1. Ranking of Bond interest payments in the Priority Order of Payments.

The payment of interest accrued by A Bonds will rank position (iv) in the application of Available Resources in the Priority Order of Payments established in section 3.4.6 of the Additional Building Block.

Payment of interest on B Bonds rank the (viii) position in the Priority Order of Payments.

Payment of interest on C Bonds rank the (x) position in the Priority Order of Payments.

4.6.2. Ranking of Bond principal repayments in the Priority Order of Payments.

Amortisation of the principal of A Bonds rank the (vii) position in the application of Available Resources in the Priority Order of Payments established in section 3.4.6.3 of the Additional Building Block.

Amortisation of the principal of B Bonds rank (ix) position in the Priority Order of Payments.

Amortisation of the principal of Bond C rank (xi) position in the Priority Order of Payments.

4.7 Description of the rights linked to the securities and the procedure for their execution.

The economic and financial rights of the Bondholders associated with the acquisition and ownership of the Bonds will be derived from the issue interest rate and amortisation of the Bonds, detailed in sections 4.8 and 4.9 of this Securities Note. By their nature, the securities issued by the *Fondo* do not hold any voting rights.

Payment will be carried out through the Financial Agent, using IBERCLEAR and its participating bodies for the distribution of the amounts.

The Bondholders will have no direct recourse of action against the Seller; the *Sociedad Gestora*, as the representative of the *Fondo*, will be responsible for such action in accordance with the provisions established in article 12 of *Real Decreto 926/1998, de 14 de mayo*.

The Bondholders and other creditors of the *Fondo* will only have right of action against the *Sociedad Gestora* when the latter is in breach of its obligations and never as a result of defaults or early amortisation of the assets of the *Fondo*, the breach of the agreements entered in the

name and on behalf of the *Fondo* by any counterparty, or as a result of insufficient protection mechanisms to meet financial service requirements of the Bonds.

The Bondholders will have no right of action against the *Fondos AyT* or the *Fondos TDA*, or their respective *Sociedad Gestoras*; the *Sociedad Gestora*, being the representative of the Fund, will answer to such action. Neither the Bondholders nor the *Sociedad Gestora* will have right of action of any kind against the issuers of the *Cédulas Hipotecarias*, as this corresponds to the *sociedades gestoras* of the *Fondos AyT* and the *Fondos TDA*, which, in accordance with article 12.1 of *Real Decreto 926/98* will defend the interests of the *Fondo* as the creditor. The *Sociedad Gestora* will take action against the *Sociedad Gestoras* of the *Fondos AyT* and the *Fondos TDA* in the event of a breach of their functions.

4.8 Principal interest rates and dispositions relating to the payment of interest.

4.8.1 Principal interest rate of the Bonds.

All the Bonds issued will accrue interest on a daily basis from the Closing Date until their total amortisation at a variable principal interest rate with quarterly reset, liquidation and payment. Interest payments will be made in accordance with the Priority Order of Payments at the end of each quarter on each Payment Date and will be calculated from the Outstanding Principal Balance of the Bonds of each Series at any given time in each Interest Accrual Period of the Bonds.

4.8.1.1 Accrual of Interest.

For the purposes of the accrual of interest and until the total amortisation of the Bonds, the Bond issue will be understood to be divided into Interest Accrual Periods, the duration of which will be the period between two Payment Dates, including the initial payment date but excluding the final payment date. **Payment Dates** are defined as January, April, July and October 24th of each year, or the next Business Day.

The First Interest Accrual Period will begin on the Closing Date (including said date) and will end on the first Payment Date, i.e. October 24, 2007 (excluding this date).

4.8.1.2. Principal interest rate and how it is determined.

The Principal Interest Rate that will accrue on each of the Series of Bonds during each Interest Accrual Period will be the result of adding: (i) the Reference Interest Rate, determined as established in section 4.8.1.3 below, common to all the Series of Bonds, rounded to the thousandth of the nearest percentage point, taking into account that in the event that there is an equal difference between rounding up and rounding down, the rounding will be up, and (ii) the margin applicable to each Series of Bonds, as indicated in section 4.8.2 below.

4.8.1.3. Determination of the Reference Interest Rate.

Determination of the Reference Interest Rate will be carried out in accordance with the rules set out in this section. The Determination Date for the Reference Interest Rate for each Interest Accrual Period will be the second Business Day preceding the Payment Date that marks the beginning of the following Interest Accrual Period. For the First Interest Accrual Period, the Reference Interest Rate will be determined on the second Business Day

preceding the Closing Date. Once the Reference Interest Rate of the Bonds has been determined, and on that same Determination Date, the *Sociedad Gestora* will calculate and determine for each of the Series of Bonds, the interest rate to be applied to the following Interest Accrual Period.

The Reference Interest Rate for the determination of the rate of interest applicable to all Series of the Bonds will be:

- (i) The 3-month EURIBOR (*Euro Interbank Offered Rate*). The 3-month EURIBOR will be the one shown on the REUTERS page “EURIBOR01” (or any other page which might replace this service) at 11 a.m. (11:00) (CET) on the Determination Date, taking into account the number of days in the Interest Accrual Period.

The resulting rate of interest will be announced by the *Sociedad Gestora* through information channels generally accepted by the market and which ensure appropriate and timely dissemination of the information.

- (ii) In the event of the absence of interest rates as established in the previous section (i) the Reference Interest Rate to be used will be the simple arithmetic average of the interbank offer interest rates for 3- month deposits in Euros (EURIBOR) on the Determination Date for the institutions shown below:

- *Banco Santander Central Hispano*, London Branch.
- J.P Morgan Securities Ltd.
- BNP Paribas, London Branch.

And rounded to the nearest thousandth percentage point.

In the event that it proves impossible to apply the substitute Reference Interest Rate described above, because one of the institutions does not provide interest rate quotes, the simple arithmetic average of the 2 remaining institutions will be used.

If one of the 2 remaining institutions mentioned above ceases to provide interest rate quotes, the last principal interest rate applicable to the last Interest Accrual Period will be applicable, and so on for successive Interest Accrual Periods so long as this situation persists, with the exception of the First Interest Accrual Period of the Bond, when the last 3-month EURIBOR rate published will be used.

If at least 2 of the institutions mentioned above begin to supply quotes again, the substitute Reference Interest Rate will once again be applied in accordance with the rules above.

The *Sociedad Gestora* will keep lists of the contents of the REUTERS screens, or, should such be the case, the declarations of listings by the institutions mentioned above, as documentary evidence of the appropriate interest rate.

4.8.2. Margins applicable to each Series of Bonds.

The margins that will be added to the Reference Interest Rate of the Bonds to determine the Principal interest for each Series of Bonds at each Determination Date will be:

- A Bonds: a margin no higher than 20 b.p.
- B Bonds: a margin no higher than 100 b.p.

- C Bonds: a margin no higher than 350 b.p.

The margin for each series of Bonds, expressed as a percentage, will be determined by SANTANDER, depending on the market and investor's demand, no later than 2 pm (CET) on the second Business Day before the Closing Date. The definitive margin applicable to each of the series will be faxed to the *Sociedad Gestora* before 2.30 pm (CET) on the second Business Day before the Closing Date by SANTANDER. In the absence of such communication, the margin for each of the series will be:

- A Bonds: 15 b.p
- B Bonds: 80 b.p
- C Bonds: 200 b.p

In addition, on this date, the *Sociedad Gestora* will also notify the margins to the CNMV as additional information to the Prospectus. The definitive margin applicable will be established in the disbursement deeds.

4.8.3. Formula to calculate interest on the Bonds.

The calculation of the interest for all Series of Bonds during each Interest Accrual Period will be made by the *Sociedad Gestora* in accordance with the following formula:

$$I = N * r * \frac{n}{360}$$

Where:

N = the Outstanding Principal Balance of the Series of Bonds at the beginning of the Interest Accrual Period.

I = the total amount of interest accrued by the Bond during the Interest Accrual Period.

r = the Interest Rate of the Bonds of the Series on an annual basis, calculated as the sum of the Reference Interest Rate for the corresponding Interest Accrual Period plus the margin established.

n = the number of days in the Interest Accrual Period.

4.8.4. Dates, places, institutions and procedures for the payment of coupons:

Interest on the Bonds, irrespective of Series, will be paid at the end of each quarter on each Payment Date until the amortisation of the Bonds, i.e. on January, April, July and October 24th of each year, or, should any of these dates fall on a day which is not a Business Day, on the next Business Day. For the purposes of the Bond Issue, Business Days will be those which are available for business in accordance with the TARGET (*Trans-European Automated Real-time Gross Settlement Express Transfer System*) calendar and that are not public holidays in the city of Madrid. In the event that on a Payment Date, and despite the mechanisms established for the protection of the rights of the Bondholders, the Available Resources of the *Fondo* are not sufficient to meet the interest payments for the Bonds, the amount available for the payment of interest will be distributed according to the Priority Order of Payments. In the case that the Available Resources should only be sufficient to fulfil

partially the obligations that arise from the Priority Order of Payments, independently for each one, the amount available will be divided between the Bonds affected, in proportion to the Outstanding Principal Balance on the Bonds, and the amounts that the Bondholders have not been able to collect will be credited and paid on the next Payment Date, to the extent that this is possible. These outstanding amounts will not accrue additional interest or later payment interest. The payments due to the Bondholders will be made on the following Payment Date (if there are Available Resources to do so) with precedence over payments to the Bondholders of the same Series for amounts accrued in the period.

Withholdings, payments on account and taxes levied, or which may be levied on the future, on the capital, interest or returns of these Bonds will be the exclusive responsibility of the Bondholders and, where required, amounts arising as a result will be deducted by the entity involved in the form established in law.

Payment will be made through the Financial Agent. The payments to be made by the Financial Agent will be made through the entities belonging to IBERCLEAR, in accordance with the procedures in use by said system. The payment of interest and amortisations will be notified to the Bondholders as established for each case in section 4.1 of the Additional Building Block.

4.9 Date of maturity and amortisation of the securities.

4.9.1. Reimbursement price.

The amount to be redeemed on the bonds will be 100,000 Euros per bond, equivalent to the principal amount of the Bond, free of expenses and taxes for the Bondholder, payable on certain Payment Dates as established in the following sections.

Each and every one of the Bonds in a Series will be amortised *pro rata* through the reduction of the principal amount of each one.

4.9.2. Maturity of the Bonds.

The maturity of the Bonds in all the Series will take place on the date on which they are fully amortised, or on the Legal Maturity Date of the *Fondo*.

4.9.3. Amortisation Dates for the Bonds

The amortisation of the Bonds will take place on each corresponding Payment Date, i.e. January, April, July and October 24th of each year (or, should these not be Business Days, on the next Business Day), in accordance with section 4.9.4 of the Securities Note.

The first partial amortisation of the Bonds will take place on the Payment Date immediately following the date on which the first amortisation of a Loan takes place. It is expected that the first amortisation will take place on January 24, 2009.

4.9.4. Amortisation of Bonds.

4.9.4.1. Amortisation of A Bonds.

On each Payment Date the Theoretical Amount for Amortisation for the A Bonds will be determined. This amount will be calculated as the positive difference between the

Outstanding Principal Balance of the A Bonds on the previous Payment Date and the Outstanding Principal Balance of the Non Defaulted Loans on the current Payment Date.

The table below shows the determination, for each Payment Date, of the Theoretical Amortisation for A Bonds, together with the Theoretical Outstanding Principal Balance which would correspond in the event that the amounts established were to be amortised, and on the dates expected, and assuming that no default or early amortisation (including amortisation due to reduction of the Reserve Fund) of the Credit Rights occurs in any of the *Fondos AyT* or *Fondos TDA*.

| Payment Date | Theoretical Outstanding Principal Balance of the A Bonds | Theoretical Amortisation for A Bonds |
|--------------|--|--------------------------------------|
| 24-Oct-07 | 344,100,000 | 0 |
| 24-Jan-08 | 344,100,000 | 0 |
| 24-Apr-07 | 344,100,000 | 0 |
| 24-Jul-08 | 344,100,000 | 0 |
| 24-Oct-08 | 344,100,000 | 0 |
| 24-Jan-09 | 325,651,475 | 18,448,525 |
| 24-Apr-09 | 325,651,475 | 0 |
| 24-Jul-09 | 309,814,333 | 15,837,142 |
| 24-Oct-09 | 309,814,333 | 0 |
| 24-Jan-10 | 309,814,333 | 0 |
| 24-Apr-10 | 309,814,333 | 0 |
| 24-Jul-10 | 292,456,111 | 17,358,222 |
| 24-Oct-10 | 292,456,111 | 0 |
| 24-Jan-11 | 292,456,111 | 0 |
| 24-Apr-10 | 264,723,752 | 27,732,359 |
| 24-Jul-11 | 234,615,752 | 30,108,000 |
| 24-Oct-11 | 234,615,752 | 0 |
| 24-Jan-12 | 234,615,752 | 0 |
| 24-Apr-12 | 234,615,752 | 0 |
| 24-Jul-12 | 178,691,752 | 55,924,000 |
| 24-Oct-12 | 178,691,752 | 0 |
| 24-Jan-13 | 178,691,752 | 0 |
| 24-Apr-13 | 145,774,252 | 32,917,500 |
| 24-Jul-13 | 145,774,252 | 0 |
| 24-Oct-13 | 145,774,252 | 0 |

| Payment Date | Theoretical Outstanding Principal Balance of the A Bonds | Theoretical Amortisation for A Bonds |
|--------------|--|--------------------------------------|
| 24-Jan-14 | 115,842,028 | 29,932,224 |
| 24-Apr-14 | 98,962,828 | 16,879,200 |
| 24-Jul-14 | 98,962,828 | 0 |
| 24-Oct-14 | 98,962,828 | 0 |
| 24-Jan-14 | 68,904,293 | 30,058,535 |
| 24-Apr-15 | 68,904,293 | 0 |
| 24-Jul-15 | 68,904,293 | 0 |
| 24-Oct-15 | 68,904,293 | 0 |
| 24-Jan-15 | 68,904,293 | 0 |
| 24-Apr-16 | 32,741,223 | 36,163,070 |
| 24-Jul-16 | 32,741,223 | 0 |
| 24-Oct-16 | 32,741,223 | 0 |
| 24-Jan-17 | 32,741,223 | 0 |
| 24-Apr-17 | 32,741,223 | 0 |
| 24-Jul-17 | 32,741,223 | 0 |
| 24-Oct-17 | 32,741,223 | 0 |
| 24-Jan-18 | 32,741,223 | 0 |
| 24-Apr-18 | 32,741,223 | 0 |
| 24-Jul-18 | 32,741,223 | 0 |
| 24-Oct-18 | 32,741,223 | 0 |
| 24-Jan-19 | 11,021,465 | 21,719,758 |
| 24-Apr-19 | 11,021,465 | 0 |
| 24-Jul-19 | 11,021,465 | 0 |
| 24-Oct-19 | 11,021,465 | 0 |
| 24-Jan-20 | 0 | 11,021,465 |

The Real Amortisation of the A Bonds will be the minimum of:

- Theoretical Amount for Amortisation of the A Bonds as defined above, and;
- The Available Resources based on the Priority Order of Payments once the payments in points (i) to (vi) have been met, as established in section 3.4.6.3 of the Additional Building Block.

4.9.4.2. Amortisation of the B Bonds.

On each Payment Date the Amount for Amortisation of the B Bonds will be calculated. This amount will be the lower of:

- The positive difference between:
 - (i) the Outstanding Principal Balance of the Bond B plus the Outstanding Principal Balance of the C Bond, minus
 - (ii) the Minimum Level of the Reserve Fund on the current Payment Date,
- The Outstanding Principal Balance of Bond B.

The table below shows the determination, for each Payment Date, of the Theoretical Amortisation of the Bonds, together with the Theoretical Outstanding Principal Balance that would correspond in the event that these amounts are in effect amortised on such Dates, and assuming that no default or early amortisation (including amortisation due to reduction of the Reserve Fund) of the Credit Rights occurs in any of the *Fondos AyT* or *Fondos TDA*.

| Payment Date | Theoretical Outstanding Principal Balance of Bond B | Theoretical Amortisation for B Bonds |
|--------------|---|--------------------------------------|
| 24-Oct-07 | 6,900,000 | 0 |
| 24-Jan-08 | 6,900,000 | 0 |
| 24-Apr-08 | 6,900,000 | 0 |
| 24-Jul-08 | 6,900,000 | 0 |
| 24-Oct-08 | 6,900,000 | 0 |
| 24-Jan-09 | 6,481,812 | 418,188 |
| 24-Apr-09 | 6,481,812 | 0 |
| 24-Jul-09 | 6,122,818 | 358,994 |
| 24-Oct-09 | 6,122,818 | 0 |
| 24-Jan-10 | 6,122,818 | 0 |
| 24-Apr-10 | 6,122,818 | 0 |
| 24-Jul-10 | 5,729,345 | 393,473 |
| 24-Oct-10 | 5,729,345 | 0 |
| 24-Jan-11 | 5,729,345 | 0 |
| 24-Apr-11 | 5,100,713 | 628,632 |
| 24-Jul-11 | 4,418,230 | 682,483 |
| 24-Oct-11 | 4,418,230 | 0 |
| 24-Jan-12 | 4,418,230 | 0 |
| 24-Apr-12 | 4,418,230 | 0 |
| 24-Jul-12 | 3,150,554 | 1,267,676 |
| 24-Oct-12 | 3,150,554 | 0 |
| 24-Jan-13 | 3,150,554 | 0 |
| 24-Apr-13 | 2,404,386 | 746,168 |
| 24-Jul-13 | 2,404,386 | 0 |
| 24-Oct-13 | 2,404,386 | 0 |

| Payment Date | Theoretical Outstanding Principal Balance of Bond B | Theoretical Amortisation for B Bonds |
|--------------|---|--------------------------------------|
| 24-Jan-14 | 1,725,887 | 678,499 |
| 24-Apr-14 | 1,343,272 | 382,615 |
| 24-Jul-14 | 1,343,272 | 0 |
| 24-Oct-14 | 1,343,272 | 0 |
| 24-Jan-15 | 661,911 | 681,362 |
| 24-Apr-15 | 661,911 | 0 |
| 24-Jul-15 | 661,911 | 0 |
| 24-Oct-15 | 661,911 | 0 |
| 24-Jan-16 | 661,911 | 0 |
| 24-Apr-16 | 0 | 661,911 |
| 24-Jul-16 | 0 | 0 |
| 24-Oct-16 | 0 | 0 |
| 24-Jan-17 | 0 | 0 |
| 24-Apr-17 | 0 | 0 |
| 24-Jul-17 | 0 | 0 |
| 24-Oct-17 | 0 | 0 |
| 24-Jan-18 | 0 | 0 |
| 24-Apr-18 | 0 | 0 |
| 24-Jul-18 | 0 | 0 |
| 24-Oct-18 | 0 | 0 |
| 24-Jan-19 | 0 | 0 |
| 24-Apr-19 | 0 | 0 |
| 24-Jul-19 | 0 | 0 |
| 24-Oct-19 | 0 | 0 |
| 24-Jan-20 | 0 | 0 |

The Real Amortisation of the B Bonds will be the lower of:

- The Amount for Amortisation of the B Bonds, and;
- The Available Resources based on the Priority Order of Payments once the payments in points (i) to (viii) have been met, as established in section 3.4.6.3 of the Additional Building Block.

4.9.4.3. Amortisation of the C Bonds

On each Payment Date the Amount for Amortisation of the C Bonds will be determined. This amount will be the lower of:

- The positive difference between:
 - The Outstanding Principal Balance of Bond B plus the Outstanding Principal Balance of Bond C, minus
 - The Minimum Level of the Reserve Fund on the current Payment Date, less
 - The Theoretical Amount for Amortisation of the B Bonds in the current period.
- The Outstanding Principal Balance of the C Bond on the current Payment Date.

The table below shows the determination, for each Payment Date, of the Theoretical Amortisation of the C Bonds, together with the Theoretical Outstanding Principal Balance which would correspond in the event that the amounts established were to be amortised on the dates expected, and assuming that no default or early amortisation (including amortisation due to reduction of the reserve fund) of the Credit Rights occurs in any of the *Fondos AyT* or *Fondos TDA*.

| Payment Date | Theoretical Outstanding Principal Balance of Bond C | Theoretical Amortisation for C Bonds |
|--------------|---|--------------------------------------|
| 24-Oct-07 | 900,000 | 0 |
| 24-Jan-08 | 900,000 | 0 |
| 24-Apr-08 | 900,000 | 0 |
| 24-Jul-08 | 900,000 | 0 |
| 24-Oct-08 | 900,000 | 0 |
| 24-Jan-09 | 900,000 | 0 |
| 24-Apr-09 | 900,000 | 0 |
| 24-Jul-09 | 900,000 | 0 |
| 24-Oct-09 | 900,000 | 0 |
| 24-Jan-10 | 900,000 | 0 |
| 24-Apr-10 | 900,000 | 0 |
| 24-Jul-10 | 900,000 | 0 |
| 24-Oct-10 | 900,000 | 0 |
| 24-Jan-11 | 900,000 | 0 |
| 24-Apr-11 | 900,000 | 0 |

| Payment Date | Theoretical Outstanding Principal Balance of Bond C | Theoretical Amortisation for C Bonds |
|--------------|---|--------------------------------------|
| 24-Jan-14 | 900,000 | 0 |
| 24-Apr-14 | 900,000 | 0 |
| 24-Jul-14 | 900,000 | 0 |
| 24-Oct-14 | 900,000 | 0 |
| 24-Jan-15 | 900,000 | 0 |
| 24-Apr-15 | 900,000 | 0 |
| 24-Jul-15 | 900,000 | 0 |
| 24-Oct-15 | 900,000 | 0 |
| 24-Jan-16 | 900,000 | 0 |
| 24-Apr-16 | 742,172 | 157,828 |
| 24-Jul-16 | 742,172 | 0 |
| 24-Oct-16 | 742,172 | 0 |
| 24-Jan-17 | 742,172 | 0 |
| 24-Apr-17 | 742,172 | 0 |
| 24-Jul-17 | 742,172 | 0 |

| Payment Date | Theoretical Outstanding Principal Balance of Bond C | Theoretical Amortisation for C Bonds |
|--------------|---|--------------------------------------|
| 24-Jul-11 | 900,000 | 0 |
| 24-Oct-11 | 900,000 | 0 |
| 24-Jan-12 | 900,000 | 0 |
| 24-Apr-12 | 900,000 | 0 |
| 24-Jul-12 | 900,000 | 0 |
| 24-Oct-12 | 900,000 | 0 |
| 24-Jan-13 | 900,000 | 0 |
| 24-Apr-13 | 900,000 | 0 |
| 24-Jul-13 | 900,000 | 0 |
| 24-Oct-13 | 900,000 | 0 |

| Payment Date | Theoretical Outstanding Principal Balance of Bond C | Theoretical Amortisation for C Bonds |
|--------------|---|--------------------------------------|
| 24-Oct-17 | 742,172 | 0 |
| 24-Jan-18 | 742,172 | 0 |
| 24-Apr-18 | 742,172 | 0 |
| 24-Jul-18 | 742,172 | 0 |
| 24-Oct-18 | 742,172 | 0 |
| 24-Jan-19 | 249,833 | 492,340 |
| 24-Apr-19 | 249,833 | 0 |
| 24-Jul-19 | 249,833 | 0 |
| 24-Oct-19 | 249,833 | 0 |
| 24-Jan-20 | 0 | 249,833 |

The Real Amortisation of the C Bonds will be the lower of:

- The Amount for Amortisation of the C Bonds, or;
- The Available Resources based on the Priority Order of Payments once the payments in points (i) to (ix) have been met, as established in section 3.4.6.3 of the Additional Building Block.

4.9.4.4 Explanatory note on early repayment of Loans

In order to clarify the procedure for amortising A, B and C Bonds, in the event of early repayment of the loans, it should be noted that in the event of amortisations of the Loans on dates other than those specified in each of the relevant contracts, the rule contained in the first paragraph of section 4.9.4.1 above implies the amortisation of the A Bonds, in an amount resulting from the application of the rules contained in the Priority Order of Payments.

In the same way, the rules established in section 4.9.4.2 above imply the amortisation of the B Bonds, in an amount resulting from the application of the rules contained in the Priority Order of Payments, in the event of a reduction of the Minimum Level of the Reserve Fund, including if such reduction is caused by the early amortisation of the Loans.

Finally, the rules established in section 4.9.4.3 above imply the amortisation of the C Bonds, in an amount resulting from the application of the rules contained in the Priority Order of Payments, in the event of a reduction of the Minimum Level of the Reserve Fund, including if such reduction is caused by the early payment of the Loans.

4.10 Indication of yield.

In order to make the calculations shown in this section, the following assumptions have been made:

Credit Rights:

- Principal Amount of Credit Rights: 344,131,475 Euros.
- All Loans amortise in full on their final maturity date.

- No early Loan amortisations or defaults have been considered, based on historical experience of *Fondos AyT* and *Fondos TDA*.

Bonds:

- Principal Amount of A Bonds: 100,000 Euros
- Principal Amount of B Bonds: 100,000 Euros
- Principal Amount of C Bonds: 100,000 Euros
- A Bonds margin: 15 b.p.
- B Bonds margin: 80 b.p.
- C Bonds margin: 200 b.p.
- Issue price of A Bonds: 100%
- Issue price of B Bonds: 100%
- Issue price of C Bonds: 100%
- 3-month EURIBOR equal to 4.228% (published on July 20, 2007) constant throughout the life of the operation.
- No early amortisation of the Bonds has been considered.
- Closing Date: July 31, 2007

Here follows an estimate of the flows to be paid by each of the Bonds, together with a series of measures relating to the Bonds issued by the *Fondo* based on the above assumptions. The information in the tables shown below is purely for illustrative purposes and does not represent specific payment obligations to third parties for the *Fondo* on the dates, or in the periods, to which they refer. The figures have been prepared based on the interest rates assumptions outlined above. It has been assumed that there will be no default or early amortisation on any of the Loans. These assumptions may not occur and all investors who wish to know the *Fondo's* planned payment schedule on each specific date should request the relevant information from the *Sociedad Gestora*. Nevertheless, this information may also be requested from the Underwriter.

Bonds Table

| Payment Date | A Bonds Principal (after amortizations) | A Bonds Amortization | A Bonds Interest | B Bonds Principal (after amortizations) | B Bonds Amortization | B Bonds Interest | C Bonds Principal (after amortizations) | C Bonds Amortization | C Bonds Interest |
|--------------|---|-------------------------|---------------------|---|-------------------------|---------------------|---|-------------------------|---------------------|
| 24-10-07 | 344,100,000.00 | 0.00 | 3,556,942.58 | 6,900,000.00 | 0.00 | 81,914.50 | 900,000.00 | 0.00 | 13,234.50 |
| 24-01-08 | 344,100,000.00 | 0.00 | 3,849,867.27 | 6,900,000.00 | 0.00 | 88,660.40 | 900,000.00 | 0.00 | 14,324.40 |
| 24-04-08 | 344,100,000.00 | 0.00 | 3,808,020.88 | 6,900,000.00 | 0.00 | 87,696.70 | 900,000.00 | 0.00 | 14,168.70 |
| 24-07-08 | 344,100,000.00 | 0.00 | 3,808,020.88 | 6,900,000.00 | 0.00 | 87,696.70 | 900,000.00 | 0.00 | 14,168.70 |
| 24-10-08 | 344,100,000.00 | 0.00 | 3,849,867.27 | 6,900,000.00 | 0.00 | 88,660.40 | 900,000.00 | 0.00 | 14,324.40 |
| 26-01-09 | 325,651,474.00 | 18,448,526.00 | 3,933,560.03 | 6,481,812.00 | 418,188.00 | 90,587.80 | 900,000.00 | 0.00 | 14,635.80 |
| 24-04-09 | 325,651,474.00 | 0.00 | 3,485,049.71 | 6,481,812.00 | 0.00 | 79,665.79 | 900,000.00 | 0.00 | 13,701.60 |
| 24-07-09 | 309,814,332.00 | 15,837,142.00 | 3,603,858.22 | 6,122,819.00 | 358,993.00 | 82,381.67 | 900,000.00 | 0.00 | 14,168.70 |
| 26-10-09 | 309,814,332.00 | 0.00 | 3,541,625.32 | 6,122,819.00 | 0.00 | 80,384.45 | 900,000.00 | 0.00 | 14,635.80 |
| 25-01-10 | 309,814,332.00 | 0.00 | 3,428,594.73 | 6,122,819.00 | 0.00 | 77,818.99 | 900,000.00 | 0.00 | 14,168.70 |
| 26-04-10 | 309,814,332.00 | 0.00 | 3,428,594.73 | 6,122,819.00 | 0.00 | 77,818.99 | 900,000.00 | 0.00 | 14,168.70 |
| 26-07-10 | 292,456,110.00 | 17,358,222.00 | 3,428,594.73 | 5,729,345.00 | 393,474.00 | 77,818.99 | 900,000.00 | 0.00 | 14,168.70 |
| 25-10-10 | 292,456,110.00 | 0.00 | 3,236,498.04 | 5,729,345.00 | 0.00 | 72,818.07 | 900,000.00 | 0.00 | 14,168.70 |
| 24-01-11 | 292,456,110.00 | 0.00 | 3,236,498.04 | 5,729,345.00 | 0.00 | 72,818.07 | 900,000.00 | 0.00 | 14,168.70 |
| 25-04-11 | 264,723,751.00 | 27,732,359.00 | 3,236,498.04 | 5,100,713.00 | 628,632.00 | 72,818.07 | 900,000.00 | 0.00 | 14,168.70 |
| 25-07-11 | 234,615,751.00 | 30,108,000.00 | 2,929,594.80 | 4,418,230.00 | 682,483.00 | 64,828.36 | 900,000.00 | 0.00 | 14,168.70 |
| 24-10-11 | 234,615,751.00 | 0.00 | 2,596,401.28 | 4,418,230.00 | 0.00 | 56,154.23 | 900,000.00 | 0.00 | 14,168.70 |
| 24-01-12 | 234,615,751.00 | 0.00 | 2,624,933.16 | 4,418,230.00 | 0.00 | 56,771.31 | 900,000.00 | 0.00 | 14,324.40 |
| 24-04-12 | 234,615,751.00 | 0.00 | 2,596,401.28 | 4,418,230.00 | 0.00 | 56,154.23 | 900,000.00 | 0.00 | 14,168.70 |
| 24-07-12 | 178,691,751.00 | 55,924,000.00 | 2,596,401.28 | 3,150,554.00 | 1,267,676.00 | 56,154.23 | 900,000.00 | 0.00 | 14,168.70 |
| 24-10-12 | 178,691,751.00 | 0.00 | 1,999,243.02 | 3,150,554.00 | 0.00 | 40,482.52 | 900,000.00 | 0.00 | 14,324.40 |
| 24-01-13 | 178,691,751.00 | 0.00 | 1,999,243.02 | 3,150,554.00 | 0.00 | 40,482.52 | 900,000.00 | 0.00 | 14,324.40 |
| 24-04-13 | 145,774,251.00 | 32,917,500.00 | 1,955,781.21 | 2,404,386.00 | 746,168.00 | 39,602.46 | 900,000.00 | 0.00 | 14,013.00 |
| 24-07-13 | 145,774,251.00 | 0.00 | 1,613,226.95 | 2,404,386.00 | 0.00 | 30,558.94 | 900,000.00 | 0.00 | 14,168.70 |
| 24-10-13 | 145,774,251.00 | 0.00 | 1,630,954.71 | 2,404,386.00 | 0.00 | 30,894.76 | 900,000.00 | 0.00 | 14,324.40 |
| 24-01-14 | 115,842,028.00 | 29,932,223.00 | 1,630,954.71 | 1,725,887.00 | 678,499.00 | 30,894.76 | 900,000.00 | 0.00 | 14,324.40 |
| 24-04-14 | 98,962,828.00 | 16,879,200.00 | 1,267,891.00 | 1,343,273.00 | 382,614.00 | 21,694.40 | 900,000.00 | 0.00 | 14,013.00 |
| 24-07-14 | 98,962,828.00 | 0.00 | 1,095,183.13 | 1,343,273.00 | 0.00 | 17,072.55 | 900,000.00 | 0.00 | 14,168.70 |
| 24-10-14 | 98,962,828.00 | 0.00 | 1,107,218.11 | 1,343,273.00 | 0.00 | 17,260.16 | 900,000.00 | 0.00 | 14,324.40 |
| 26-01-15 | 68,904,293.00 | 30,058,535.00 | 1,131,288.07 | 661,911.00 | 681,362.00 | 17,635.38 | 900,000.00 | 0.00 | 14,635.80 |
| 24-04-15 | 68,904,293.00 | 0.00 | 737,398.43 | 661,911.00 | 0.00 | 8,135.33 | 900,000.00 | 0.00 | 13,701.60 |
| 24-07-15 | 68,904,293.00 | 0.00 | 762,537.01 | 661,911.00 | 0.00 | 8,412.67 | 900,000.00 | 0.00 | 14,168.70 |
| 26-10-15 | 68,904,293.00 | 0.00 | 787,675.60 | 661,911.00 | 0.00 | 8,690.01 | 900,000.00 | 0.00 | 14,635.80 |
| 25-01-16 | 68,904,293.00 | 0.00 | 762,537.01 | 661,911.00 | 0.00 | 8,412.67 | 900,000.00 | 0.00 | 14,168.70 |
| 25-04-16 | 32,741,223.00 | 36,163,070.00 | 762,537.01 | 0.00 | 661,911.00 | 8,412.67 | 742,172.00 | 157,828.00 | 14,168.70 |
| 25-07-16 | 32,741,223.00 | 0.00 | 362,334.38 | 0.00 | 0.00 | 0.00 | 742,172.00 | 0.00 | 11,684.01 |
| 24-10-16 | 32,741,223.00 | 0.00 | 362,334.38 | 0.00 | 0.00 | 0.00 | 742,172.00 | 0.00 | 11,684.01 |
| 24-01-17 | 32,741,223.00 | 0.00 | 366,316.08 | 0.00 | 0.00 | 0.00 | 742,172.00 | 0.00 | 11,812.41 |
| 24-04-17 | 32,741,223.00 | 0.00 | 358,352.69 | 0.00 | 0.00 | 0.00 | 742,172.00 | 0.00 | 11,555.62 |
| 24-07-17 | 32,741,223.00 | 0.00 | 362,334.38 | 0.00 | 0.00 | 0.00 | 742,172.00 | 0.00 | 11,684.01 |
| 24-10-17 | 32,741,223.00 | 0.00 | 366,316.08 | 0.00 | 0.00 | 0.00 | 742,172.00 | 0.00 | 11,812.41 |
| 24-01-18 | 32,741,223.00 | 0.00 | 366,316.08 | 0.00 | 0.00 | 0.00 | 742,172.00 | 0.00 | 11,812.41 |
| 24-04-18 | 32,741,223.00 | 0.00 | 358,352.69 | 0.00 | 0.00 | 0.00 | 742,172.00 | 0.00 | 11,555.62 |
| 24-07-18 | 32,741,223.00 | 0.00 | 362,334.38 | 0.00 | 0.00 | 0.00 | 742,172.00 | 0.00 | 11,684.01 |
| 24-10-18 | 32,741,223.00 | 0.00 | 366,316.08 | 0.00 | 0.00 | 0.00 | 742,172.00 | 0.00 | 11,812.41 |
| 24-01-19 | 11,021,465.00 | 21,719,758.00 | 366,316.08 | 0.00 | 0.00 | 0.00 | 249,833.00 | 492,339.00 | 11,812.41 |
| 24-04-19 | 11,021,465.00 | 0.00 | 120,629.93 | 0.00 | 0.00 | 0.00 | 249,833.00 | 0.00 | 3,889.90 |
| 24-07-19 | 11,021,465.00 | 0.00 | 121,970.27 | 0.00 | 0.00 | 0.00 | 249,833.00 | 0.00 | 3,933.12 |
| 24-10-19 | 11,021,465.00 | 0.00 | 123,310.60 | 0.00 | 0.00 | 0.00 | 249,833.00 | 0.00 | 3,976.34 |
| 24-01-20 | 0.00 | 11,021,465.00 | 123,310.60 | 0.00 | 0.00 | 0.00 | 0.00 | 249,833.00 | 3,976.34 |

| IM PRÉSTAMOS FONDOS CÉDULAS | | | |
|-----------------------------|---------|---------|---------|
| | A Bonds | B Bonds | C Bonds |
| Margin | 0.15% | 0.80% | 2.00% |
| Average Life (years) | 5.93 | 5.23 | 11.29 |
| Duration | 5.14 | 4.59 | 8.45 |
| IRR | 4.51% | 5.20% | 6.47% |

The Average Life of the Bonds has been calculated using the following formula:

$$A = \frac{\sum_{n=1}^n (B_n * m_n)}{C}$$

Where:

A= Average Life of the Bonds in years.

B_n = Principal to be amortised on each corresponding Payment Date.

m_n = Number of years between the Closing Date and the Payment Date.

N = Number of payment periods in which the amounts B_n will be paid.

C= Total amount in Euros of the series of Bonds.

The IRR has been calculated using the following formula:

$$N = \sum_{n=1}^T a_n * (1 + I)^{-\left(\frac{d_n}{365}\right)}$$

Where:

N = the Bond price.

I = IRR expressed as an annual rate.

dn = Number of days between the Closing Date and each Payment Date.

a_n = a₁,.....,a_n. Total amounts of the amortisation and/or interest to be received on a quarterly basis by the investors.

n = 1,.....,t. The number of years in which the amounts a_n will be paid.

The Duration of the Bonds has been calculated using the following formula (adjusted Macaulay formula):

$$D = \frac{\sum_{n=1}^n (P_n * VA_n)}{PE} * \frac{1}{(1 + I)}$$

Where:

D = Duration of the Bonds in years.

P = Years elapsed between the Closing Date and each Payment Date.

VA = Current Value of each of the total amounts that will be received by investors by way of interest and principal every quarter, discounted at the effective interest rate (IIR)

PE = Issue price of the Bonds.

I = Effective Annual Interest Rate (IIR).

n = the number of years between the Closing Date and the final liquidation date.

4.11 Representation of the holders of the securities.

There are no plans to form any type of syndicate of Bondholders. The *Sociedad Gestora*, in its capacity as third-party manager, will be responsible for the representation and defence of the interests of the Bondholders.

4.12 Resolutions, authorizations and approvals for the issuing of the securities and the incorporation of the *Fondo*.

a) CORPORATE RESOLUTIONS

- The Board of Directors of the *Sociedad Gestora*, at its meeting of April 23, 2007, agreed the incorporation of the *Fondo*, in accordance with the regime established by *Real Decreto 926/1998*, the acquisition of the Seller's Loans and the issue of Bonds charged to the *Fondo*.
- The Executive Board of the Seller, in a meeting held on April 30, 2007, approved the incorporation of the *Fondo* and the sale of the Credit Rights.
- The Executive Board of the Seller, in a meeting held on June 22, 2007, approved the change of the *Fondo's* name.

b) REGISTRATION BY THE *CNMV*

A prior requirement to the incorporation of the *Fondo* and the issue of the Bonds is registration of this Prospectus and other relevant documentation at the Official Register of the *CNMV*, in accordance with the stipulations established in article 5.1.e) of *Real Decreto 926/1998*.

This Prospectus for the incorporation of the *Fondo* and the Bond Issue was registered in the Official Registers of the *CNMV* on July 24, 2007.

c) GRANTING OF THE PUBLIC DEEDS OF INCORPORATION OF THE FONDO

Once the Prospectus has been registered at the *CNMV*, the *Sociedad Gestora*, together with the Seller, will carry out the Incorporation of the *Fondo*, the sale and acquisition of the Loans, and the issue of the Bonds, and will sign all other contracts contemplated in this Prospectus.

The *Sociedad Gestora*, in the name of the *Fondo*, states that the content of the Deeds of Incorporation of the *Fondo* coincide with the draft sent to the *CNMV*, and that there is nothing therein that contradicts, modifies, alters or invalidates the content of this Prospectus.

The *Sociedad Gestora* will send a copy of the Deed of Incorporation of the *Fondo* to the *CNMV* for entry in the public registry prior to the start of the Subscription Period for the Bonds.

4.13 Date of issue of the securities.

The securities will be issued on the Date of Incorporation of the *Fondo* by the granting of the Deed of Incorporation.

4.13.1. Potential investors.

The issue is directed at qualified investors, as established in article 39 of *Real Decreto 1310/2005, de 4 de noviembre*, which partially amended *Ley 24/1988, de 28 de julio*.

4.13.2. Subscription period.

The Subscription Period will commence at 2:30 pm in Madrid, on July 30, 2007 and will end at 3.30 pm in Madrid on the same day.

4.13.3. How to subscribe.

Requests for Bond subscriptions must be presented through the Underwriter in accordance with the procedures established in the following sections.

4.13.4. Placement and allocation of the Bonds.

Subscription requests for the Bonds must be presented through the Underwriter. The Bonds underwritten will be allocated in accordance with its discretionary criteria, ensuring no discriminatory treatment of those requesting subscription with similar characteristics. Nevertheless, the Underwriter may give priority to the requests from its clients that it objectively considers to be most appropriate.

The Underwriter undertakes to subscribe in its own name at the close of the Subscription Period the amount of bonds required in order to meet the Bonds total amount determined by the Subscription and Underwriting Agreement.

4.13.5. Dates and manner for the payment of the subscription price.

The investors to whom Bonds have been allocated must make payment to the Underwriter, before 10 a.m. Madrid time, on the Closing Date, of the subscription price corresponding to each Bond allocated to them.

The Underwriter will credit the Treasury Account opened in the name of the *Fondo* with the Financial Agent, not later than 11 a.m. Madrid time, on the Closing Date, value that day.

The Closing Date is July 31, 2007.

4.14 Restrictions on the free sale of the securities.

The Bonds may be freely sold by any medium established in Law. Ownership of each Bond is transferred by a book entry. The registration of the sale of title in favour of the new owner in the book entry will have the same effect as the trading of title of ownership, and from this time the sale is enforceable to third parties. To this end, any third party acquiring Bonds through book entries from a person who, according to entries in the accounting record, appears to be legitimate will not be held responsible, unless they acted in bad faith or maliciously at the time of acquisition.

5 AGREEMENTS ON ADMISSION TO EXCHANGE, LISTING AND NEGOTIATION

5.1 Market in which the securities will be traded.

In accordance with Article 2, Number 3 of *Real Decreto 926/1998*, immediately after the Closing Date, the *Sociedad Gestora* will request admission to listing for the Bonds on the AIAF Fixed Income Market, a regulated securities market. The registration of the corresponding issue on the AIAF Market must be concluded within a period of 30 days from the Closing Date.

The *Sociedad Gestora* hereby declares that it is aware of the requirements and conditions expected for the admission, permanence and removal of securities in the AIAF Fixed Income Market and established by current legislation and the requirements of its ruling body, and that it undertakes, on behalf of the *Fondo*, to comply with all such requirements.

In the event of a breach of such term for admission to listing, the *Sociedad Gestora* will immediately notify the Bondholders, together with the causes of the breach, using the notification procedures established in section 4.1.2 of the Additional Building Block, despite any contractual responsibility of the *Sociedad Gestora* if the breach is its responsibility.

In addition, listing may also be requested in other markets.

5.2 Payment Agent and custodians.

5.2.1. Payment Agent for the Bonds.

Financial services related to the Bonds will be carried out through the Financial Agent. The *Sociedad Gestora*, in representation and on behalf of the *Fondo*, will agree and contract these functions with SANTANDER as described in section 3.4.7.1 of the Additional Building

Block. Details of the identification of the Financial Agent are contained in section 5.2 of the Registration Document.

6 ISSUE EXPENSES (INCORPORATION OF THE *FONDO* AND BOND ISSUE)

The expected expenses of the issue are as follows:

| ISSUE EXPENSES (€) | |
|---|---------------------|
| ▪ <i>CNMV</i> fees | 48,993.66 |
| ▪ AIAF Market fees | 20,410.20 |
| ▪ Iberclear fees | 1,740.00 |
| ▪ Rating Agency, legal advice, press, printing, Management commission, Liquidity Facility and Financial Agent | 1,407,124.00 |
| TOTAL | 1,478,267.86 |

7 ADDITIONAL INFORMATION

7.1 Declaration regarding the capacity of the Issue's advisors mentioned in the Securities Note.

CUATRECASAS, as an independent advisor, provided legal advice on the incorporation of the *Fondo* and the Bond issue, and has reviewed statements relating to the tax treatment of the *Fondo* contained in section 4.5.1 of the Registration Document.

7.2 Other information in the Securities Note audited or reviewed by auditors.

Not applicable.

7.3 Declaration or report prepared by an independent expert.

Not applicable.

7.4 Information from third parties.

As part of its role in checking the information contained in this Prospectus, the *Sociedad Gestora* received confirmation from SANTANDER of the accuracy of the characteristics of the Seller, the Loans and the Debtors sold, that are described in section 2.2.8 of the Additional Building Block, together with all other information relating to the Seller, the Loans and this Prospectus. In the Deed of Incorporation of the *Fondo*, the Seller will reiterate its compliance with these conditions.

The *Sociedad Gestora* confirms that the information supplied by *Santander* on the Seller, the Loans and the Debtors sold, has been reproduced exactly, and that, to the extent that it has knowledge of this and that it can be determined based on the information provided by this entity, no relevant facts have been omitted which would lead to the information reproduced herein being inaccurate or deceptive, and neither have any facts or significant information been omitted that might be relevant for the investor.

7.5 Ratings assigned to the Bonds by the Rating Agency.

The *Sociedad Gestora*, acting as the founder and the legal representative of the *Fondo*, and the Seller acting as the Seller of the Loans, have agreed to request a rating for the Bonds from *Moody's Investor Service España, S.A. (Moody's)*, in accordance with article 5 of *Real Decreto 926/1998, de 14 de mayo*.

On the date of registration of this Prospectus, the Bonds had been awarded the following provisional ratings:

| SERIES | Moody's |
|----------|---------|
| Series A | Aaa |
| Series B | Baa2 |
| Series C | Ba2 |

The Rating Agency was appointed to assign a credit rating to the Bonds. In the event that the provisional ratings assigned by the Rating Agency are not confirmed prior to the Subscription Period of the Bonds, the incorporation of the *Fondo*, the sale of the Loans and the Bond issue will be cancelled.

Rating considerations

The rating by Moody's to each series of Bonds measures the loss expected prior to the Legal Maturity Date of the *Fondo*.

The rating takes into account the structure of the Bond issue, the legal aspects of the issue and the *Fondo* issuing them, the characteristics of the Loans selected to be sold to the *Fondo* and the regularity and continuity of the cash flows involved in the operation.

The ratings given by the Rating Agency do not constitute an evaluation of the probability of early amortisations of *AyT* Loans and TDA Loans.

The ratings assigned, together with any revision or suspension of such ratings:

- (i) are formulated by the Rating Agency based on copious information that it receives which it cannot guarantee, so that the Rating Agency can not in any circumstances be held responsible for said ratings; and
- (ii) do not constitute, and therefore may not be interpreted as, an invitation, recommendation or encouragement for investors to enter into any transaction involving the Bonds or in particular to acquire, keep, mortgage or sell said Bonds.

The final ratings assigned may be revised, suspended or withdrawn at any time by the Rating Agency based on any information it becomes aware of. These situations, which do not cause the early liquidation of the *Fondo*, will be immediately notified to the *CNMV* and the Bondholders, in accordance with section 4 of the Additional Building Block.

In order to carry out the ratings and monitoring process, the Rating Agency places trust in the accuracy and completeness of the information provided by the Seller, the *Sociedad Gestora*, and lawyers.

IM PRESTAMOS FONDOS CEDULAS, FONDO DE TITULIZACION DE ACTIVOS

ADDITIONAL BUILDING BLOCK OF THE SECURITIES NOTE (ANNEX VIII OF REGULATION EC 809/2004)

1 SECURITIES

1.1 Value of the *Fondo*.

The total amount of the assets sold to the *Fondo* is 344,131,475 Euros, and that of the issue of *Cédulas Hipotecarias* is 351,900,000 Euros.

1.2 Confirmation that information relating to a company or debtor participating in the issue has been produced exactly.

Not applicable

2 UNDERLYING ASSETS

2.1 Confirmation of the capacity of the securitised assets to produce the cash flow to fund the securities.

The *Sociedad Gestora* confirms that the flows of principal and interest generated by the assets securitised, together with other elements comprising the *Fondo's* assets, will enable it to meet the payments and payments due from the Bonds issued.

In order to cover possible defaults by the Debtors, credit enhancement have been structured in order to cover any defaulted amount due to the Bonds, and which mitigate the risk arising from the mismatch if interest rates of the assets and of the Bonds of each Series. In exceptional situations, it is possible that these credit enhancements might be insufficient. The credit enhancement is described in section 3.4.2 of the Additional Building Block.

In addition, as the Bonds have different default risks, the Rating Agency has assigned the ratings detailed in section 7.5 of the Securities Note to Series A, B and C.

In the event that there is (i) a substantial alteration or permanent distortion in the balance of the *Fondo* as a result of an extraordinary event or circumstance of any type outside the control of the *Fondo*; or (ii) default on payment which indicates a serious and permanent imbalance in relation to any of the Bonds issued, or it is foreseen that any such default is likely to occur, the *Sociedad Gestora* may proceed to the Liquidation of the *Fondo* and as a result the early amortisation of the Bond Issue in the terms set out in section 4.4.3 of the Registration Document.

The information contained in the preceding paragraphs is declared by the *Sociedad Gestora* based on the declarations made by the Seller regarding the Loans to be sold, included in section 2.2 of the Additional Building Block, all the information provided by the Seller

relating to each Loan, and the valuation resulting from the provisional rating granted to each Series of Bonds by the Rating Agency.

2.2 Assets of the *Fondo*.

The assets of the *Fondo* consist mainly of the credit rights sold to the *Fondo* as a result of the Deeds of Incorporation in the amounts allocated in the following table, derived from the portion of the Loans sold by Credit Institutions to the *Fondos AyT* and the *Fondos TDA* described to follow, and the complementary right which forms part of the *Contrato de Gestión Interna de los Préstamos AyT* (Internal Management Contract for the *AyT* Loans), described below. For this purpose, “**Credit Institutions**” will be those participants who have sold to Santander their share in the Loans, which will in turn be sold to the *Fondo*, and which are shown in the following table:

| Loans (Amounts in Euros) | TDA 1 | TDA 2 | TDA 3 | TDA 4 | AyT | AyT II | AyT III | AyT IV | AyT V A | AyT V B | AyT VI | AyT VII | AyT VIII A | AyT VIII B | Total | % of total assets |
|---|------------|------------|------------|------------|------------|------------|------------|------------|-----------|------------|------------|------------|------------|------------|-------------|-------------------|
| Monte Piedad y C.A, Huelva y Sevilla (El Monte) | | | | | 5,552,653 | | 2,460,000 | 2,137,500 | | | | | | | 10,150,153 | 2.95 |
| Caja Insular Ahorros Canarias | | | | | | | | 2,850,000 | 870,968 | 1,930,645 | 2,164,000 | | 2,853,658 | 1,046,342 | 11,715,613 | 3.40 |
| Caja Ahorros Mediterráneo | | | | | 9,221,622 | | 9,840,000 | 8,550,000 | 2,612,903 | 5,791,935 | | 13,124,000 | 9,512,195 | 3,487,805 | 62,140,460 | 18.06 |
| Caixa d'E Laietana | | | | | 2,776,958 | | 4,756,000 | | | | 7,357,600 | 3,088,000 | 1,902,439 | 697,561 | 20,578,558 | 5.98 |
| Caja A, P, San Fernando | | | | | | | 5,740,000 | 5,130,000 | 1,306,452 | 2,895,968 | 3,895,200 | | | | 18,967,620 | 5.51 |
| Caja A, Castilla Mancha | 17,358,222 | 6,471,590 | 13,717,848 | 5,251,471 | 4,627,842 | | 4,428,000 | | | | | 4,632,000 | | | 56,486,973 | 16.41 |
| Caixa d'E C, Manlleu | | | | | | | 1,312,000 | 1,425,000 | | | 1,298,400 | | 951,219 | 348,781 | 5,335,400 | 1.55 |
| Caixa d'E Penedes | | | 9,510,164 | 3,919,420 | 925,442 | 5,040,000 | 6,560,000 | 2,850,000 | 1,741,935 | 3,861,290 | | 7,720,000 | 7,419,512 | 2,720,488 | 52,268,251 | 15.19 |
| Caixa d'E Terrassa | | 9,923,105 | 5,715,770 | 3,500,981 | | 6,720,000 | 9,840,000 | 2,565,000 | 1,959,677 | 4,343,952 | | | | | 44,568,485 | 12.96 |
| CajaSur | | | | | 4,627,842 | | 5,248,000 | 5,700,000 | | | 2,164,000 | | 5,707,317 | 2,092,683 | 25,539,842 | 7.42 |
| Banco Gallego | | 3,739,142 | 3,789,826 | 3,165,270 | | | | | | | | | | | 10,694,238 | 3.11 |
| Caixa Manresa | | | 3,429,462 | | | 5,040,000 | 4,920,000 | | 1,306,452 | 2,895,968 | | 1,544,000 | | | 19,135,882 | 5.56 |
| Caja Badajoz | | | | | | 1,680,000 | 820,000 | 1,710,000 | | | | | 1,712,195 | 627,805 | 6,550,000 | 1.90 |
| TOTAL | 17,358,222 | 20,133,837 | 36,163,070 | 15,837,142 | 27,732,359 | 18,480,000 | 55,924,000 | 32,917,500 | 9,798,387 | 21,719,758 | 16,879,200 | 30,108,000 | 30,058,535 | 11,021,465 | 344,131,475 | 100 |

The Credit Institutions have filed annual accounts with the *CNMV*. These can be accessed via the *CNMV*'s website: <http://www.cnmv.es>.

On May 18, 2007, in the presence of Notary Public Antonio Ojeda Escobar, of Seville, a public deed was granted evidencing the merger of CAJA DE AHORROS PROVINCIAL SAN FERNANDO DE SEVILLA Y JEREZ and MONTE DE PIEDAD Y CAJA DE AHORROS DE HUELVA Y SEVILLA, forming a new entity with the name MONTE DE PIEDAD Y CAJA DE AHORROS SAN FERNANDO DE HUELVA, JEREZ Y SEVILLA (CAJASOL).

In no event will the variable remuneration of the TDA Loans form part of the Assets. References in this Prospectus to Loans, refer, without distinction, both to *TDA* Loan Contracts and to *AyT* Loan Contracts as well as to each one of the parts with which each Credit Institutions participates in any of the Loan Contracts.

For the purposes of correctly identifying the assets of the *Fondo*, a thorough summary of the *TDA* Loan and *AyT* Loan Agreements is included below. In addition, the main data specific to each of the Loan Agreements is also included. This summary does not omit any relevant information regarding the Loan Agreements, which are deposited at the *CNMV*, in the corresponding *Fondos AyT* and *Fondos TDA* dossiers.

All the Loan Agreements are described in the Prospectus for each *Fondo AyT* and each *Fondo TDA* and in their deeds of incorporation and contracts, all of which are registered and deposited at the *CNMV* and available for public inspection.

Summary model of an *AyT* Loan Contract

The Credit Rights acquired by the Seller from the Credit Institutions derive from 10 *AyT* Loans, which are divided into ten subordinated Loan contracts sold jointly by each of the loan participants as listed in the corresponding summaries included below, are sold to the *Fondo*. The summaries mentioned also detail the date each contract was signed, the amount of the Loans sold in each case, the maturity date of each and the Amount of the Credit Rights at the date when this prospectus is verified, together with relevant descriptive details.

The purpose of the Loan is to establish the Reserve Fund for each *Fondo AyT*.

Given the subordinated nature of the *AyT* Loans, the payment of all amounts owed to the Loan Participants as a result will be subordinate to the payments that the *Fondo AyT* has to make to other creditors, as detailed in the Priority Order of Payments included in the Deed of Incorporation and the Prospectus for the corresponding *Fondo AyT*.

The *AyT* Loans accrue nominal variable annual interest equal to the 1- year EURIBOR plus a margin of 0.15%. The interest Payment Dates coincide with Payment Dates for annual interest on the Bonds, as established in the Deed of Incorporation and the Prospectus corresponding to each *Fondo AyT*.

Interest will be distributed among the Loan Participants in accordance to their share of the Loan principal. Nevertheless, if on any of the interest Payment Dates, one of the Loan Participants in an *AyT* Loan and Issuer of the *Cédulas Hipotecarias* fails to meet the payment obligations arising, the form of payment and distribution of interest will be modified. In particular, the lenders of the *AyT* Loans and Issuers of the *Cédulas Hipotecarias* which have not met their payment obligations:

- (i) Their right to receive interest payments will be subordinated, so that they will only receive such payments once the issuers who have complied with their obligations have received in full the amount of income and penalty interest which is due to them;
- (ii) income interest paid to issuers which are in default will be calculated by applying the rate of interest of the Treasury Account for the corresponding *Fondo AyT* opened with the Financial Agent from the date at which default occurred; and,

- (iii) in addition, issuers of *Cédulas Hipotecarias* who fail to meet their payment obligations deriving from the *Cédulas Hipotecarias* will have no right to charge any penalty interest for the delay in the payment of interest.

In addition, in relation to the payment of interest, in the event that one of the Issuers, a participant in of one of the *AyT* Loans, has early amortised, or failed to pay, one of the *Cédulas Hipotecarias*, its respective participation in the subordinated Loan will be paid at the Treasury Account rate of interest, although in this case, the right to interest payments of that issuer will not be subordinated to those of the others..

For all *Fondos AyT*, the Financial Services Contract establishes that the Financial Agent guarantees that Treasury Account balances will receive a rate of interest equal to:

- a) 1-year EURIBOR rate minus 0.10%, provided that the average annual balance is not lower than 50% of the Reference Figure;
- b) 1-year EURIBOR rate minus 0.15%, provided that the average annual balance is lower than 50%, but not lower than 25%, of the Reference Figure;
- c) 1-year EURIBOR rate minus 0.20%, provided that the average annual balance is lower than 25%, but not lower than 5%, of the Reference Figure.
- d) In the event of the average annual balance is lower than 5% of the Reference Figure, the Treasury Account will receive no remuneration at all. The Reference Figure is included in the summary of the *AyT* Loans, which is described below.

It is expressly established that with respect to Issuers which meet the payment obligations arising from the *Cédulas Hipotecarias*, the accrued interest not paid on the appropriate Payment Date will accrue penalty interests at the same rate as that established for the *AyT* Loan itself during the previous Interest Accrual Period, and this will be paid on the next Payment Date. Issuers that do not meet the payment obligations deriving from *Cédulas Hipotecarias* will not accrue penalty interest on the interest accrued and not paid on the Payment Date, as established previously.

Nevertheless, both penalty interests and income interest will be paid on each of the Payment Dates only if the *Fondo* has available funds to meet the obligations once it has fulfilled payment and withholding obligations listed in the Priority Order of Payments included in the Deed of Incorporation and the Prospectus of the corresponding *AyT Fondo*.

The amortisation of the Subordinated Loan will take place in full on the Final Maturity date, in relation to the funds available and subject to the Priority Order of Payments, unless it is possible to carry out a partial early amortisation of the Loan on a Payment Date, when the Rating Agency has given prior approval to the reduction of the Reserve Fund, and without prejudice to the provisions established for *Fondo AyT VIII* by virtue of which there is no need for the early amortisation date to coincide with a Payment Date. In addition, and in the event that on the liquidation date of the Subordinated Loan one of the Issuers of the *Cédulas Hipotecarias* (Loan Participants in the Loan contract) has not met its payment obligations from the *cédulas* issued, the Issuer's rights to recover the principal of the subordinated loan will be subordinated to the rights of all the other Loan Participants; in this way, the issuers in breach of their obligations will only have a right to receive principal repayments once the remaining Issuers have received in full the amount of the principal which is due to them, and in any case before the Legal Maturity Date of each *Fondo AyT*. In the event of default in the payment of principal on *AyT* Loans, either by compliant or non-

compliant Issuers, penalty interest has not been expressly established in any of the contracts.

In the event of cancellation or early amortisation of the subordinated loan, the subordinated loan contract will be cancelled. It is further established that the corresponding *Fondo AyT* will not incur any penalty deriving from such an event.

Available funds and position in the Priority Order of Payments of payments of principal and interest on AyT Loans.

Here follows a summary of the Priority Order of Payments for the resources that each *Fondo AyT* has available on each Payment Date, despite the detailed description included in its own documentation and the corresponding issue Prospectus.

The funds available for each *Fondo AyT* will consist of: (i) the amounts received for ordinary and penalty interest resulting from the *Cédulas Hipotecarias* and, if relevant, the repayment of principal of the *Cédulas*; (ii) the yield obtained by the reinvestment of the Reserve Fund and other amounts deposited in the Treasury Account and the Transfer Account for each *Fondo AyT*; and (iii) the Reserve Fund financed on the date of incorporation of the *Fondo* of each *Fondo AyT* with the corresponding *AyT Loan*. In the case of *AyT Fondos Cédulas Cajas V* and *AyT Cédulas Cajas VIII*, two types of available funds are defined (Available Funds A and Available Funds B), depending on which type of *Cédulas Hipotecarias* (*Cédulas Hipotecarias A* or *Cédulas Hipotecarias B*) and which type of Reserve Fund (Reserve Fund A or Reserve Fund B) they arise from.

The Priority Order of Payments for the funds available for each *Fondo AyT*, as established in the corresponding Prospectus, is as shown below:

1. Accrued interest payment on the Bonds.
2. Amortisation payment for the Bonds.
3. Withholding of a sufficient amount to maintain the provision of the Reserve Fund at the required level.
4. Payment of the extraordinary expenses of the *Fondo* paid by the Seller.
5. Payment of interest on *AyT Loan*.
6. Amortisation of principal of the *AyT Loan*.
7. Payment of the Seller's Financial Intermediation Margin.

In cases where there are 2 types of available funds, i.e. in the case of *Fondos AyT Cédulas Cajas V* and *AyT Cédulas Cajas VIII* each type of fund is distributed using two separate and different orders of priority. Only in the event that there are surpluses for distribution in the Priority Order of Payments corresponding to the *Cédulas Hipotecarias* with a closer liquidation date and the Loans which served to provision the corresponding Reserve Fund have been fully amortised, will it be possible to use the excess of available funds for the Priority Order of Payments corresponding to *Cédulas Hipotecarias* with a more distant liquidation date.

Despite this, in the Priority Order of Payments for *Fondos AyT Subordinated Loans*, a distinction is made between Issuers which have complied with their payment obligations with respect to the *Cédulas Hipotecarias* and those which have not; as in points 5 and 6 above,

the payment of the ordinary and penalty interest and the amortisation of the Loan principal for Issuers which have not met their payment obligations will be subordinated in relation to the rights of the Issuers which have met their payment obligations.

Summary model of a TDA Loan Contract

The Credit Rights acquired by the Seller from the Credit Institutions deriving from 4 TDA Loans, which are divided into four participative loans granted jointly by each of the loan participants listed in the corresponding summaries included below, will be sold to the *Fondo*. The summaries mentioned also detail the date each contract was signed, the amount of the Loans sold in each case, the maturity date of each and the Amount of the Credit Rights on the date this Prospectus is verified, together with relevant descriptive details.

The purpose of the Loan is to finance the initial provision of the Reserve Fund for the respective *Fondo TDA*.

Given the subordinated nature of the Loan, the payment of all amounts owed to the Loan Participants as a result, will be deferred with regard to the payments that the *Fondo TDA* has to make to other creditors, as detailed in the Priority Order of Payments included in the Deed of Incorporation and the Prospectus for the corresponding *Fondo TDA*.

There are two parts to the remuneration of TDA Loans – one which is equal and known for all participants, and the other which is variable and related to the risks of the corresponding *Fondo TDA* and which is different for each of the participants:

The known component is known as “fixed coupon”: the Outstanding Principal Balance of the Loan will accrue annual interest equal to the 1-year EURIBOR plus a margin of 0.15% (“*Fixed Income*” from here on).

The variable part is known as “variable coupon”. This is calculated on the Maturity Date of the loan, by the corresponding *Sociedad Gestora*. It is equal to the positive difference, assuming such a difference exists, between (i) the interest and other amounts received from the *Cédulas Hipotecarias* grouped together in each *Fondo TDA*, plus the yield of the Treasury Account and the *Fondo TDA* Transfer Account attributable to the Fund; and (ii) the expenses (including taxes) of the *Fondo TDA* (the “*Variable income*” from here on). The *Contrato de Gestión Interna* (Internal Management Contract) for each *Fondo TDA* establishes the regulations for the distribution of the Variable Coupon. However, it should be noted that the part corresponding to Variable Coupon is not being sold to the *Fondo*.

Certain special situations are established for the payment of Fixed Income in the event of breach of obligations by any of the participants in their role as issuers of the *Cédulas Hipotecarias*. In particular, it is established that the right to receive interests of a lender of a defaulted TDA Loan and issuer of a defaulted *Cédula Hipotecaria* will be subordinated in such a way that it will only receive so once the Issuers which met their obligations have received the amount of the Fixed Income due to them in full. In addition, Fixed Income paid to defaulted *Cédula Hipotecaria* Issuer will be calculated by applying the rate of interest of the Treasury Account for the corresponding *Fondo* from the date of the default.

In addition, in relation to the payment of interest, in the event that one of the Issuers has early amortised one of the *Cédulas Hipotecarias*, its respective share in the subordinated loan will be paid at the interest rate of the *Fondo TDA* Treasury Account, although in this case, the right to interest payments of that Issuer will not be subordinated to the right of the other Issuers and lenders of the TDA Loan..

The interest rate on the Treasury Account is in any case lower than that on performing TDA Loans. This interest rate is lower than the one accrued by performing TDA Loans, or which have not been paid to any issuer of non defaulted *Cédulas Hipotecarias*, and is equal to the 1-year EURIBOR minus 0.1%.

It is expressly established that the entire amount due to the participants/issuers as accumulated principal and interest on the loan and that is not paid on time, will not accrue penalty interests.

Nevertheless, interests will be paid on each of the subsequent Payment Dates provided that the *Fondo TDA* has available funds which are sufficient to meet the obligations once it has met the payment and withholdings obligations contained in the Priority Order of Payments included in the Deed of Incorporation and the Prospectus of the corresponding *Fondo TDA*.

Amortisation of the Participative Loan will be carried out on the Maturity Date or, if it is before this, on the date of extinction of the *Fondo*, in accordance with provisions of section III.10 of the *Fondo TDA* Prospectus. Despite this, there may be early total or partial amortisations of the participative loan, on a Payment Date for an amount equal to that by which on each Payment Date the Reserve Fund is reduced, prior authorisation from the Rating Agency and if the regulations in force permit the modification of the Deed of Incorporation, following communication to the *CNMV*. In any case, the amortisation of the Participative Loan will be carried out subject to the Priority Order of Payments established in section V.4.2 of the *Fondo TDA* Prospectus. Distribution to Participants in these amortisations will be made by the *Sociedad Gestora*, in accordance with the stipulations of the Contrato de Gestión Interna (Internal Management Contract). In addition, and in the event that on the maturity date of the subordinated loan one of the Issuers of the *Cédulas Hipotecarias* (lenders in the loan agreements) has not met its payment obligations, the rights of such Issuer will be subordinated to the recovery of principal of the subordinated loan, in such a way that it will only have a right to receive principal repayments once the remaining non defaulted Issuers not in breach have received in full the amount of the principal which is due to them.

TDA Loans do not accrue penalty interest, either on principal or interest.

Available funds and position in the Priority Order of Payments of payments of principal and interest on the *TDA* Loans.

Here follows a summary of the Priority Order of Payments on each Payment Date of the available resources for each *Fondo TDA*, despite the detailed description of each included in its own documentation and the corresponding Prospectus.

The available funds for each *Fondo AyT* will be: (i) the income obtained as current and delay interest and principal from the *Cédulas Hipotecarias*; (ii) the balances and yields of the Treasury Accounts (which include the Reserve Fund) and the Transfer Account of each *Fondo TDA*; (iii) as appropriate, any other income from the Issuers resulting from any items other than current or delay interest and principal relating to the *Cédulas Hipotecarias*; and (iv) the product of liquidation, if relevant and when it occurs, of the *Fondos TDA* assets.

The Priority Order of Payments for the available funds for each *Fondo TDA*, as established in the corresponding Prospectus is as shown below:

1. Expenses and Costs. Expenses that are responsibility of the *Fondo* together with those taxes due by the *Fondo*.
2. Payment of accrued interest on the Bonds.
3. Payment of amortisation of the Bonds.
4. Provision of the Reserve Fund, as required, until it reaches the Reserve Fund Level.
5. Fixed income of the *TDA* Loan.
6. Amortisation of principal of the *TDA* Loan.
7. Variable Income of the Participative Loan. This part of the *TDA* Loans will not be acquired by the *Fondo* on its Date of Incorporation.

Summary of the *AyT* Loan Contracts

On the date of this Prospectus, no amount relating to the *AyT* Loans sold to the *Fondo* has been amortised or defaulted.

Fondo de Titulización de Activos AyT Cédulas Cajas I

- a) Date of Incorporation of the *Fondo*: April 18, 2001.
- b) Parties: -*Aborro y Titulización, Sociedad Gestora de Fondos de Titulización, S.A.*, in representation of *AyT Cédulas Cajas, Fondo de Titulización de Activos*.
 - *Caja de Ahorros Municipal de Burgos.*
 - *Caja España de Inversiones, Caja de Ahorros y Monte de Piedad.*
 - *Caja de Ahorros del Mediterráneo.*
 - *Monte de Piedad y Caja de Ahorros de Huelva y Sevilla.*
 - *Caja de Ahorros y Monte de Piedad de las Baleares.*
 - *Caja de Ahorros de Castilla la Mancha.*
 - *Caja General de Ahorros de Granada.*
 - *Caixa d'Estalvis de Sabadell.*
 - *Caja de Ahorros y Monte de Piedad de Córdoba (Cajasur).*
 - *Caixa d'Estalvis Laietana.*
 - *Caja General de Ahorros de Canarias.*
 - *Caixa d'Estalvis del Penedés.*
 - *Caja de Ahorros de La Rioja.*
 - *Caja de Ahorros Provincial de Guadalajara.*
 - *Caja de Ahorros y Préstamos de Carlet.*
- c) Credit Institutions:
 - *Monte de Piedad y Caja de Ahorros de Huelva y Sevilla.*
 - *Caixa d'Estalvis Laietana.*

- *Caja de Ahorros del Mediterráneo.*
- *Caja de Ahorros de Castilla la Mancha.*
- *Caixa d'Estalvis del Penedés.*
- *Caja de Ahorros y Monte de Piedad de Córdoba (Cajasur).*
- d) Total Amount of the *Fondo*: 2,048,000,000 Euros.
- e) Amount of the Loan: 63,084,000 Euros.
- f) Interest Rate: Euribor + 0.15% annual.
- g) Interest Rate as at date of verification of Prospectus (in absolute value): 4.4070%.
- h) Credit Rights Amount: 27,732,359 Euros.
- i) Final Maturity Date: April 20, 2011.
- j) Reference Figure for the remuneration of the Treasury Account: 72,000,000 Euros.

Fondo de Titulización de Activos AyT Cédulas Cajas II

- a) Date of Incorporation of the Fondo: November 26, 2001.
- b) Parties: *Aborro y Titulización, Sociedad Gestora de Fondos de Titulización, S.A.*, in representation of *AyT Cédulas Cajas II, Fondo de Titulización de Activos.*
 - *Caja de Ahorros y Monte de Piedad de Navarra.*
 - *Montes de Piedad y Caja de Ahorros de Ronda, Cádiz, Almería, Málaga y Antequera (Unicaja).*
 - *Caixa D'Estalvis de Terrassa.*
 - *Caja de Ahorros y Monte de Piedad de Guipúzcoa y San Sebastián (Kutxa).*
 - *Caixa D'Estalvis de Manresa.*
 - *Caixa D'Estalvis del Penedès.*
 - *Caja de Ahorros y Monte de Piedad de Zaragoza, Aragón y Rioja (Ibercaja).*
 - *Caixa de Aforros de Vigo, Ourense e Pontevedra (Caixanova).*
 - *Caja de Ahorros de Murcia.*
 - *Caja de Ahorros de la Inmaculada de Aragón.*
 - *Caja de Ahorros y Monte de Piedad de Segovia.*
 - *Caja de Ahorros y Monte de Piedad de Ávila.*
 - *Caja General de Ahorros de Granada.*
 - *Caja de Ahorros y Monte de Piedad de Extremadura.*
 - *Monte de Piedad y Caja General de Ahorros de Badajoz.*
 - *Caja de Ahorros de La Rioja.*
 - *Caja de Ahorros de Vitoria y Álava.*

- c) Credit Institutions:
 - *Caixa D'Estalvis de Manresa.*
 - *Caixa D'Estalvis del Penedès.*
 - *Caixa D'Estalvis de Terrassa.*
 - *Monte de Piedad y Caja General de Ahorros de Badajoz.*
- d) Total Amount of the *Fondo*: 2,500,000,000 Euros.
- e) Amount of the Loan: 70,000,000.00 Euros.
- f) Interest Rate: EURIBOR + 0.15% annual.
- g) Interest Rate as at date of verification of Prospectus (in absolute value): 4.0090%
- h) Credit Rights Amount: 18,480,000 Euros.
- i) Final Maturity Date: November 28, 2008.
- j) Reference Figure for the remuneration of the Treasury Account: 68,000,000 Euros.

Fondo de Titulización de Activos AyT Cédulas Cajas III

- a) Date of Incorporation of the Fondo: June 26, 2002.
- b) Parties: *Aborro y Titulización, Sociedad Gestora de Fondos de Titulización, S.A.*, in representation of *AyT Cédulas Cajas III, Fondo de Titulización de Activos*.
 - *Caja de Ahorros del Mediterráneo.*
 - *Caja de Ahorros y Monte de Piedad de Zaragoza, Aragón y Rioja (Ibercaja).*
 - *Caja de Ahorros y Monte de Piedad de Guipúzcoa-San Sebastián.*
 - *Caixa d'Estalvis de Terrassa.*
 - *Caja de Ahorros y Monte de Piedad de las Baleares.*
 - *Caixa d'Estalvis del Penedès.*
 - *Caja de Ahorros Provincial San Fernando de Sevilla y Jerez.*
 - *Caja de Ahorros de la Inmaculada de Aragón.*
 - *Caja de Ahorros y Monte de Piedad de Córdoba (Cajasur).*
 - *Caixa de Aforros de Vigo, Ourense e Pontevedra.*
 - *Caixa d'Estalvis de Manresa.*
 - *Caixa d'Estalvis de Sabadell.*
 - *Caixa d'Estalvis Laietana.*
 - *Caja de Ahorros de Salamanca y Soria.*
 - *Caja de Ahorros de Castilla La Mancha.*
 - *Caja General de Ahorros de Granada.*

- *Caja de Aborros de Santander y Cantabria.*
 - *Caja General de Aborros de Canarias.*
 - *Monte de Piedad y Caja de Aborros de Huelva y Sevilla (El Monte).*
 - *Caixa d'Estalvis Comarcal de Manlleu.*
 - *Monte de Piedad y Caja General de Aborros de Badajoz.*
- c) Credit Institutions:
- *Caja de Aborros del Mediterráneo.*
 - *Caixa d'Estalvis de Terrassa.*
 - *Caixa d'Estalvis del Penedès.*
 - *Caja de Aborros Provincial San Fernando de Sevilla y Jerez.*
 - *Caja de Aborros y Monte de Piedad de Córdoba (Cajasur).*
 - *Caixa d'Estalvis de Manresa.*
 - *Caixa d'Estalvis Laietana.*
 - *Caja de Aborros de Castilla La Mancha.*
 - *Monte de Piedad y Caja de Aborros de Huelva y Sevilla (El Monte).*
 - *Caixa d'Estalvis Comarcal de Manlleu.*
 - *Monte de Piedad y Caja General de Aborros de Badajoz.*
- d) Total Amount of the *Fondo*: 3,500,000,000 Euros.
- e) Amount of the Loan: 114,800,000 Euros.
- f) Interest Rate: EURIBOR + 0.15% annual.
- g) Interest Rate as at date of verification of Prospectus (absolute value): 4.5070%
- h) Outstanding Principal Balance: 55,924,000 Euros.
- i) Final Maturity Date: June 28, 2012.
- j) Reference Figure for the remuneration of the Treasury Account: 120,000,000 Euros.

Fondo de Titulización de Activos AyT Cédulas Cajas IV

- a) Date of Incorporation of the Fondo: March 11, 2003.
- b) Parties: *Aborro y Titulización, Sociedad Gestora de Fondos de Titulización, S.A.*, in representation of *AyT Cédulas Cajas IV, Fondo de Titulización de Activos*.
- *Bilbao Bizkaia Kutxa, Aurrezki Kutxa eta Babitetxea.*
 - *Caixa d'Estalvis Comarcal de Manlleu.*
 - *Caixa d'Estalvis de Girona.*
 - *Caixa d'Estalvis de Sabadell.*

- *Caixa d'Estalvis de Tarragona.*
 - *Caixa d'Estalvis del Penedès.*
 - *Caixa d'Estalvis de Terrassa.*
 - *Caixa de Aforros de Vigo, Ourense e Pontevedra.*
 - *Caja de Aborros de Galicia.*
 - *Caja de Aborros de La Rioja.*
 - *Caja de Aborros de Murcia.*
 - *Caja de Aborros de Santander y Cantabria.*
 - *Caja de Aborros del Mediterráneo.*
 - *Caja de Aborros Provincial San Fernando de Sevilla y Jerez.*
 - *Caja de Aborros y Monte de Piedad de Ávila.*
 - *Caja de Aborros y Monte de Piedad de Ávila.*
 - *Caja de Aborros y Monte de Piedad de Ávila.*
 - *Caja de Aborros y Monte de Piedad de Segovia.*
 - *Caja de Aborros y Monte de Piedad de Zaragoza, Aragón y Rioja (Ibercaja).*
 - *Caja General de Aborros de Canarias.*
 - *Caja General de Aborros de Granada.*
 - *Caja Insular de Aborros de Canarias.*
 - *Monte de Piedad y Caja de Aborros de Huelva y Sevilla.*
 - *Monte de Piedad y Caja General de Aborros de Badajoz.*
 - *Montes de Piedad y Caja de Aborros de Ronda, Cádiz, Almería, Málaga y Antequera (Unicaja).*
- c) Credit Institutions:
- *Monte de Piedad y Caja de Aborros de Huelva y Sevilla (El Monte).*
 - *Caja Insular de Aborros de Canarias.*
 - *Caja de Aborros del Mediterráneo.*
 - *Caja de Aborros Provincial San Fernando de Sevilla y Jerez.*
 - *Caixa d'Estalvis Comarcal de Manlleu.*
 - *Caja de Aborros y Monte de Piedad de Córdoba.*
 - *Caixa d'Estalvis del Penedès.*
 - *Caixa d'Estalvis de Terrassa.*
 - *Monte de Piedad y Caja General de Aborros de Badajoz.*
- d) Total Amount of the *Fondo*: 3,800,000,000 Euros.
- e) Amount of the Loan: 108,300,000 Euros.

- f) Interest Rate: EURIBOR + 0.15% annual.
- g) Interest Rate as at date of verification Prospectus (in absolute value): 4.2400%.
- h) Credit Rights Amount: 32,917,500 Euros.
- i) Final Maturity Date: March 13, 2013.
- j) Reference Figure for the remuneration of the Treasury Account: 120,000,000 Euros.

Fondo de Titulización de Activos AyT Cédulas Cajas V(a)

- a) Date of Incorporation of the Fondo: December 2, 2003.
- b) Parties: *Aborro y Titulización, Sociedad Gestora de Fondos de Titulización, S.A.*, in representation of *AyT Cédulas Cajas V, Fondo de Titulización de Activos*.
 - *Bilbao Bizkaia Kutxa, Aurrezki Kutxa eta Babitetxea.*
 - *Caixa de Aforros de Vigo, Ourense e Pontevedra (Caixanova).*
 - *Caixa d'Estalvis de Girona.*
 - *Caixa d'Estalvis de Manresa.*
 - *Caixa d'Estalvis de Sabadell.*
 - *Caixa d'Estalvis de Tarragona.*
 - *Caixa d'Estalvis de Terrassa.*
 - *Caixa d'Estalvis del Penedès.*
 - *Caja de Aborros de Galicia.*
 - *Caja de Aborros de la Rioja.*
 - *Caja de Aborros de Santander y Cantabria.*
 - *Caja de Aborros de Vitoria y Álava.*
 - *Caja de Aborros del Mediterráneo.*
 - *Caja de Aborros Municipal de Burgos.*
 - *Caja de Aborros Provincial San Fernando de Sevilla y Jerez.*
 - *Caja de Aborros y Monte de Piedad de Ávila.*
 - *Caja de Aborros y Monte de Piedad de Ontinyent.*
 - *Caja de Aborros de Zaragoza, Aragón y Rioja (Ibercaja).*
 - *Caja España de Inversiones, Caja de Aborros y Monte de Piedad.*
 - *Caja General de Aborros de Canarias.*
 - *Caja Insular de Aborros de Canarias.*
 - *Caja Provincial de Aborros de Jaén.*

- c) Credit Institutions:
 - *Caja de Aborros del Mediterráneo.*
 - *Caja Insular de Aborros de Canarias.*
 - *Caja de Aborros Provincial San Fernando de Sevilla y Jerez.*
 - *Caixa d'Estalvis de Terrassa.*
 - *Caixa d'Estalvis del Penedès.*
 - *Caixa d'Estalvis de Manresa.*
- d) Total Amount of the *Fondo*: 1,000,000,000 Euros.
- e) Amount of the Loan: 27,000,000 Euros.
- f) Interest Rate: EURIBOR + 0.15% Annual.
- g) Interest Rate as at date of verification of Prospectus (in absolute value): 4.0090%.
- h) Credit Rights Amount: 9,798,387 Euros.
- i) Final Maturity Date: December 4, 2013.
- j) Reference Figure for the remuneration of the Treasury Account: 86,850,000 Euros.

Fondo de Titulización de Activos AyT Cédulas Cajas V(b)

- a) Date of Incorporation of the Fondo: December 2, 2003
- b) Parties: *Aborro y Titulización, Sociedad Gestora de Fondos de Titulización, S.A.*, in representation of *AyT Cédulas Cajas V, Fondo de Titulización de Activos*.
 - *Bilbao Bizkaia Kutxa, Aurrezki Kutxa eta Babitetxea.*
 - *Caixa de Aforros de Vigo, Ourense e Pontevedra (Caixanova).*
 - *Caixa d'Estalvis de Girona.*
 - *Caixa d'Estalvis de Manresa.*
 - *Caixa d'Estalvis de Sabadell.*
 - *Caixa d'Estalvis de Tarragona.*
 - *Caixa d'Estalvis de Terrassa.*
 - *Caixa d'Estalvis del Penedès.*
 - *Caja de Aborros de Galicia.*
 - *Caja de Aborros de la Rioja.*
 - *Caja de Aborros de Santander y Cantabria.*
 - *Caja de Aborros de Vitoria y Álava.*
 - *Caja de Aborros del Mediterráneo.*
 - *Caja de Aborros Municipal de Burgos.*

- *Caja de Ahorros Provincial San Fernando de Sevilla y Jerez.*
 - *Caja de Ahorros y Monte de Piedad de Navarra.*
 - *Caja de Ahorros y Monte de Piedad de Ontinyent.*
 - *Caja de Ahorros de Zaragoza, Aragón y Rioja (Ibercaja).*
 - *Caja España de Inversiones, Caja de Ahorros y Monte de Piedad.*
 - *Caja General de Ahorros de Canarias.*
 - *Caja Insular de Ahorros de Canarias.*
 - *Caja Provincial de Ahorros de Jaén.*
- c) Credit Institutions:
- *Caja de Ahorros del Mediterráneo.*
 - *Caja Insular de Ahorros de Canarias.*
 - *Caja de Ahorros Provincial San Fernando de Sevilla y Jerez.*
 - *Caixa d'Estalvis de Terrassa.*
 - *Caixa d'Estalvis del Penedès.*
 - *Caixa d'Estalvis de Manresa.*
- d) Total Amount of the *Fondo*: 2,100,000,000 Euros.
- e) Amount of the Loan: 59,850,000 Euros.
- f) Interest Rate: EURIBOR + 0.15% annual.
- g) Interest Rate as at date of verification of Prospectus (in absolute value): 4.0090%
- h) Credit Rights Amount: 21,719,758 Euros.
- i) Final Maturity Date: December 4, 2018.
- j) Reference Figure for the remuneration of the Treasury Account: 86,850,000 Euros.

Fondo de Titulización de Activos AyT Cédulas Cajas VI

- a) Date of Incorporation of the Fondo: April 5, 2004.
- b) Parties: *Aborro y Titulización, Sociedad Gestora de Fondos de Titulización, S.A.*, in representation of *AyT Cédulas Cajas VI, Fondo de Titulización de Activos*.
- *Bilbao Bizkaia Kutxa, Aurrezki Kutxa eta Babitetxea.*
 - *Caixa d'Estalvis Comarcal de Manlleu.*
 - *Caixa d'Estalvis de Sabadell.*
 - *Caixa d'Estalvis Laietana.*
 - *Caja de Aborro Provincial de Guadalajara.*
 - *Caja de Ahorros de Galicia.*

- *Caja de Aborros de Murcia.*
 - *Caja de Aborros de Santander y Cantabria.*
 - *Caja de Aborros de Vitoria y Álava.*
 - *Caja de Aborros Municipal de Burgos.*
 - *Caja de Aborros Provincial San Fernando de Sevilla y Jerez.*
 - *Caja de Aborros y Monte de Piedad de Ávila.*
 - *Caja de Aborros y Monte de Piedad de Córdoba.*
 - *Caja de Aborros y Monte de Piedad de Extremadura.*
 - *Caja de Aborros y Monte de Piedad de Navarra.*
 - *Caja de Aborros y Monte de Piedad de Ontinyent.*
 - *Caja de Aborros y Monte de Piedad de Segovia.*
 - *Caja de Aborros de Zaragoza, Aragón y Rioja (Ibercaja).*
 - *Caja General de Aborros de Canarias.*
 - *Caja General de Aborros de Granada.*
 - *Caja Insular de Aborros de Canarias.*
 - *Caja Provincial de Aborros de Jaén.*
 - *Montes de Piedad y Caja de Aborros de Ronda, Cádiz, Almería, Málaga y Antequera (Unicaja).*
- c) Credit Institutions:
- *Caixa d'Estalvis Laietana.*
 - *Caja Insular de Aborros de Canarias.*
 - *Caja de Aborros Provincial San Fernando de Sevilla y Jerez.*
 - *Caja de Aborros y Monte de Piedad de Córdoba.*
 - *Caixa d'Estalvis Comarcal de Manlleu.*
- d) Total Amount of the Fondo: 3,300,000,000 Euros.
- e) Amount of the Loan: 71,412,000 Euros.
- f) Interest Rate: EURIBOR + 0.15% annual.
- g) Interest Rate as at date of verification of Prospectus (in absolute value): 4.3610%
- h) Credit Rights Amount: 16,879,200 Euros.
- i) Final Maturity Date: April 7, 2014.
- j) Reference Figure for the remuneration of the Treasury Account: 71,412,000 Euros.

Fondo de Titulización de Activos AyT Cédulas Cajas VII

- a) Date of Incorporation of the Fondo: June 21, 2004.
- b) Parties: *Aborro y Titulización, Sociedad Gestora de Fondos de Titulización, S.A.*, in representation of *AyT Cédulas Cajas VII, Fondo de Titulización de Activos*.
- *Caixa d'Estalvis de Manresa.*
 - *Caixa d'Estalvis de Tarragona.*
 - *Caixa d'Estalvis del Penedès.*
 - *Caixa d'Estalvis Laietana.*
 - *Caja de Ahorros de Castilla-La Mancha.*
 - *Caja de Ahorros de Vitoria y Álava.*
 - *Caja de Ahorros del Mediterráneo.*
 - *Caja de Ahorros y Monte de Ávila.*
 - *Caja de Ahorros de Zaragoza, Aragón y Rioja (Ibercaja).*
 - *Caja España de Inversiones, Caja de Ahorros y Monte de Piedad.*
 - *Caja General de Ahorros de Canarias.*
 - *Montes de Piedad y Caja de Ahorros de Ronda, Cádiz, Almería, Málaga y Antequera (Unicaja).*
- c) Credit Institutions:
- *Caixa d'Estalvis Laietana.*
 - *Caja de Ahorros del Mediterráneo.*
 - *Caja de Ahorros de Castilla-La Mancha.*
 - *Caixa d'Estalvis del Penedès.*
 - *Caixa d'Estalvis de Manresa.*
- d) Total Amount of the Fondo: 3,300,000,000 Euros.
- e) Amount of the Loan: 54,040,000 Euros.
- f) Interest Rate: EURIBOR + 0.15% annual.
- g) Interest Rate as at date of verification of Prospectus (in nominal value) 4.534%
- h) Outstanding Principal Balance: 30,108,000 Euros.
- i) Final Maturity Date: June 23, 2011.
- j) Reference Figure for the remuneration of the Treasury Account: 54,040,000 Euros.

Fondo de Titulización de Activos AyT Cédulas Cajas VIII(a)

- a) Date of Incorporation of the Fondo: November 16, 2004.
- b) Parties: *Aborro y Titulización, Sociedad Gestora de Fondos de Titulización, S.A.*, in representation of *AyT Cédulas Cajas VIII, Fondo de Titulización de Activos*.
- *Bilbao Bizkaia Kutxa, Aurrezki Kutxa eta Babitetxea.*
 - *Caixa d'Estalvis Comarcal del Manlleu.*
 - *Caixa d'Estalvis de Catalunya.*
 - *Caixa d'Estalvis de Girona.*
 - *Caixa d'Estalvis del Penedés.*
 - *Caixa d'Estalvis de Sabadell.*
 - *Caixa d'Estalvis de Tarragona.*
 - *Caixa d'Estalvis Laietana.*
 - *Caixa de Aforros de Vigo, Ourense e Pontevedra (Caixanova).*
 - *Caja de Aborros de la Rioja.*
 - *Caja de Aborros del Mediterráneo*
 - *Caja de Aborros y Monte de Piedad de Ávila.*
 - *Caja de Aborros y Monte de Piedad de Baleares.*
 - *Caja de Aborros y Monte de Piedad de Córdoba.*
 - *Caja de Aborros y Monte de Piedad de Extremadura.*
 - *Caja de Aborros y Monte de Piedad de Navarra.*
 - *Caja de Aborros y Monte de Piedad de Ontinyent.*
 - *Caja de Aborros y Monte de Piedad de Segovia.*
 - *Caja de Aborros de Zaragoza, Aragón y Rioja (Ibercaja).*
 - *Caja España de Inversiones, Caja de Aborros y Monte de Piedad.*
 - *Caja General de Aborros de Granada.*
 - *Caja Insular de Aborros de Canarias.*
 - *Caja Provincial de Aborros de Jaén.*
 - *Montes de Piedad y Caja de Aborros de Ronda, Cádiz, Almería, Málaga y Antequera (Unicaja).*
 - *Monte de Piedad y Caja General de Aborros de Badajoz.*
- c) Credit Institutions:
- *Caja Insular de Aborros de Canarias.*
 - *Caixa d'Estalvis Laietana.*
 - *Caja de Aborros del Mediterráneo.*

- *Monte de Piedad y Caja General de Ahorros de Badajoz.*
- *Caja de Ahorros y Monte de Piedad de Córdoba.*
- *Caixa d'Estalvis del Penedés.*
- *Caixa d'Estalvis Comarcal del Manlleu.*
- d) Total Amount of the *Fondo*: 3,000,000,000 Euros.
- e) Amount of the Loan: 78,000,000 Euros.
- f) Interest Rate: EURIBOR+0.15% annual.
- g) Interest Rate as at date of verification of Prospectus (in absolute value): 4.0340%
- h) Credit Rights Amount: 30,058,535 Euros.
- i) Final Maturity Date: November 18, 2014.
- j) Reference Figure for the remuneration of the Treasury Account: 106,000,000 Euros.

Fondo de Titulización de Activos AyT Cédulas Cajas VIII(b)

- a) Date of Incorporation of the *Fondo*: November 16, 2004.
- b) Parties: *Aborro y Titulización, Sociedad Gestora de Fondos de Titulización, S.A.*, in representation of *AyT Cédulas Cajas VIII, Fondo de Titulización de Activos*.
 - *Bilbao Bizkaia Kutxa, Aurrezki Kutxa eta Babitetxea.*
 - *Caixa d'Estalvis Comarcal del Manlleu.*
 - *Caixa d'Estalvis de Catalunya.*
 - *Caixa d'Estalvis de Girona.*
 - *Caixa d'Estalvis del Penedés.*
 - *Caixa d'Estalvis de Sabadell.*
 - *Caixa d'Estalvis de Tarragona.*
 - *Caixa d'Estalvis Laietana.*
 - *Caixa de Aforros de Vigo, Ourense e Pontevedra (Caixanova).*
 - *Caja de Ahorros de la Rioja.*
 - *Caja de Ahorros del Mediterráneo.*
 - *Caja de Ahorros y Monte de Piedad de Ávila.*
 - *Caja de Ahorros y Monte de Piedad de Baleares.*
 - *Caja de Ahorros y Monte de Piedad de Córdoba.*
 - *Caja de Ahorros y Monte de Piedad de Extremadura.*
 - *Caja de Ahorros y Monte de Piedad de Navarra.*
 - *Caja de Ahorros y Monte de Piedad de Ontinyent.*

- *Caja de Aborros y Monte de Piedad de Segovia.*
 - *Caja de Aborros de Zaragoza, Aragón y Rioja (Ibercaja).*
 - *Caja España de Inversiones, Caja de Aborros y Monte de Piedad.*
 - *Caja General de Aborros de Granada.*
 - *Caja Insular de Aborros de Canarias.*
 - *Caja Provincial de Aborros de Jaén.*
 - *Montes de Piedad y Caja de Aborros de Ronda, Cádiz, Almería, Málaga y Antequera (Unicaja).*
 - *Monte de Piedad y Caja General de Aborros de Badajoz.*
- c) Credit Institutions:
- *Caja Insular de Aborros de Canarias.*
 - *Caixa d'Estalvis Laietana.*
 - *Caja de Aborros del Mediterráneo.*
 - *Monte de Piedad y Caja General de Aborros de Badajoz.*
 - *Caja de Aborros y Monte de Piedad de Córdoba.*
 - *Caixa d'Estalvis del Penedés.*
 - *Caixa d'Estalvis Comarcal del Manlleu.*
- d) Total Amount of the *Fondo*: 1,100,000,000 Euros.
- e) Amount of the Loan: 28,600,000 Euros.
- f) Interest Rate: EURIBOR+0.15% annual.
- g) Interest Rate as at date of verification of Prospectus (in absolute value): 4.0340%
- h) Credit Rights Amount: 11,021,465 Euros.
- i) Final Maturity Date: November 18, 2019.
- j) Reference Figure for the remuneration of the Treasury Account: 106,600,000 Euros.

Summary of the TDA Loan Contracts

On the date of this Prospectus, no amounts relating to the *Fondos TDA* have been amortised or defaulted.

Fondo de Titulización de Activos Cédulas TDA 1

- a) Date of Incorporation of the Fondo: June 12, 2003.
- b) Parties: *Titulización de Activos, S.G.F.T., S.A.*
 - *Caja de Aborros y Monte de Piedad de Madrid (Caja Madrid).*
 - *Caja de Aborros de Castilla la Mancha (CCM).*

- *Caja de Aborros y Monte de Piedad de Zaragoza, Aragón y La Rioja (Ibercaja).*
 - *Monte de Piedad y Cajas de Aborros de Ronda, Cádiz, Almería, Málaga y Antequera (Unicaja).*
 - *Caja de Aborros del Mediterráneo.*
 - *Caja de Aborros Municipal de Burgos.*
- c) Credit Institutions:
- *Caja de Aborros de Castilla la Mancha (CCM).*
- d) Total Amount of the *Fondo*: 1,750,000,000 Euros.
- e) Amount of the Loan: 49,025,000 Euros.
- f) Interest Rate: EURIBOR + 0.15% annual.
- g) Interest Rate as at date of verification of Prospectus (in absolute value): 4.517%
- h) Credit Rights Amount: 17,358,222 Euros.
- i) Final Maturity Date: June 21, 2010.

Fondo de Titulización de Activos Cédulas TDA 2

- a) Date of Incorporation of the *Fondo*: November 19, 2003.
- b) Parties: *Titulización de Activos, S.G.F.T., S.A.*
- *Caixa d'Estalvils de Catalunya (Caixa Catalunya).*
 - *Caja Laboral Popular, Cooperativa de Crédito (Caja Laboral).*
 - *Caixa d'Estalvils de Terrassa (Caixa Terrassa).*
 - *Caixa de Aforros de Vigo, Ourense e Pontevedra (Caixanova).*
 - *Monte de Piedad y Cajas de Aborros de Ronda, Cádiz, Almería, Málaga y Antequera (Unicaja).*
 - *Caja España de Inversiones, Caja de Aborros y Monte de Piedad (Caja España).*
 - *Caja de Aborros y Monte de Piedad de Madrid (Caja Madrid).*
 - *Caja de Aborros de Castilla La Mancha (CCM).*
 - *Caja de Aborros y Monte de Piedad de Zaragoza, Aragón y La Rioja (Ibercaja).*
 - *Caixa d'Estalvils de Tarragona (Caixa Tarragona).*
 - *Banco Gallego, S.A. (Banco Gallego).*
- c) Credit Institutions:
- *Caja de Aborros de Castilla La Mancha (CCM).*
 - *Banco Gallego, S.A. (Banco Gallego).*
 - *Caixa d'Estalvils de Terrassa (Caixa Terrassa).*
- d) Total Amount of the *Fondo*: 2,000,000,000 Euros.
- e) Amount of the Loan: 58,800,000 Euros.

- f) Interest Rate: EURIBOR + 0.15% annual.
- g) Interest Rate as at date of verification of Prospectus (in absolute value): 4.0200%
- h) Credit Rights Amount: 20,133,837 Euros.
- i) Final Maturity Date: November 26, 2013.

Fondo de Titulización de Activos Cédulas TDA 3

- a) Date of Incorporation of the Fondo: February 25, 2004.
- b) Parties: *Titulización de Activos, S.G.F.T., S.A.*
 - *Caja de Ahorros y Monte de Piedad de Madrid (Caja Madrid).*
 - *Caja de Ahorros Castilla La Mancha (CCM).*
 - *Caixa d'Estalvils del Penedés (Caixa Penedés).*
 - *Caja Laboral Popular Cooperativa de Crédito (Caja Laboral).*
 - *Monte de Piedad y Caja de Ahorros de Ronda, Cádiz, Almería, Málaga y Antequera (Unicaja).*
 - *Caja de Ahorros Municipal de Burgos (Caja Burgos).*
 - *Caixa d'Estalvils de Girona (Caixa Girona).*
 - *Caixa d'Estalvils de Manresa (Caixa Manresa).*
 - *Caixa de Aforros de Vigo, Ourense e Pontevedra (Caixanova).*
 - *Banco Gallego, S.A. (Banco Gallego).*
 - *Caixa Terrasa.*
- c) Credit Institutions:
 - *Caja de Ahorros Castilla La Mancha (CCM).*
 - *Caixa d'Estalvils del Penedés (Caixa Penedés).*
 - Banco Gallego, S.A. (Banco Gallego).
 - *Caixa Terrasa.*
 - *Caixa d'Estalvils de Manresa (Caixa Manresa).*
- d) Total Amount of the *Fondo*: 2,000,000,000 Euros.
- e) Amount of the Loan: 63,200,000 Euros.
- f) Interest Rate: EURIBOR + 0.15% annual.
- g) Interest Rate as at date of verification of Prospectus (in absolute value): 4.2270%
- h) Credit Rights Amount: 36,163,070 Euros.
- i) Final Maturity Date: March 3, 2016.

Fondo de Titulización de Activos Cédulas TDA 4

- a) Date of Incorporation of the Fondo: June 10, 2004.
- b) Parties: *Titulización de Activos, S.G.F.T., S.A.*
 - *Caja de Ahorros y Monte de Piedad de Madrid (Caja Madrid).*
 - *Caixa d'Estalvils de Sabadell (Caixa Sabadell).*
 - *Caixa d'Estalvils del Penedés (Caixa Penedés).*
 - *Caja de Ahorros de Castilla la Mancha (CCM).*
 - *Caja de Ahorros y Monte de Piedad de las Baleares-Caja General de Ahorro Popular (Sa Nostra).*
 - *Monte de Piedad y Cajas de Ahorros de Ronda, Cádiz, Almería, Málaga y Antequera (Unicaja).*
 - *Ipar Kutxa Rural, S. Coop. de Crédito (Ipar Kutxa).*
 - *Caja España de Inversiones, Caja de Ahorros y Monte de Piedad (Caja España).*
 - *Caixa d'Estalvils de Terrassa (Caixa Terrassa).*
 - *Banco Gallego, S.A. (Banco Gallego).*
- c) Credit Institutions:
 - *Caja de Ahorros Castilla La Mancha (CCM).*
 - *Caixa d'Estalvils del Penedés (Caixa Penedés).*
 - *Banco Gallego, S.A. (Banco Gallego).*
 - *Caixa Terrasa.*
- d) Total Amount of the Fondo: 1,500,000,000 Euros.
- e) Amount of the Loan: 41,325,000 Euros.
- f) Interest Rate: EURIBOR + 0.15% annual.
- g) Interest Rate as at date of verification of Prospectus (in absolute value): 4.5100%
- h) Credit Rights Amount: 15,837,142 Euros.
- i) Final Maturity Date: June 16, 2009.

Contratos de Gestión Interna (Internal Management Contracts)

Following is a summary of the Contratos de Gestión Interna AyT (Internal Management Contracts).

The Contratos de Gestión Interna AyT (Internal Management Contracts) regulate a series of issues that are complementary or ancillary to what is established in the Deed of Incorporation and Prospectus of the various asset securitisation funds, one of which has been sold to the Fondo, namely the right to seek compensation in relation to claims and demands for payment of interest or repayment of principal of the AyT Loans or reimbursement of principal (the "Complementary Right").

Each of the Contratos de Gestión Interna AyT (Internal Management Contracts) is signed by the Issuers of the *Cédulas Hipotecarias* for the respective Fondo AyT, and by the *Sociedad Gestora* of

said *Fondo* and by *Aborro Corporación Financiera, S.V., S.A.* (as Seller of the *Cédulas Hipotecarias* to the *Fondo AyT*). Therefore, the Complementary Right sold is contained in 8 *Contratos de Gestión Interna AyT (Internal Management Contracts)*, signed on the same date as the contracts for the Subordinated Loan contracts were agreed between the Issuers/Loan Participants and each of the *Fondos AyT*.

The main issues covered by these contracts are as follows:

- Possible actions in the case of legal early amortisations, in the terms stated in the Prospectus of the corresponding *Fondo AyT*.
- Provisions for cases of early forced amortisation of the Bonds issue.
- Regulation of compensation actions: in the event of an Issuer's breach of any obligation (breach of payment obligations, existence of hidden defects). In these situations, the *Contratos de Gestión Interna AyT (Internal Management Contracts)* establish that Issuers that are not in breach may take action against any Issuer in breach to recover any injury and damage caused. These contracts also regulate the compensation actions of the Seller (*Aborro Corporación Financiera, S.V., S.A.*) against the Issuers of the *Cédulas Hipotecarias* in breach of their obligations.

Finally, 4 *Contratos de Gestión Interna TDA (Internal Management Contracts)* have also been signed by the Issuers of the *Cédulas Hipotecarias* of the respective *Fondos TDA*, and by the *Sociedad Gestora* on the same date as the *TDA* Loans. However, none of the rights deriving from these agreements will be sold to the *Fondo*.

2.2.1. Legal jurisdiction governing the group of assets.

The Loans are subject to Spanish legislation.

2.2.2. General characteristics of the debtors and the economic environment, together with global statistics relating to the assets to be securitised.

Both the *AyT* and the *Fondos TDA* deposit their audited annual financial statements in the public registry of the *CNMV*.

In accordance with the documents constituting the *Fondos AyT* and the *Fondos TDA*, the Issuers of the *Cédulas Hipotecarias* have undertaken to supply the corresponding *Sociedad Gestora* and the Ratings Agency with the information that they need relating to the portfolio of mortgage loans backing the *Cédulas Hipotecarias*, and, as a result, the Loans. Information which is relevant in this regard can be found both in the normal publications of the Rating Agency and at the registered offices of the corresponding *Sociedades Gestoras* and their web sites.

2.2.3. Legal nature of the securitised assets.

The assets to be securitised are credit rights derived from Subordinated Loans sold to the *Fondos de Titulización de Activos* (special purpose securitisation vehicles). The payment obligations deriving from these loans are subject to the corresponding Priority Order of Payments contained in the Deed of Incorporation of each *AyT* and *TDA* Loan *Fondos*. In addition, the *AyT* and *TDA Fondos* will be provided with sufficient resources to meet the payment obligations of the Loans, providing that their assets (*Cédulas Hipotecarias* issued by

the Issuers) generate the necessary funds to do this, in accordance with the Priority Order of Payments.

Repayment of the principal and interest on the Loans is directly linked to the payment of the *Cédulas Hipotecarias* that constitute the assets of the *Fondos AyT* and the *Fondos TDA*. In accordance with *Ley 2/1981, de 25 de marzo, de regulación del Mercado Hipotecario*, (“**Ley 2/1981**”) and the provisions of the Regulations which refined it and which were approved by *Real Decreto 685/1982, de 17 de marzo* (“**Real Decreto 685/1982**”), payment of both principal and interest of the *Cédulas Hipotecarias* is specifically guaranteed, without the need for any registration, by a mortgage over all the mortgage book on balance sheet of the each Issuer at any time, despite their personal, direct and universal liability.

The credit rights of the *Fondos AyT* and the *Fondos TDA*, as the holders of the *Cédulas Hipotecarias*, against the Issuers, in addition to the guarantee in the previous paragraph, will also provide them with the right to claim directly payment from the Issuers (*acción ejecutiva*); the *Fondo*, as the holder of the *Cédulas Hipotecarias*, is a singular and privileged creditor, with the priority stated in point 3 of article 1923 of the *Código Civil* (Civil Code) over any other creditor in relation to the whole mortgage book on balance sheet of each Issuer.

In accordance with Bankruptcy Law, in the event of bankruptcy of any of the Issuers, the *Fondos AyT* and the *Fondos TDA*, as holders of the *Cédulas Hipotecarias*, will enjoy the special privileges established in article 90.1.1 in relation to ordinary and penalty interests and principal on the *Cédulas Hipotecarias*, despite which, the amounts owed for these concepts will be satisfied out of the bankruptcy of the defaulted Issuer with the proceeds of its the whole mortgage book.

2.2.4. Maturity date or dates of the assets.

The following table shows the maturity dates for each of the Loans.

| Funds Behind the Loans | Final Maturity Date | Legal Maturity Date of the <i>Fondo</i> |
|-------------------------|---------------------|---|
| AyT Cédulas I | 20-Apr-11 | 20-Apr-13 |
| AyT Cédulas II | 28-Nov-08 | 28-Nov-10 |
| AyT Cédulas III | 28-Jun-12 | 28-Jun-14 |
| AyT Cédulas IV | 13-Mar-13 | 13-Mar-15 |
| AyT Cédulas V Loan A | 4-Dec--13 | 4-Dec--15 |
| AyT Cédulas V Loan B | 4-Dec--18 | 4-Dec--20 |
| AyT Cédulas VI | 7-Apr-14 | 7-Apr-16 |
| AyT Cédulas VII | 23-Jun-11 | 23-Jun-13 |
| AyT Cédulas VIII Loan A | 18-Nov-14 | 18-Nov-16 |
| AyT Cédulas VIII Loan B | 18-Nov-19 | 18-Nov-21 |
| CÉDULAS TDA 1 | 21-Jun-10 | 19-Jun-12 |
| CÉDULAS TDA 2 | 26-Nov-13 | 26-Nov-15 |
| CÉDULAS TDA 3 | 3-Mar-16 | 3-Mar-18 |
| CÉDULAS TDA 4 | 16-Jun-09 | 16-Jun-11 |

The amounts obtained as a result of the Amortisation of the Loans will be deposited in the Treasury Account until the next Payment Date.

2.2.5. Amount of the assets.

The total amount of the Credit Rights that will be sold to the *Fondo* will be 344,131,475 Euros.

2.2.6. Loan to Total Value ratio or overcollateralisation level.

The Loans constitute debts that can only be claimed from each *Fondo AyT* or *Fondo TDA* in the terms established in each of the corresponding Deed of Incorporation and in accordance with their Priority Order of Payments. The risk on the Loans is directly linked to that of the Issuer's *Cédulas Hipotecarias*. In this regard, principal and interest on each of these is specifically guaranteed by all the mortgage book on balance sheet each of the Issuers at any time, despite their personal, direct and universal liability. The legally apt mortgage loans used to calculate the maximum amount of the issue of *Cédulas Hipotecarias* by each entity form only a part of the total mortgage portfolio of the issuer. The volume of *Cédulas Hipotecarias* issued by each of the Issuers will not be greater than 90% of the legally apt portfolio of mortgage loans.

Information on the mortgage portfolio of each of the Issuers is contained in their audited financial statements, and in the information which the Issuers of the *Cédulas Hipotecarias* are periodically obliged to communicate to the corresponding *sociedad gestora* and which they are obliged to communicate to the Rating Agency.

2.2.7. Asset creation method.

Not applicable for the Loans.

2.2.8. Representations and guarantees given to the *Fondo* in relation to the assets.

The *Sociedad Gestora* states below the representations and guarantees that *Santander*, as the holder of the Credit Rights until they are sold to the *Fondo* and as Seller, will carry out and declare to the *Sociedad Gestora*, on behalf of the *Fondo*, in the Deed of Incorporation of the *Fondo* regarding the Seller and the Credit Rights.

With regard to the Seller

- 1) That it is a duly constituted credit entity in accordance with current legislation, and that it is registered with the Company Registry and in the Bank of Spain's Credit Entities Register, and that it is empowered to carry out financing operations in the Mortgage Market.
- 2) That, since its incorporation it has never been in bankruptcy.
- 3) That it has obtained all the authorisations required, both administrative and corporate, in order to carry out the sale of Loans to the *Fondo*, for the valid granting of Deeds of Incorporation and to enter into all commitments arising as a result and all other contracts related to the incorporation of the *Fondo*.

- 4) That there have been no reservations or qualifications with regard to the individual financial statements of SANTANDER or of the consolidated financial statements of the SANTANDER Group in the last three complete years (2004, 2005 and 2006), although there was a mention of consistency in the (individual and consolidated) financial statements for 2004 with regard to the previous years in relation to the accounting treatment of pension commitments deriving from early retirements; this arose exclusively from the Bank of Spain not authorising credit entities to charge such early retirement pensions to reserves.
- 5) That it understands and accepts in all its terms the full content of the Deed of Incorporation of the *Fondo*, and, in particular, irrevocably assumes responsibility for all obligations and commitments deriving from said Deed which are the responsibility of the Seller.

With regard to Credit Rights and Loans

- 1) That the Credit Rights deriving from the Loans exist, with the Seller having full title to them prior to their sale to the *Fondo* free of all charges and encumbrance; all prior authorisations required in accordance with all applicable regulations have been obtained, and there is no impediment for their sale to the *Fondo* as all applicable legal requirements were met in their acquisition.
- 2) That the Seller has obtained all necessary authorisations and has made all notifications required to carry out the sale of the Credit Rights.
- 3) That the information relating to the Loans from which the Credit Rights arise, which are included in section 2.2.3 of the Additional Building Block, reflect, and will reflect correctly the situation of the Loans on the Date of Incorporation of the *Fondo*, as contained in the contracts by which they were established, and that this data is correct.
- 4) That all the Loans from which the Credit Rights derive are duly identified by their contracts.
- 5) That the Seller to the best of its knowledge is not aware of any litigation of any type in relation to the Loans from which the Credit Rights derive which could prejudice their validity or which could lead to the application of article 1.535 of the Civil Code.
- 6) That the Seller has not received any notification of early amortisation of the Credit Rights.
- 7) That the contracts which document the Credit Rights do not contain any clauses forbidding the sale of the Credit Rights or which require any authorisation or communication in order to carry out said sale, with the exception of the authorisations and communications that have been duly obtained prior to this date, amongst them the consent of *AyT* and *TDA*. In addition, all requirements established by the contracts documenting the Credit Rights with regard to the sale have been met.
- 8) That all the Credit Rights are denominated in Euros and are exclusively payable in Euros.
- 9) That the sale of the Credit Rights to the *Fondo* does not infringe current legislation.

- 10) That it is not aware of the bankruptcy of any of the Issuers of the *Cédulas Hipotecarias*.

2.2.9. Substitution rules for the assets.

The Loans are not susceptible to substitution. In the exceptional situation that, after the Date of Incorporation of the *Fondo*, and the declarations of the Seller and due diligence observed notwithstanding, it is detected that any of the Credit Rights or of the loans from which they derive suffer from any hidden defects, including any which conflict with the declarations made in section 2.2.8 of the Additional Building Block on the Date of Incorporation of the *Fondo*, the Seller undertakes:

- a) To rectify the defect in a period of 30 days from the moment that it becomes aware of the defect or from the moment of notification by the *Sociedad Gestora* to the Seller of the defect;
- b) Subsidiary to the obligation undertaken in section (a) above, and for those, equally exceptional, situations where the hidden defect, including any which does not comply with the declarations mentioned, is not rectified in the aforementioned period of 30 days or which could not be rectified by the Seller, the Seller undertakes to repurchase within a maximum period of five (5) days the corresponding credit rights affected, paying as the purchase price the amount of the principal of the Loan pending amortisation on the date of repurchase, plus interest accrued and not paid on that date.

The *Sociedad Gestora*, on the behalf of the *Fondo*, and from the amount obtained as of above will, as soon as the corresponding amount has been deposited in the Treasury Account and is available, proceed to partially redeem the A Bonds, through the *pro rata* reduction of the principal by an aggregate amount equal to the principal value of the Loan affected.

The resulting amounts will be payable *pro rata* to the holders of the A Bonds once the amount in question has been received by the *Sociedad Gestora*, in the name of and representing the *Fondo*, even should this not coincide with a Payment Date, up to the available limit of such amounts.

2.2.10. Insurance policies related to the securitised assets.

Not applicable.

2.2.11. Information relative to debtors in cases in which the securitised assets consist of obligations of at least five debtors which are legal persons, or if a single debtor represents 20% or more of the assets, or if one debtor represents a substantial part of the assets.

| <i>Fondo</i> | Date registered with <i>CNMV</i> | Total amount by <i>Fondo</i> | % |
|-------------------|-------------------------------------|------------------------------|------------|
| TDA 1 | June 9, 2003 | 17,358,222 | 5.05 |
| TDA 2 | November 13, 2003 | 20,133,837 | 5.86 |
| TDA 3 | February 20, 2004 | 36,163,070 | 10.5 |
| TDA 4 | June 3, 2004 | 15,837,142 | 4.7 |
| AyT | March 30, 2001 | 27,732,359 | 8.07 |
| AyT II | November 13, 2001 | 18,480,000 | 5.38 |
| AyT III | June 24, 2002 | 55,924,000 | 16.26 |
| AyT IV | March 7, 2003 | 32,917,500 | 9.57 |
| AyT V A | November 24, 2003 | 9,798,387 | 2.86 |
| AyT V B | November 24, 2003 | 21,719,758 | 6.32 |
| AyT VI | March 25, 2004 | 16,879,200 | 4.91 |
| AyT VII | June 16, 2004 | 30,108,000 | 8.76 |
| AyT VIII A | November 11, 2004 | 30,058,535 | 8.74 |
| AyT VIII B | November 11, 2004 | 11,021,465 | 3.02 |
| TOTAL | - | 344,131,475 | 100 |

Since the debtors are all securitisation funds, they prepare audited annual financial statements, which are available both at the *CNMV* website and from the *sociedades gestoras* listed hereunder. The Prospectus for each of the *Fondos AyT* and *Fondos TDA* will also be available at the *CNMV* website and from the *sociedades gestoras* that are mentioned in this Prospectus.

Balance Sheets and Profit & Loss Statements of the *Fondos AyT* and *Fondos TDA*

Fondos AyT

AyT CEDULAS CAJAS, FONDO DE TITULIZACION DE ACTIVOS

| Balance Sheet as at 31 December | | |
|---|--------------------|------------------|
| ASSETS | Thousands of Euros | |
| | 2006 | 2005 |
| Non-current Assets | | |
| Financial assets – Mortgage Receivables | 2,048,000 | 2,048,000 |
| Total Non-Current | 2,048,000 | 2,048,000 |
| Current Assets | | |
| Debtors | 77,508 | 77,073 |
| Cash & Banks | 63,213 | 63,195 |
| Total Current Assets | 140,721 | 140,268 |
| Total Assets | 2,188,721 | 2,188,268 |

| LIABILITIES | Thousands of Euros | |
|---|--------------------|------------------|
| | 2006 | 2005 |
| Own Funds | | |
| Profit for the year | -- | -- |
| Long Term Creditors | | |
| Issues of bonds and other negotiable securities | | |
| Asset Securitisation Bonds | 2,048,000 | 2,048,000 |
| Long Term Debts to credit institutions | 63,221 | 63,200 |
| Total Long Term Creditors | 2,111,221 | 2,111,200 |
| Interest on debentures and other securities | 76,000 | 76,000 |
| Interest due to credit institutions | 1,500 | 1,068 |
| Total Short Term Creditors | 77,500 | 77,068 |
| Total Liabilities | 2,188,721 | 2,188,268 |

| PROFIT & LOSS ACCOUNT | Thousands of Euros | |
|--|--------------------|--------------|
| | 2006 | 2005 |
| Other operating expenses: variable commission | (22) | (16) |
| Operating Loss | (22) | (16) |
| Revenue from other negotiable securities and credits | | |
| Interest on holdings of assets and others | 107,680 | 108,182 |
| Other interest and similar revenue | 1,817 | 1,371 |
| Financial expense | | |
| Interest on Asset Securitisation Bonds | (107,520) | (108,021) |
| Interest on Loans | (1,955) | (1,516) |
| Financial Revenues | 22 | 16 |
| Profit (loss) on ordinary activities | -- | -- |
| Profit (loss) before tax | -- | -- |
| Corporation Tax | -- | -- |
| Result for the financial year – Profit/(Loss) | -- | -- |

AyT CEDULAS CAJAS II, FONDO DE TITULIZACION DE ACTIVOS

| Balance Sheet as at 31 December | | |
|--|--------------------|------------------|
| ASSETS | Thousands of Euros | |
| | 2006 | 2005 |
| Non-Current Assets | | |
| Start-up expenses | -- | 4,713 |
| Financial assets | | |
| Securitised Assets | 2,500,000 | 2,500,000 |
| | 2,500,000 | 2,504,713 |
| Current Assets | | |
| Temporary Financial Investments | 11,366 | 11,290 |
| Cash & Banks | 70,145 | 70,102 |
| | 81,511 | 81,392 |
| Total Assets | 2,581,511 | 2,586,105 |
| | | |
| LIABILITIES | Thousands of Euros | |
| | 2006 | 2005 |
| Unearned Income | | |
| Capital subsidies | -- | 4,713 |
| Provision for risks and expenses | | |
| Provision for risks and charges | 616 | 616 |
| Long-term Creditors | | |
| Securitisation Bonds | 2,500,000 | 2,500,000 |
| Credit institutions: Subordinated Loan | 70,000 | 70,000 |
| Other long-term creditors | 150 | 106 |
| | 2,570,150 | 2,570,106 |
| Short-term Creditors | | |
| Accruals and creditors for provision of services | 10,745 | 10,670 |
| Total Liabilities | 2,581,511 | 2,586,105 |
| | | |
| PROFIT & LOSS ACCOUNT | Thousands of Euros | |
| | 2006 | 2005 |
| Financial Revenue | | |
| Revenue from mortgage loans | 112,675 | 113,013 |
| Reinvestment account revenue | 1,990 | 1,633 |
| Financial expenses | | |
| Interest on Securitisation Bonds | (112,500) | (112,836) |
| Interest on Subordinated Loan | (2,121) | (1,774) |
| Positive (negative) financial results | 44 | 36 |
| Depreciation of fixed assets | | |
| Start-up expenses | (4,713) | (5,212) |
| Other operating expense | | |
| Variable commission | (44) | (36) |
| Profit (loss) on ordinary activities | 4,713 | 5,212 |
| Extraordinary items | 4,713 | 5,212 |
| Profit (loss) before tax | -- | -- |
| Corporation Tax | -- | -- |
| Results for the financial year | -- | -- |

AyT CEDULAS CAJAS III, FONDO DE TITULIZACION DE ACTIVOS

Balance Sheet as at 31 December

| ASSETS | Thousands of Euros | |
|---------------------------------|--------------------|------------------|
| | 2006 | 2005 |
| Non-current | | |
| Start-up expenses | 2,881 | 8,823 |
| Financial assets | | |
| Mortgage Loans | 3,500,000 | 3,500,000 |
| | 3,502,881 | 3,508,823 |
| Current Assets | | |
| Temporary financial investments | 97,315 | 96,471 |
| Cash & Banks | 115,195 | 115,125 |
| | 212,510 | 211,596 |
| Total Assets | 3,715,391 | 3,720,419 |

| LIABILITIES | Thousands of Euros | |
|--|--------------------|------------------|
| | 2006 | 2005 |
| Unearned Income | 2,881 | 8,823 |
| Provision for risks and expenses | | |
| Provision for risks and charges | 1,007 | 1,007 |
| Long-term Creditors | | |
| Asset securitisation bonds | 3,500,000 | 3,500,000 |
| Credit Institutions: Subordinated Loan | 114,800 | 114,800 |
| Other long-term creditors | 439 | 350 |
| | 3,615,239 | 3,615,150 |
| Short-term Creditors | | |
| Accruals and creditors for provision of services | 96,264 | 95,439 |
| Total Liabilities | 3,715,391 | 3,720,419 |

| PROFIT & LOSS ACCOUNT | Thousands of Euros | |
|---|--------------------|----------------|
| | 2006 | 2005 |
| Financial Revenue | | |
| Revenue from mortgage loans | 184,037 | 184,800 |
| Reinvestment account revenue | 3,162 | 2,538 |
| | 187,199 | 187,338 |
| Financial expenses | | |
| Interest on Asset securitisation Bonds | (183,751) | (184,509) |
| Interest on Subordinated Loan | (3,359) | (2,742) |
| | (187,110) | (187,251) |
| Positive (negative) financial results | 44 | 36 |
| Depreciation of fixed assets | | |
| Start-up costs | (5,942) | (5,942) |
| Other operating expenses | | |
| Variable commission | (89) | (87) |
| Profit (loss) from ordinary activities | (5,942) | (5,942) |
| Extraordinary items | 5,492 | 5,492 |
| Profit (loss) before Tax | -- | -- |
| Corporation Tax | -- | -- |
| Results for the financial year | -- | -- |

AyT CEDULAS CAJAS IV, FONDO DE TITULIZACION DE ACTIVOS

| Balance Sheet as at 31 December | | |
|---------------------------------|--------------------|------------------|
| ASSETS | Thousands of Euros | |
| | 2006 | 2005 |
| Start-up costs | 12,115 | 22,280 |
| Financial investments | | |
| Mortgage loans | 3,800,000 | 3,800,000 |
| Other credits | 126,121 | 125,453 |
| Cash & Banks | 108,427 | 108,364 |
| Total Assets | 4,046,663 | 4,056,097 |

| LIABILITIES | Thousands of Euros | |
|---|--------------------|------------------|
| | 2006 | 2005 |
| Subordinated Loan | 108,300 | 108,300 |
| Issues of debentures and other negotiable securities | 3,800,00 | 3,800,000 |
| Other liabilities | 126,248 | 125,517 |
| Unearned Income | 12,115 | 22,280 |
| Total Liabilities | 4,046,663 | 4,056,097 |

| DEBIT | Thousands of Euros | |
|---------------------------------------|--------------------|----------------|
| | 2006 | 2005 |
| Financial expenses | | |
| Interest on bonds | 152,000 | 152,750 |
| Interest on subordinated loan | 3,368 | 2,658 |
| Amortisation of start-up costs | 10,165 | 10,165 |
| General expenses | 60 | 40 |
| | 60 | 40 |
| Total Debit | 165,593 | 165,613 |

| CREDIT | Thousands of Euros | |
|---|--------------------|----------------|
| | 2006 | 2005 |
| Financial revenue | | |
| Interest from mortgage loans | 152,271 | 153,024 |
| Other financial revenue | 3,157 | 2,424 |
| | 155,428 | 155,448 |
| Application of provision for start-up, management and administration | 10,165 | 10,165 |
| Total Credit | 165,593 | 165,613 |

AyT CEDULAS CAJAS V, FONDO DE TITULIZACION DE ACTIVOS

| Balance Sheet as at 31 December | | |
|---------------------------------|--------------------|------------------|
| ASSETS | Thousands of Euros | |
| | 2006 | 2005 |
| Non-current | | |
| Start-up costs | 23,590 | 35,873 |
| Financial assets | | |
| Mortgage Loans | 3,100,000 | 3,100,000 |
| | 3,123,590 | 3,135,873 |
| Current Assets | | |
| Temporary financial investments | 12,178 | 12,091 |
| Cash & Banks | 87,548 | 87,410 |
| | 99,726 | 99,501 |
| Total Assets | 3,223,316 | 3,235,374 |

| LIABILITIES | Thousands of Euros | |
|--|--------------------|------------------|
| | 2006 | 2005 |
| Unearned Income | 23,590 | 35,873 |
| Provision for risks and expenses | 793 | 793 |
| Long-term creditors | | |
| Asset securitisation bonds | 3,100,000 | 3,100,000 |
| Credit institutions: Subordinated Loan | 86,850 | 86,850 |
| Other long-term creditors | 149 | 76 |
| | 3,186,999 | 3,186,926 |
| Short-term creditors | | |
| Accruals and creditors for provision of services | 11,934 | 11,782 |
| Total Liabilities | 3,223,316 | 3,235,374 |

| PROFIT & LOSS ACCOUNT | Thousands of Euros | |
|---|--------------------|-----------------|
| | 2006 | 2005 |
| Financial Revenue | | |
| Revenue from mortgage loans | 144,967 | 145,396 |
| Reinvestment account revenue | 2,489 | 1,995 |
| | 147,456 | 147,391 |
| Financial expenses | | |
| Interest on asset securitisation bonds | (144,750) | (145,176) |
| Interest on Subordinated Loan | (2,633) | (2,165) |
| | (147,383) | (147,341) |
| Positive financial results | 73 | 50 |
| Depreciation of fixed assets | | |
| Start-up costs | (12,283) | (12,283) |
| Other operating expenses | | |
| Variable commission | (73) | (50) |
| Profit (loss) from ordinary activities | (12,283) | (12,283) |
| Extraordinary items | 12,283 | 12,283 |
| Profit (loss) before tax | -- | -- |
| Corporation Tax | -- | -- |
| Results for the financial year | -- | -- |

AyT CEDULAS CAJAS VI, FONDO DE TITULIZACION DE ACTIVOS

| Balance Sheet as at 31 December | | |
|---------------------------------|--------------------|------------------|
| ASSETS | Thousands of Euros | |
| | 2006 | 2005 |
| Non-current | | |
| Start-up costs | 29,333 | 42,311 |
| Financial assets | | |
| Mortgage Loans | 3,300,000 | 3,300,000 |
| | 3,329,333 | 3,342,311 |
| Current Assets | | |
| Temporary financial investments | 99,839 | 99,334 |
| Cash & Banks | 71,455 | 71,431 |
| | 171,455 | 71,431 |
| Total Assets | 3,500,627 | 3,513,076 |

| LIABILITIES | Thousands of Euros | |
|--|--------------------|------------------|
| | 2006 | 2005 |
| Unearned Income | 29,333 | 42,311 |
| Provision for risks and expenses | 723 | 723 |
| Long-term creditors | | |
| Asset securitisation bonds | 3,300,000 | 3,300,000 |
| Credit institutions: Subordinated Loan | 71,412 | 71,412 |
| Other long-term creditors | 57 | 26 |
| | 3,371,469 | 3,371,438 |
| Short-term creditors | | |
| Accruals and creditors for provision of services | 99,102 | 98,604 |
| Total Liabilities | 3,500,627 | 3,513,076 |

| PROFIT & LOSS ACCOUNT | Thousands of Euros | |
|---|--------------------|-----------------|
| | 2006 | 2005 |
| Financial revenue | | |
| Revenue from mortgage loans | 132,179 | 132,541 |
| Revenue from reinvestment | 2,143 | 1,607 |
| | 134,322 | 134,148 |
| Financial expense | | |
| Interest on asset securitisation bonds | (132,000) | (132,362) |
| Interest on Subordinated Loan | (2,291) | (1,767) |
| | (134,291) | (134,129) |
| Positive financial results | 31 | 19 |
| Depreciation of fixed assets | | |
| Start-up costs | (12,978) | (12,978) |
| Other operating expenses | | |
| Variable commission | (31) | (19) |
| Profit (loss) from ordinary activities | (12,978) | (12,978) |
| Revaluation of provision for risks and expenses | -- | -- |
| Profit (loss) before tax | -- | -- |
| Corporation Tax | -- | -- |
| Results for the financial year | -- | -- |

AyT CEDULAS CAJAS VII, FONDO DE TITULIZACION DE ACTIVOS

| Balance Sheet as at 31 December | | |
|---------------------------------|--------------------|------------------|
| ASSETS | Thousands of Euros | |
| | 2006 | 2005 |
| Non-current | | |
| Start-up costs | 10,755 | 15,107 |
| Financial assets | | |
| Mortgage Loans | 1,750,000 | 1,750,000 |
| | 1,760,755 | 1,765,107 |
| Current Assets | | |
| Temporary financial investments | 38,236 | 37,855 |
| Cash & Banks | 54,061 | 54,048 |
| | 92,297 | 91,903 |
| Total Assets | 1,853,052 | 1,857,010 |

| LIABILITIES | Thousands of Euros | |
|--|--------------------|------------------|
| | 2006 | 2005 |
| Unearned Income | 10,755 | 15,107 |
| Provision for risks and expenses | 384 | 384 |
| Long-term creditors | | |
| Asset securitisation bonds | 1,750,000 | 1,750,000 |
| Credit institutions: Subordinated Loan | 54,040 | 54,040 |
| Other long-term creditors | 23 | 11 |
| | 1,804,063 | 1,804,051 |
| Short-term creditors | | |
| Accruals and creditors for provision of services | 37,850 | 37,468 |
| Total Liabilities | 1,853,052 | 1,857,010 |

| PROFIT & LOSS ACCOUNT | Thousands of Euros | |
|---|--------------------|----------------|
| | 2006 | 2005 |
| Financial revenue | | |
| Revenue from mortgage loans | 70,135 | 70,327 |
| Reinvestment revenue | 1,487 | 1,199 |
| | 71,622 | 71,526 |
| Financial expenses | | |
| Interest on asset securitisation bonds | (700,000) | (70,192) |
| Interest on Subordinated Loan | (1,610) | (1,325) |
| | (71,610) | (71,517) |
| Positive financial results | 12 | 9 |
| Depreciation of fixed assets | | |
| Start-up costs | (4,352) | (4,352) |
| Other operating expenses | | |
| Variable commission | (12) | (9) |
| Profit (loss) from ordinary activities | (4,352) | (4,352) |
| Revaluation of provision for risks and expenses | -- | -- |
| Extraordinary items | 4,352 | 4,352 |
| Profit (loss) before tax | -- | -- |
| Corporation Tax | -- | -- |
| Results for the financial year | -- | -- |

AyT CEDULAS CAJAS VIII, FONDO DE TITULIZACION DE ACTIVOS

| Balance Sheet as at 31 December | | |
|---------------------------------|--------------------|------------------|
| ASSETS | Thousands of Euros | |
| | 2006 | 2005 |
| Non-current | | |
| Start-up costs | 12,970 | 17,479 |
| Financial assets | | |
| Mortgage Loans | 1,750,000 | 1,750,000 |
| | 4,112,970 | 4,117,479 |
| Current Assets | | |
| Temporary financial investments | 21,548 | 21,391 |
| Cash & Banks | 106,694 | 106,617 |
| | 128,242 | 128,008 |
| Total Assets | 4,241,212 | 4,245,487 |

| LIABILITIES | Thousands of Euros | |
|--|--------------------|------------------|
| | 2006 | 2005 |
| Unearned Income | 12,970 | 17,479 |
| Provision for risks and expenses | 914 | 914 |
| Long-term creditors | | |
| Asset securitisation bonds | 4,100,000 | 4,100,000 |
| Credit institutions: Subordinated Loan | 106,600 | 106,600 |
| Other long-term creditors | 101 | 23 |
| | 4,206,701 | 4,206,623 |
| Short-term creditors | | |
| Accruals and creditors for provision of services | 20,627 | 20,471 |
| Total Liabilities | 4,241,212 | 4,245,487 |

| PROFIT & LOSS ACCOUNT | Thousands of Euros | |
|--|--------------------|----------------|
| | 2006 | 2005 |
| Financial Revenue | | |
| Revenue from mortgage loans | 167,016 | 167,474 |
| Reinvestment revenue | 3,031 | 2,485 |
| | 170,047 | 169,959 |
| Financial expenses | | |
| Interest on asset securitisation bonds | (166,750) | (167,207) |
| Interest on Subordinated Loan | (3,219) | (2,733) |
| | (169,969) | (169,940) |
| Positive financial results | 78 | 19 |
| Depreciation of fixed assets | | |
| Start-up costs | (4,509) | (4,509) |
| Other operating expenses | | |
| Variable commission | (78) | (19) |
| Profit (loss) from ordinary activities | (4,509) | (4,509) |
| Revaluation of provision for risks and charges | -- | -- |
| Extraordinary items | 4,509 | 4,509 |
| Profit (loss) before tax | -- | -- |
| Corporation Tax | -- | -- |
| Results for the financial year | -- | -- |

CEDULAS TDA 1, FONDO DE TITULIZACION DE ACTIVOS

| Balance Sheet as at 31 December | | |
|---------------------------------|--------------------|------------------|
| ASSETS | Thousands of Euros | |
| | 2006 | 2005 |
| Non-current | | |
| Start-up costs | 606 | 998 |
| Financial assets | | |
| Mortgage Loans | 1,750,000 | 1,750,000 |
| Subtotal non-current | 1,750,606 | 1,750,998 |
| Capitalised expenses | 3,134 | 4,042 |
| Current Assets | | |
| Cash & Banks | 49,356 | 49,311 |
| Prepaid expenses | 31,306 | 30,780 |
| Subtotal current assets | 80,662 | 80,091 |
| Total Assets | 1,834,402 | 1,835,131 |

| LIABILITIES | Thousands of Euros | |
|--|--------------------|------------------|
| | 2006 | 2005 |
| Unearned Income | 3,807 | 5,279 |
| Long-term creditors | | |
| Securitisation bonds | 1,750,000 | 1,750,000 |
| Credit institutions: Participative Loan | 49,025 | 49,025 |
| Subtotal long-term creditors | 1,799,025 | 1,799,025 |
| Short-term creditors | | |
| Accruals and creditors for provision of services | 31,570 | 30,827 |
| Total Liabilities | 1,834,402 | 1,835,131 |

| Profit & Loss Account for the years ended 31 December | | |
|--|--------------------|---------------|
| DEBIT | Thousands of Euros | |
| | 2006 | 2005 |
| Financial expenses | | |
| Financial expenses and similar for other debts | | |
| Interest on Bonds | 56,875 | 56,875 |
| Interest on Participative Loan | 1,454 | 1,206 |
| Other financial expenses | 908 | 905 |
| | 59,237 | 58,986 |
| Positive financial results | 593 | 460 |
| Other expenses | | |
| Depreciation of fixed assets | | |
| Amortisation of start-up costs | 392 | 414 |
| Other operating expenses | | |
| Services of independent professionals | 15 | 24 |
| Banking services and similar | 186 | 24 |
| | 201 | 46 |
| Operating Profit | - | - |
| Profit before tax | - | - |
| Corporation Tax | - | - |
| Results for the year (Profit) | - | - |

| CREDIT | Thousands of Euros | |
|------------------------------------|---------------------------|---------------|
| | 2006 | 2005 |
| Financial Revenue | | |
| Financial revenue | | |
| Revenue from mortgage loans | 57,032 | 57,032 |
| Revenue from reinvestment accounts | 1,326 | 1,095 |
| Other financial revenue | 1,472 | 1,319 |
| | 59,830 | 59,446 |
| Negative Financial Results | - | - |
| Operating Loss | 593 | 460 |
| Loss before Tax | - | - |
| Results for the Year (Loss) | - | - |

CEDULAS TDA 2, FONDO DE TITULIZACION DE ACTIVOS

Balance Sheet as at 31 December

| ASSETS | Thousands of Euros | |
|----------------------------------|--------------------|------------------|
| | 2006 | 2005 |
| Non-current | | |
| Start-up costs | 780 | 1,190 |
| Financial assets: Mortgage Loans | 2,000,000 | 2,000,000 |
| Subtotal non-current | 2,000,780 | 2,001,190 |
| Capitalised expense | 962 | 1,102 |
| Current Assets | | |
| Cash & Banks | 59,157 | 59,106 |
| Prepaid expenses, etc. | 8,808 | 8,757 |
| Subtotal, current assets | 67,965 | 67,863 |
| Total Assets | 2,069,707 | 2,070,155 |

| LIABILITIES | Thousands of Euros | |
|--|--------------------|------------------|
| | 2006 | 2005 |
| Unearned Income | 1,993 | 2,543 |
| Long-term creditors | | |
| Securitisation bonds | 2,000,000 | 2,000,000 |
| Credit institutions: Participative Loan | 58,800 | 58,800 |
| Subtotal, long-term creditors | 2,058,800 | 2,058,800 |
| Short-term creditors | | |
| Accruals and creditors for provision of services | 8,914 | 8,812 |
| Total Liabilities | 2,069,707 | 2,070,155 |

Profit & Loss Account for the years ended 31 December

| DEBIT | Thousands of Euros | |
|--|--------------------|---------------|
| | 2006 | 2005 |
| Financial expenses | | |
| Financial expenses and similar for other debts | | |
| Interest on Bonds | 90,000 | 90,000 |
| Interest on Participative Loan | 1,774 | 1,506 |
| Other financial expenses | 140 | 140 |
| | 91,914 | 91,646 |
| Positive financial results | 464 | 418 |
| Other expenses | | |
| Depreciation of fixed assets | | |
| Amortisation of start-up costs | 410 | 405 |
| Other operating expenses | | |
| Services of independent professionals | 17 | 16 |
| Banking services and similar | 37 | (3) |
| | 54 | 13 |
| Operating Profit | - | - |
| Profit before tax | - | - |
| Corporation Tax | - | - |
| Results for the Year (Profit) | - | - |

| CREDIT | Thousands of Euros | |
|------------------------------------|--------------------|---------------|
| | 2006 | 2005 |
| Financial Revenue | | |
| Financial revenue | | |
| Revenue from mortgage loans | 90,180 | 90,180 |
| Revenue from reinvestment accounts | 1,648 | 1,339 |
| Other financial revenue | 550 | 545 |
| | 92,378 | 92,064 |
| Negative Financial Results | - | - |
| Operating Loss | 464 | 418 |
| Loss before Tax | - | - |
| Result for the Year (Loss) | - | - |

CÉDULAS TDA 3, FONDO DE TITULIZACIÓN DE ACTIVOS

| Balance Sheet as at 31 December | | |
|---------------------------------|--------------------|------------------|
| ASSETS | Thousands of Euros | |
| | 2006 | 2005 |
| Non-current | | |
| Start-up costs | 2,466 | 3,606 |
| Financial assets | | |
| Mortgage Loans | 2,000,000 | 2,000,000 |
| Subtotal non-current | 2,002,466 | 2,003,606 |
| Capitalised expense | 23,094 | 25,614 |
| Current Assets | | |
| Cash & Banks | 63,564 | 63,533 |
| Pre-paid expenses, etc. | 74,814 | 74,471 |
| Subtotal, current assets | 138,378 | 138,004 |
| Total Assets | 2,163,938 | 2,167,224 |

| LIABILITIES | Thousands of Euros | |
|--|--------------------|------------------|
| | 2006 | 2005 |
| Unearned Income | 25,641 | 29,361 |
| Long-term creditors | | |
| Securitisation bonds | 2,000,000 | 2,000,000 |
| Credit institutions: Participative Loan | 63,200 | 63,200 |
| Subtotal, long-term creditors | 2,063,200 | 2,063,200 |
| Short-term creditors | | |
| Accruals and creditors for provision of services | 75,097 | 74,663 |
| Total Liabilities | 2,163,938 | 2,167,224 |

Profit & Loss Account for the years ended 31 December

| DEBIT | Thousands of Euros | |
|--|--------------------|---------------|
| | 2006 | 2005 |
| Financial expenses | | |
| Financial expenses and similar for other debts | | |
| Interest on bonds | 87,500 | 87,979 |
| Interest on Participative Loan | 1,926 | 1,563 |
| Other financial expenses | 2,520 | 2,534 |
| | 91,946 | 92,076 |
| Positive financial results | 1,263 | 1,355 |
| Other expenses | | |
| Depreciation of fixed assets | | |
| Amortisation of start-up costs | 1,140 | 1,146 |
| Other operating expenses | | |
| Services of independent professionals | 16 | 13 |
| Banking services and similar | 107 | 196 |
| | 123 | 209 |
| Operating Profit | - | - |
| Profit before tax | - | - |
| Corporation Tax | - | - |
| Results for the Year (Profit) | - | - |

| CREDIT | Thousands of Euros | |
|------------------------------------|--------------------|--------------|
| | 2006 | 2005 |
| Financial Revenue | | |
| Financial revenue | | |
| Revenue from mortgage loans | 87,700 | 88,180 |
| Revenue from reinvestment accounts | 1,789 | 1,410 |
| Other financial revenue | 3,720 | 3,841 |
| | 93209 | 93431 |
| Negative Financial Results | - | - |
| Operating Loss | 1,263 | 1,355 |
| Loss before tax | - | - |
| Results for the Year (Loss) | - | - |

CEDULAS TDA 4, FONDO DE TITULIZACION DE ACTIVOS

| Balance Sheet as at 31 December | | |
|---------------------------------|--------------------|------------------|
| ASSETS | Thousands of Euros | |
| | 2006 | 2005 |
| Non-current | | |
| Start-up costs | 1,491 | 2,097 |
| Financial assets | | |
| Mortgage Loans | 1,500,000 | 1,500,000 |
| Subtotal, non-current | 1,501,491 | 1,502,097 |
| Capitalised expense | 5,515 | 7,758 |
| Current Assets | | |
| Cash & Banks | 41,583 | 41,575 |
| Prepaid expenses, etc. | 30,464 | 30,167 |
| Subtotal, current assets | 72,047 | 71,742 |
| Total Assets | 1,579,053 | 1,581,597 |

| LIABILITIES | Thousands of Euros | |
|--|--------------------|------------------|
| | 2006 | 2005 |
| Unearned Income | 7,228 | 10,078 |
| Long-term creditors | | |
| Securitisation bonds | 1,500,000 | 1,500,000 |
| Credit institutions: Participative Loan | 41,325 | 41,325 |
| Subtotal, long-term creditors | 1,541,325 | 1,541,325 |
| Short-term creditors | | |
| Accruals and creditors for provision of services | 30,500 | 30,194 |
| Total Liabilities | 1,579,053 | 1,581,597 |

Profit & Loss Account for the years ended 31 December

| DEBIT | Thousands of Euros | |
|--|--------------------|---------------|
| | 2006 | 2005 |
| Financial expenses | | |
| Financial expenses and similar for other debts | | |
| Interest on bonds | 54,375 | 54,388 |
| Interest on Participative Loan | 1,223 | 1,012 |
| Other financial expenses | 2,243 | 2,239 |
| | 57,841 | 57,639 |
| Positive financial results | 635 | 630 |
| Other expenses | | |
| Depreciation of fixed assets | | |
| Amortisation of start-up costs | 606 | 605 |
| Other operating expenses | | |
| Services of independent professionals | 1 | 4 |
| Banking services and similar | 28 | 21 |
| | 29 | 25 |
| Operating Profit | - | - |
| Profit before Tax | - | - |
| Corporation Tax | - | - |
| Result for the financial year (Profit) | - | - |

| CREDIT | Thousands of Euros | |
|---|--------------------|---------------|
| | 2006 | 2005 |
| Financial Revenue | | |
| Financial revenue | | |
| Revenue from mortgage loans | 54,510 | 54,523 |
| Reinvestment account revenue | 1,116 | 902 |
| Other financial revenue | 2,850 | 2,844 |
| | 58,476 | 58,269 |
| Negative Financial Results | - | - |
| Operating Loss | 635 | 630 |
| Loss before Tax | - | - |
| Result for the financial year (Loss) | - | - |

2.2.12. Details of the relationship, if relevant to the issue, connecting the issuer, the guarantor and the debtor.

There are no relationships between the *Fondo*, the Seller and the *Sociedad Gestora* and other parties involved in the operation, other than those detailed in section 5.2 of the Registration Document.

2.2.13. If the assets consist of fixed income securities, description of their main characteristics.

Not applicable.

2.2.14. If the assets consist of floating income securities, description of their main characteristics.

Not applicable.

2.2.15. If the assets consist of non-negotiable floating income securities, description of their main characteristics.

Not applicable.

2.2.16. Valuation reports on the property and the cash flows/income in the case that a major part of the assets is insured by property.

Not applicable.

2.3 Actively managed assets which support the issue.

Not applicable.

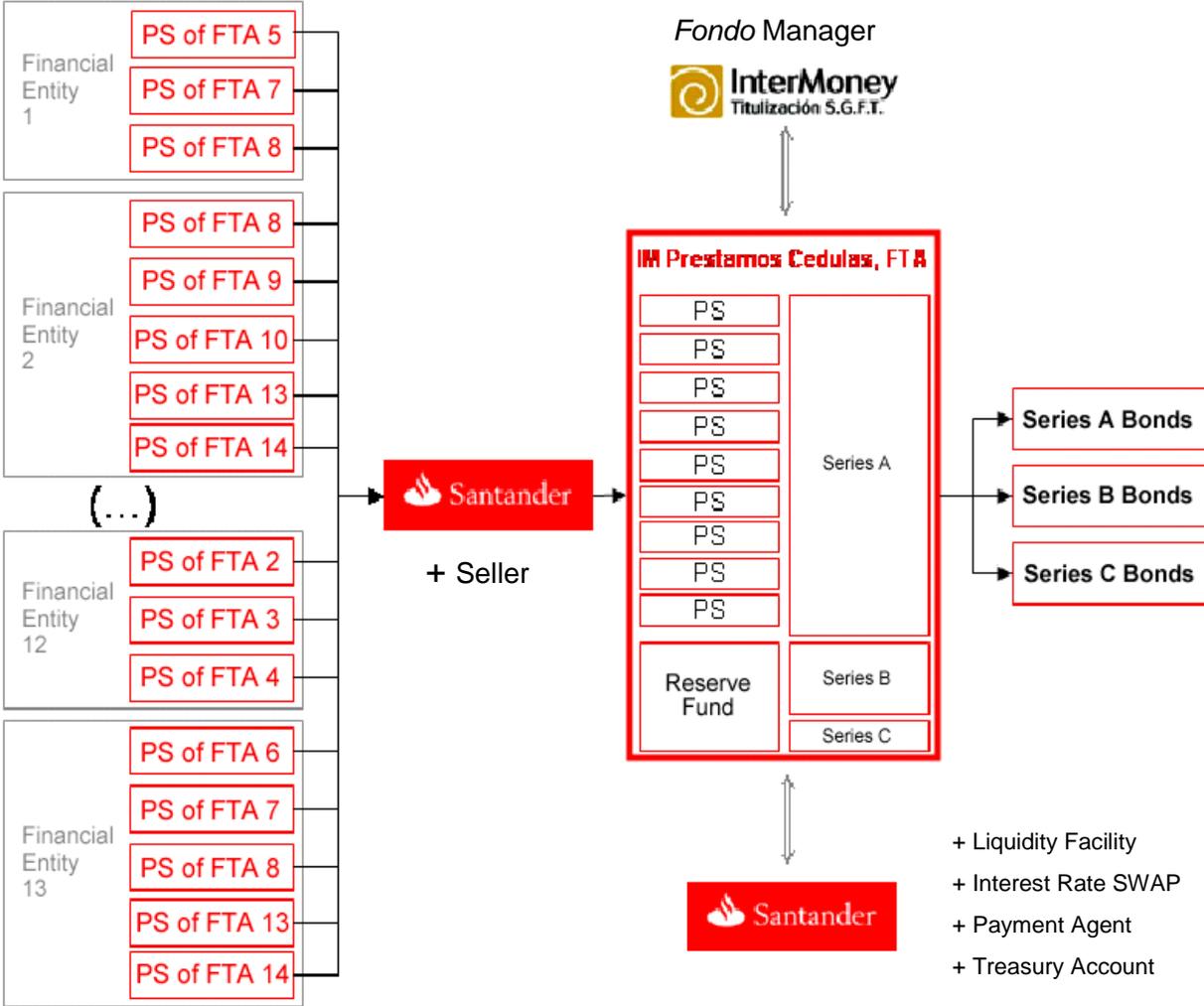
2.4 Declaration if the Issuer proposes to issue new securities backed by the same assets, and a description of how holders of this class of assets will be informed.

Not applicable.

3 STRUCTURE AND TREASURY

3.1 Description of the structure of the transaction, including a diagram.

Structural diagram of the transaction.



Balance Sheet of the *Fondo* on the Closing Date.

| BALANCE SHEET OF THE <i>FONDO</i> (at origin) EUROS | | | |
|---|--------------------|---|--------------------|
| ASSETS | | LIABILITIES | |
| Credit Rights | 344,131,475 | A Bond | 344,100 |
| Current Coupon | 5,389,151 | B Bond | 6,900,000 |
| Reserve Fund | 7.800,000 | C Bond | 900,000 |
| Initial Expenses | 2,653,510 | Deferred Income | 8,042,661 |
| | | Excess | 31,475 |
| Total Assets | 359,974,136 | Total Liabilities | 359,974,136 |
| Interest Rate Swap and Liquidity Facility | | Interest Rate Swap and Liquidity Facility | |

Note: the above figures have been calculated taking into account the purchase price for the Credit Rights of 99.23% of their principal value.

3.2 Description of entities participating in the issue and description of their functions.

The list of entities participating and the functions they will carry out is in section 5.3 of the Registration Document.

3.3 Description of the method and date of sale, transfer, novation, or allocation of assets to the issuer or any right and/or obligation regarding assets.

3.3.1 Sale of Assets.

The Seller will sell and the *Fondo* will acquire on the Date of Incorporation, the Credit Rights from the Loans, whose outstanding amount on this date is 344,131,475 Euros.

The *Sociedad Gestora*, on behalf of the *Fondo*, will fully acquire the Credit Rights from the Loans sold by SANTANDER, subject to the terms and conditions established in the Deeds of Incorporation.

The *Fondo*, as holder of the Credit Rights, will hold the rights recognized given to the seller in Article 1.528 of the Civil Code. The *Fondo*, as the holder of the Credit Rights, will have the right to receive all payments that, starting on the Date of Incorporation of the *Fondo*, the *Fondos AyT* make from the AyT Loans for the part sold to the *Fondo*, and all those made by the *Fondos TDA* from the TDA Loans for the part sold to the *Fondo*, with the exception of payments on variable interest corresponding to the latter in accordance with what is established in their relevant contracts. In addition to the aforementioned payments, any other payment resulting from the part of the Loan sold, including derivatives of any complementary right, such as compensation, will correspond to the *Fondo*.

3.3.2 Price of assets sold and payment method.

The total price of sale will be the same as applying to the Credit Rights Amount on the Closing Date, a percentage between 95% and 105%.

This percentage will be determined by: (i) the ex coupon price of each one of the Credit Rights, less than 100% of the principal as the issue expenses referred to in section 6 of the Securities Note will be financed by the difference between the total proceeds of the Bonds and the amount paid for the Credit Rights (ii) the price of the current coupon of each Credit Right corresponding to interest accrued but not due on the Closing Date. This accrued interest will be financed through payment by Party B of the value of the Interest Rate Swap.

For each one of the Credit Rights a separate sale price will be calculated. SANTANDER will determine the price of the Assets and will communicate it to the *Sociedad Gestora* for its acceptance before 2 p.m. (14:00) on the second Business Day before the Closing Date. The *CNMV* will be informed of the price at the time of disbursement.

This price will be paid by the *Sociedad Gestora*, on behalf of the *Fondo*, to the Seller, on the Closing Date, value that same day, once the *Fondo* has received the subscription price for the Bonds.

If the *Fondo* were to be terminated, along with the rest of the *Fondo* Agreements and, consequently, the sale of Credit Rights, the *Fondo's* obligation to pay the total price for the sale of the Loans will likewise be terminated. In this case, SANTANDER and the *Sociedad Gestora* must pay, according to the agreement, all costs incurred as a result of the non-incorporation or incorporation of the *Fondo* and the issue of Bonds.

3.3.3 Sale Effectiveness

The sale of Credit Rights (that does not include the variable interest of *TDA* Loans) will be full and unconditional from the Date of Incorporation of the *Fondo*. The sale will include legal defence and administrative rights, and will be valid throughout the entirety of the remaining time until the complete maturity of the Loans. The Seller will receive the accrued interest on Loans until the Closing Date (excluded), and starting on this date the *Fondo* will receive said interest.

3.3.4 Seller Responsibilities

The Seller, pursuant to Article 348 of the Commercial Code, will be exclusively liable to the *Fondo* for the existence and legitimacy of the Credit Rights and the legal capacity with which it carries out the sale. However, it will not be responsible for the default of the Credit Rights, whether of principal or interest, or any other amount owed as a result of the Credit Rights. Neither will it be responsible in any way for guaranteeing, directly or indirectly, the successful conclusion of the operation. It will not provide guarantees or act as a guarantor, neither in virtue of the Deed of Incorporation of the *Fondo* nor of any other agreement or contract.

If the *Fondo* is forced to pay any amount to a third party for the sale of the Credit Rights that was not paid on the Date of Incorporation due to incomplete Credit Rights information provided by the Seller, the Seller will be responsible to the *Fondo* for any damages, expenses, taxes, or penalty incurred by the *Fondo*.

The Seller will not pay in advance any amount to the *Fondo* on behalf of the Debtors of the Credit Rights.

3.3.5 Notification of sale.

The Seller will give notification of the sale of each *AyT* and *TDA* Loans to *Aborro y Titulización, S.G.F.T., S.A.* and *Titulización de Activos, S.G.F.T., S.A.*, respectively. Once this notification is received, any payment to the *Fondo* should be made directly to the Treasury Account opened at the Financial Agent in the name of the *Fondo*.

3.3.6 Set off.

If any of the *AyT* or *TDA Fondos* has a legal or contractual right of set-off against the Seller and one of the Loans is, therefore, compensated (in its entirety or partially) by this right, the Seller will remedy the situation with the debtor, or, if this is not possible, the Seller will transfer to the *Fondo* the amount that would have been compensated plus the accrued interest due to the *Fondo* up until the day of the transfer. The interests will be calculated according to the conditions applicable to the relevant Loan.

3.4 Explanation of fund flows.

3.4.1 How asset flows will help the issuer fulfil its obligations to Bondholders.

Pursuant to what is contained in this section, the *Fondo* will pay obligations resulting from the Bonds and the rest of the assets making up its net worth by applying funds originating from the Credit Rights. The *Fondo* will also employ other coverage mechanisms mentioned in this section. These mechanisms will be applied according to the rules established in the Prospectus and will ensure that the income of the *Fondo* are sufficient to guarantee the payment obligations. This must be done according to the Priority Order of Payments.

Each quarter, on the Date of Payment, accrued interest payments will be made to Bondholders, as well as, if applicable, the payment of the principal of the Bonds of each Series, according to the conditions established for each series in 4.9.4 of the Securities Note and to the Priority Order of Payments described in 3.4.6 of the this Additional Building Block.

3.4.2 Financial operations contracted and credit enhancements.

3.4.2.1 Financial operations contracted.

The *Sociedad Gestora*, on behalf of the *Fondo*, will arrange the following credit enhancements:

- Treasury Account Agreement, as regulated by section 3.4.4.1 of the Additional Building Block.
- Reserve Fund, as regulated by section 3.4.4.2 of the Additional Building Block.
- Subscription and Underwriting Agreement, as regulated by section 4.1.2 of the Registration Documents.

- Financial Agency Agreement, as regulated by section 3.4.7.1 of the Additional Building Block.
- Financial Interest Rate Swap Agreement, as regulated by section 3.4.7.2 of the Additional Building Block.
- Liquidity Facility Agreement, as regulated by section 3.4.7.3 of the Additional Building Block.

The *Sociedad Gestora* may extend or modify the Agreements that have been signed on behalf of the *Fondo* and replace each *Fondo* service provider in virtue of the contracts and, if necessary, may even execute additional agreements as long as, according to current regulations, they do not at any time involve circumstances that would impede the agreement and that such actions would not adversely affect the rating assigned to Series A, B, and C Bonds by the Rating Agency. In the event that these actions entail, according to the *Sociedad Gestora*, substantial changes or effects to its contents, the *Sociedad Gestora* will be required to provide prior notification either to the *CNMV* -or get its prior authorization if necessary- or to the competent administrative body and to the Rating Agency. Such actions will not require the modification of the Deed of Incorporation as long as this does not give rise to the modification of the Priority Order of Payments.

The description of agreements in this Prospectus accurately reflects the relevant information of the agreements, and no information is omitted that might affect the content of the Prospectus.

These agreements will be terminated if the provisional ratings assigned by the Rating Agency are not definitively confirmed before the beginning of the Subscription Period.

3.4.2.2 Reserve Fund.

The Reserve Fund will be constituted on the Closing Date for the sum of 7,800,000 Euros.

The amounts corresponding to the Reserve Fund will be deposited in the Treasury Account or in the account that replaces it.

The balance of the Reserve Fund and its returns make up the *Fondo's* Available Resources, used to pay its obligations pursuant to the Priority Order of Payments set out in section 3.4.6 of the Additional Building Block.

On each Payment Date, the *Sociedad Gestora*, pursuant to the Priority Order of Payments, will provide the Reserve Fund with funds until it has reached its Required Level.

The Required Level of the Reserve Fund will be determined on each payment date as 2.26678% of the Outstanding Principal Balance on class A Bonds on the current Payment Date following the application of available resources, according to the Priority Order of Payments on such Date.

3.4.3. Details on any subordinated debt financing.

The principal and interest of each Bond Series will be paid pursuant to the Priority Order of Payments established in section 3.4.6 of the Additional Building Block. Likewise, the respective payments on the principal and interest for class C Bonds will be made subordinately to payments on the principal and interest for

class B Bonds. The respective payments on the principal and interest for class B Bonds will be made subordinately to payments on the principal and interest for class A Bonds.

3.4.4 Investment parameters for temporary liquidity excess and parties responsible for such investments.

3.4.4.1 Treasury Account.

The *Sociedad Gestora*, on behalf of the *Fondo* and SANTANDER, will open a guaranteed interest account (“**Treasury Account Agreement**”) in virtue of which SANTANDER will guarantee a certain variable yield on the amounts deposited by the *Fondo* via the *Sociedad Gestora* into a financial account (“**Treasury Account**”). All payments corresponding to the Bonds will be made through this account according to the *Sociedad Gestora*’s instructions.

The *Sociedad Gestora* will deposit into the Treasury Account all amounts received on behalf of the *Fondo* and, in particular, those received for the following reasons:

- (i) Interest payments of the Credit Rights;
- (ii) Payments of principal of the Credit Rights;
- (iii) The Reserve Fund;
- (iv) Withdrawals from the Liquidity Facility;
- (v) The amounts that the *Fondo* can collect as a result of the Financial Interest Rate Swap Agreement;
- (vi) Returns from the Treasury Account balance;
- (vii) Any other amount deposited by the *Fondo*, originating from the Credit Rights;
- (viii) All funds derived from Bonds issued on the Closing Date; and
- (ix) The result of the sale, when appropriate, of *Fondo*’s assets.

As an exception, amounts withheld from payments made by the *Fondo* will be deposited into the Treasury Account. These amounts will remain in the Treasury Account until the date they are deposited into the Public Treasury, or, where appropriate, the date of restitution to whom they are due.

All payments to the *Fondo* will be made through the Treasury Account, according to the *Sociedad Gestora*’s instructions.

The Treasury Account may not have a negative balance against the *Fondo* and the Treasury Account balances will be held in cash.

The amounts deposited into the Treasury Account will accrue daily interest beginning on the date of deposit in favour of the *Fondo*, based on a variable interest rate revised each quarter equal to the Bond Reference Interest Rate (according to the terms established in the Treasury Account Agreement).

Interest on the Treasury Account will be paid each quarter on the Payment Date and will be deposited into the Treasury Account.

If the short-term debt of SANTANDER were to drop below the P-1 (Moody’s) at any time during the life of the Bond, the *Sociedad Gestora* must carry out, following consultation with the Rating Agency within a maximum of 30 Business

Days from the day the situation arises, one of the options described below. These will ensure an adequate guarantee level for commitments connected to the Treasury Account and derived from the Treasury Account Agreement, provided it does not adversely affect the rating of bonds issued by the *Fondo*:

- a) Obtain from an entity with a minimum credit rating P-1 (Moody's) of its short-term debt, and without this adversely affecting the rating assigned by the Agency to the Series A, B, and C Bonds, an unconditional, irrevocable, and first-demand guarantee that guarantees to the *Fondo*, via the simple request from the *Sociedad Gestora*, SANTANDER's punctual payment of its obligation to reimburse the amounts deposited into the Treasury Account, for however long SANTANDER's P-1 rating is downgraded.
- b) Transfer the *Fondo's* Treasury Account to an entity whose short-term debt has a minimum rating of P-1 (Moody's) and contract the maximum possible return on its balances, which could be different from what was contracted with SANTANDER in virtue of the Treasury Account Agreement.
- c) If options a) and b) are not possible, obtain from SANTANDER or a third party a collateral guarantee in favour of the *Fondo* for financial assets with a credit rating of either P-1 (Moody's) or no lower than that of the Public Debt of the Spanish Government on the Closing Date, a sum large enough to guarantee the commitments established in the Financial Agency Agreement and that the rating given to Series A, B, and C Bonds by the Rating Agency are not adversely affected.
- d) If SANTANDER's short-term debt again obtains the P-1 rating (Moody's) and if the situation in b) has occurred, the *Sociedad Gestora* will subsequently transfer the balances back to SANTANDER under the Treasury Account Agreement.

All costs incurred as a result of incompliance with previous obligations will be the responsibility of SANTANDER.

3.4.5. Asset-related payments to the *Fondo*.

The time elapsed between two consecutive Payment Dates, including the initial payment date but excluding the final payment date, will be known as *Fondo* "**Collection Periods.**" In each Collection Period, the *Fondo* will receive payments of interest and, where applicable, principal of the part of the Loans sold on the same date that payment is made via deposit into the Treasury Account, directly from the relevant *Sociedad Gestora* acting on behalf of each *Fondo AyT* and *Fondo TDA*. Each date of Loan payment in each Collection Period is defined as "**Payment Date.**" In each Collection Period, the *Fondo* will deposit interest paid on balances deposited into the Treasury Account.

3.4.6. Order of priority for payments made by the issuer.

3.4.6.1. Available Resources.

On the Closing Date, Available Resources shall be those funds received as a result of the issue and placement of Bonds in the market and, when applicable, the collection from the Swap Agreement.

On each Payment Date, the following will be considered Available Resources:

- The amounts paid to the *Fondo* for principal and interest from the part of the Loans sold during the previous Collection Period.
- Returns paid by the Treasury Account, and any other account that the *Sociedad Gestora* may have opened on behalf of the *Fondo* during the last Collection Period.
- The amounts withdrawn from the Liquidity Facility for Interest on the Payment Date.
- The Current Level of the Reserve Fund.
- Amounts received in virtue of the Swap Agreement.
- Where appropriate, other deposits from borrowers for reasons other than payments on the Loan principal or interest that might correspond to the *Fondo*.
- Where appropriate and relevant, the proceeds of the sale of Fund assets.
- Resources still available following the application of the Priority Order of Payments on the previous Payment Date.

Available Resources will be applied on each Payment Date according to the Priority Order of Payments that follows.

3.4.6.2. Priority Order of Payments on the Closing Date.

Available Resources on the Closing Date will be applied to pay the price of sale of the Credit Rights, to pay issue expenses, and to establish the Reserve Fund.

3.4.6.3. Priority Order of Payments for any Payment Date after the Closing Date.

Available Resources will be allocated, on each date on which the *Fondo* must make payments, to pay the following in the order of priority indicated in the event of insufficient funds:

- (i) Payment of taxes on the *Fondo*.
- (ii) Payment of the net amount of the Swap Agreement, except the costs resulting from Party B's breach of the Swap agreement or when Party B is the only party affected.
- (iii) Interests on withdrawn balances from the Liquidity Facility.
- (iv) Interest payments on A Bonds.
- (v) Reimbursement of withdrawn balances from the Liquidity Facility.
- (vi) Payment on the principal of A Bonds.
- (vii) Replenishment of the Reserve Fund up to its Required Level.
- (viii) Interest payments on B Bonds.
- (ix) Payments of the principal of B Bonds.
- (x) Interest payments on C Bonds.
- (xi) Payments of the principal of C Bonds.

- (xii) Costs for breaching the Swap agreement when Party B is the defaulting party or the only party affected.
- (xiii) Payment of Excess to the Seller once the Bonds are fully amortised.

3.4.6.4. Excess.

The Seller will have the right to the excess of the Available Resources following the application of the Priority Order of Payments and the complete amortisation of the Bonds.

“**Excess**” means any possible amount remaining following the amortisation of all Bonds and the payment of all amounts in the Priority Order of Payments.

Where appropriate, all taxes related to payments made for this reason, Excess will be the responsibility of the recipient.

Whoever is entitled to the Excess will be able to sell, transfer, and substitute the rights and obligations stemming from their right to these payments, provided the *Sociedad Gestora* is notified.

3.4.6.5. Other Rules.

If the Available Resources are not sufficient to pay one of the amounts mentioned in previous sections, the following rules will be applied:

- (i) The Available Resources will be applied to these payments, according to the Order of Priority established. They will be applied *pro rata* to contemporary payments of the same importance;
- (ii) The amounts left unpaid must be paid on the subsequent Payment Date, giving preference to payments of the same importance that should have been paid earlier over subsequent payments.
- (iii) The amounts owed by the *Fondo* that remain unpaid on their respective Payment Dates will not accrue additional interest.

3.4.6.6. Fondo Expenses.

Expenses associated with the Bond issue, referred to in section 6 of the Securities Note, will be paid by the *Sociedad Gestora*, on behalf of the *Fondo*, on the Closing Date. These include, *inter alia*, the following:

- (i) Financial Agent commission;
- (ii) *Sociedad Gestora* commission: the *Sociedad Gestora* will debit from its initial compensation any periodic auditing expenses for the *Fondo*, expenses arising from publishing announcements or the drawing up of notifications related to the *Fondo* or Bonds; expenses for the liquidation of the *Fondo*, and any other expenses deemed necessary for *Fondo* operation.
- (iii) Where appropriate, the initial payment to the *Fondo* arising from the Swap Agreement.
- (iv) Liquidity Facility Provider commission, according to section 3.4.7.3.6 of the Additional Building Block.

Any extraordinary expense incurred throughout the life of the *Fondo* will be defrayed by SANTANDER.

3.4.7. Other agreements for interest and principal payments to investors.

3.4.7.1. Financial Agency Agreement.

SANTANDER will provide the financial service of the Bond issue. The *Sociedad Gestora*, on behalf of the *Fondo*, will sign a financial agency agreement with SANTANDER to perform the financial service of the Bonds of the *Fondo* (the “**Financial Agency Agreement**”).

The Financial Agent will assume the obligations in the agreement as summarized below:

- On the Closing Date, pay the *Fondo* – before 12:00 (CET) via a deposit into the Treasury account, value that same day – the total amount of subscription commitments for the Bond issue that, pursuant to the Subscription and Underwriting Agreement for the Issue of Bonds, is paid by the Underwriter.
- On each Bond Payment Date, pay interest and principal of the Bonds, once the total amount withheld has been deducted, where appropriate, from investment income. This withholding is made according to the applicable fiscal legislation.
- Accept the Reserve Fund deposit and pay interest on it, under the terms and conditions laid out in section 3.4.4.1 of the Additional Building Block.

The Financial Agent will be able to subcontract or delegate to third parties of recognised solvency and capacity, the functions regulated by the Financial Agency Agreement, provided that (i) it is legally possible, (ii) prior written consent of the *Sociedad Gestora* (on behalf of the *Fondo*) is obtained, (iii) it does not entail a downgrade of the rating for the Series A, B, and C Bonds assigned by the Rating Agency, and (iv) the subcontractor or delegate has waived the right to take any action against the *Fondo*. Under these same terms, the Financial Agent may terminate the subcontracts or delegations.

At no time may this subcontracting or delegation incur in any additional cost or expense for the *Fondo* or the *Sociedad Gestora*, as they will not assume any additional responsibility in virtue of said subcontract or delegation.

Notwithstanding what is stated in section 3.4.4.1 of the Additional Building Block regarding the Treasury Account, the *Sociedad Gestora* has the power to substitute the Financial Agent (in some or all of its functions, regulated by the Financial Agency Agreement), provided that this is permitted by current legislation and that authorization is obtained, if necessary, from the competent authorities. The motive for substitution must be serious and involve harm to Bondholder interests. The *CNMV* and the Rating Agency will be notified of any substitution. If the motive for the substitution is the substituted party’s waiver, all costs arising from the substitution process will be the responsibility of the Financial Agent. In any case, the new Financial Agent must have a minimum credit rating of P-1 on the Moody’s scale.

Notwithstanding the operating regulations for the Treasury Account, if the credit rating of the Financial Agent’s short-term debt were to be reduced below the P-1 (Moody’s), the *Sociedad Gestora* must employ, on behalf of the *Fondo* and within 30 Business Days following said reduction and with previous notification to the

Rating Agency, the option deemed necessary among the options described below, which will make it possible to maintain an adequate guarantee level for commitments arising from functions named in the Financial Agency Agreement and which will not adversely affect the rating of Series A, B, and C Bonds assigned by the Rating Agency:

- a) Obtain unconditional, irrevocable and first-demand guarantees or similar commitments from a credit entity or entities with a minimum short-term credit rating of P-1 (Moody's) that guarantee the commitments assumed by the Financial Agent;
- b) Substitute the Financial Agent for an entity with a minimum short-term credit rating of P-1 (Moody's), so that it may assume, under the same conditions, the functions, established in its agreement, of the affected entity.

The Financial Agent may terminate the Financial Agency Agreement with at least 2 months prior notification sent to the *Sociedad Gestora*, according to the terms established in the Financial Agency Agreement, and provided that (i) another entity with financial characteristics similar to SANTANDER and with a minimum short-term credit rating of P-1 (Moody's), accepted by the *Sociedad Gestora*, substitutes SANTANDER in its assumed functions in virtue of the Financial Agency Agreement; (ii) the *CNMV* and the Rating Agency are notified; and (iii) it does not adversely affect the ratings for Series A, B, and C Bonds assigned by the Rating Agency. The termination will not occur, except with the authorization of the *Sociedad Gestora*, until the 20th of the month following the Payment Date month that follows notification of termination. If the motive for the substitution is the substituted party's resignation, all costs arising from the substitution process will be the responsibility of the latter.

As payment for all other services provided under the Financial Agency Agreement, the Financial Agent will receive on the Closing Date, once and for the life of the *Fondo*, from the *Sociedad Gestora* on behalf of the *Fondo*, a commission equal to 210,000 Euros.

If the Financial Agent is substituted, the substituted party will return part of the commission initially paid, proportionate to the time remaining from the date of substitution until Legal Maturity. The returned part will be paid to the substitute Financial Agent. If this amount is insufficient, the difference must be paid by the Financial Agent substituted.

3.4.7.2. Interest Rate Swap Agreement.

The *Sociedad Gestora* will enter, on behalf of the *Fondo*, into a financial interest rate swap Agreement with SANTANDER. The most important terms of the agreement are described below:

Party A: The *Sociedad Gestora*, on behalf of the *Fondo*.

Party B: SANTANDER or any entity replacing it.

The purpose of the Financial Interest Rate Swap Agreement is: (i) to cover these risks, to the extent that the Loans accrue a variable interest rate equal to the 1-year EURIBOR and is revisable and payable annually on different dates throughout the year and all Bonds accrue variable interest equal to the 3-month EURIBOR and is revisable and payable quarterly on each Payment Date (this date will not

coincide with the Payment Date corresponding to any of the Loans); (ii) to finance the payment when interest is first accrued on the Loans on the basis of the payments to be received on each Loan throughout the first year; and (iii) to finance the margin over the 3-month EURIBOR of the class B and C bonds.

3.4.7.2.1. Liquidation Dates.

Swap Liquidation Dates will coincide with the second Business Day preceding the *Fondo* Payment Dates if the amount to be paid, according to the Financial Interest Rate Swap Agreement, must be paid to the *Fondo* by Party B.

Swap Liquidation Dates will coincide with the *Fondo* Payment Dates if the amount must be paid by Party A.

The Liquidation Periods for the Financial Swap will coincide with the Period for Interest Accrued on Bonds.

As an exception, the first Swap Liquidation Date will coincide with the Closing Date.

3.4.7.2.2. Amounts to be paid by Party A.

On each Liquidation Date, the amount will be equal to the sum of:

- (i) The interest accrued on the Loans during the Collection Period immediately preceding this Swap Liquidation Date if there have been no defaults since the Closing Date.

If interest received on the Loans is reduced due to any of the following circumstances (i) early amortisation of one or more Loans due to the reduction in the reserve fund or (ii) the existence of hidden defaults in any Loan or (iii) amortisations of the *Cédulas Hipotecarias*, in such case the amount to be paid by Party A will be reduced in the same proportion as the reduction in interest received.

- (ii) Returns that would have been generated the amounts calculated in point (i) at the Treasury Account interest rate applicable to each period, from the date that each amount should have been received by the fund (inclusive) until the date on which Party A pays (exclusive).
- (iii) Returns that would have been generated by the Loan principals, due and collected in the Treasury Account if there had been no defaults since the Closing Date, at the Treasury Account interest rate applicable to each period, from the date on which each of these amounts should have been received by the *Fondo* and until the date of payment by Party A (exclusive).

3.4.7.2.3. Amounts to be paid by Party B.

On Closing Date, Party B will pay to Party A the cash value of the Interest Rate Swap Agreement, taking into account interest accrued on the Credit Rights. “**Cash Value of the Interest Rate Swap Agreement**” means the present value, on Closing Date, of the net flows to be exchanged over the life of the operation, in accordance with said Agreement, on each of the Payment Dates. These net flows will be calculated as the difference between Amounts Payable by Party A, and Amounts Payable by Party B. Party B, together with the *Sociedad Gestora* of the

Fondo, will determine the amount of the Cash Value 2 Business Days prior to Closing Date.

On each Liquidation Date, the amount to be paid by Party B will be equal to the sum of:

- (i) Ordinary interest that would have accrued on A Bonds during the Accrual Period immediately preceding the Swap Liquidation Date, if no defaults have taken place since the Closing Date.
- (ii) The difference between the B Bond interest rate and the interest rate the Treasury Account receives at any time, multiplied by the Outstanding Principal Balance of the B Bonds if the Theoretical Amortisation of said Bonds has been carried out; by the quotient of the number of days of the Liquidation Period divided by 360.
- (iii) The differential between the C Bond interest rate and the interest rate which the Treasury Account receives at any time, multiplied by the Outstanding Principal Balance of the C Bonds if the Theoretical Amortisation of said Bonds has been carried out; by the quotient of the number of days of the Liquidation Period divided by 360.

To clarify above, in the event that any of the Loans is early amortised as a consequence of any of the following circumstances: (i) one or more Loans early amortise due to a reduction in the reserve fund, or (ii) the existence of hidden defects in any Loan, in such case the amounts payable by Party B in accordance with paragraphs (ii) and (iii) will be calculated on the applicable Payment Date based on the principal on B Bonds and C Bonds that would have been outstanding if the scheduled amortisation had taken place, but adjusted for the early amortisations paid.

3.4.7.2.4 Settlement.

The payments of the amounts stated in the Swap Agreement will be made in a way that, if the two parties must make reciprocal payments, the Party whose amount is greater must pay the amount in excess. If Party A is the party that must pay, the payment will be made, according to the Priority Order of Payments set out in section 3.4.6 of the Additional Building Block, from the Treasury Account. If Party B is the party that must pay, payment will be made to the Treasury Account, or, if Party B cannot comply with this according to section 3.4.4.1 of the Additional Building Block, payment will be made to a bank account established for this purpose by the *Sociedad Gestora* according to said section.

The *Sociedad Gestora*, in conjunction with Party B, will determine the amount to be paid by both Parties on each Swap Liquidation Date, as well as the net amount resulting from the compensation of both Parties. If the Liquidation Date of the Financial Interest Rate Swap arrives and there are discrepancies as to the amounts Party A or B must pay, the amounts established by the *Sociedad Gestora* for said Swap Liquidation Date will be valid, notwithstanding subsequent corrections that may occur.

3.4.7.2.5 Termination of the Financial Interest Rate Swap Agreement.

If on a Payment Date, and for reasons not related to purely technical problems that might affect the usual payment systems for this type of operation, the *Fondo* (Party A) does not have sufficient liquidity to pay the total amount due to Party B,

Party B may declare the early termination of the Financial Interest Rate Swap Agreement. In the event of an early termination, the *Fondo* will assume, if necessary, the payment obligation of the amount established in the terms of the Swap Agreement, in accordance with the Priority Order of Payments. Notwithstanding the above, except if there is a permanent change in the financial balance of the *Fondo*, the *Sociedad Gestora*, on behalf of the *Fondo*, will try to negotiate a new swap agreement under almost identical conditions.

If on a Payment Date Party B does not meet its payment obligations for the entire amount due to the *Fondo*, the *Sociedad Gestora* may choose to declare the early termination of the Swap Agreement.

The net amount will be calculated by the *Sociedad Gestora* according to the Swap Agreement.

3.4.7.2.6 Special cases for Party B.

A) CHANGE IN PARTY B's RATING

In the event that:

- a) The non-subordinated and unsecured long-term debt of Party B (or its authorised replacement or assignee) or of any entity providing collateral in respect of Party B, should be downgraded by Moody's to a rating below "A1" (or its equivalent), or
- b) The non-subordinated and unsecured short-term debt of Party B (or its authorised replacement or assignee) or of any entity providing collateral in respect of Party B, should be downgraded by Moody's to a rating below "P1" (or its equivalent),

(each, separately, a **Change in Party B's Rating**) Party B will within 30 Business Days from the Change in Party B's Rating carry out, at its own cost, one of the following alternatives:

- (i) transfer all rights and obligations assumed by virtue of the Interest Rate Swap Agreement to a third party having the Required Qualifications, bearing in mind that in any case such transfer will not imply the deduction or withholding of any tax.
- (ii) arrange for a third party to guarantee or be jointly liable for the obligations assumed by Party B under the Interest Rate Swap Agreement, provided such guarantor or co-obligor meets with the Required Qualifications, bearing in mind that in any case such arrangement will not imply the deduction or withholding of any tax.
- (iii) provide suitable collateral in accordance with the collateral provision document.

If at any time the conditions described in sub-paragraphs (i), (ii) or (iii) were to apply, all collateral (or, if applicable, its corresponding equivalent) transferred by Party B in virtue of the provisions of the preceding sub-paragraph (iii), will be transferred to Party B, and Party B will not have to transfer any additional collateral with respect to the change in Party B's rating.

B) CHANGE IN PARTY B's SUBSEQUENT RATING

In the event that:

- a) The non-subordinated and unsecured long-term debt of Party B (or its authorised replacement or assignee) or of any entity providing collateral in respect of Party B, should be downgraded by Moody's to a rating below "A3" (or its equivalent), or
- b) The non-subordinated and unsecured short-term debt of Party B (or its authorised replacement or assignee) or of any entity providing collateral in respect of Party B, should be downgraded by Moody's to a rating below "P2" (or its equivalent),

(each, separately, a **Change in Party B's Subsequent Rating**) Party B will

- (i) within 30 Business Days of the Change in Party B's Subsequent Rating, use all necessary efforts to carry out, at its own cost, one of the following alternatives:
 - A. transfer all rights and obligations assumed by virtue of the Interest Rate Swap Agreement to a third party having the Required Qualifications, bearing in mind that in any case such transfer will not imply the deduction or withholding of any tax.
 - B. arrange for a third party to guarantee or be jointly liable for the obligations assumed by Party B under the Interest Rate Swap Agreement, provided such guarantor or co-obligor meets with the Required Qualifications, bearing in mind that in any case such arrangement will not imply the deduction or withholding of any tax.
- (ii) within 30 Business Days of the Change in Party B's Subsequent Rating, subject to compliance with the preceding sub-paragraph (i), provide suitable collateral as per the collateral provision document, bearing in mind that if, at the time of the Change in Party B's Subsequent Rating, Party B will have provided suitable collateral in accordance with the collateral provision document as established in sub-paragraph (ii) above for the case of Change in Party B's Rating, Party B will still provide the collateral, notwithstanding the occurrence of a Change in Party B's Subsequent Rating.

If either of sub-paragraphs b (i) (A), b (i) (B) above is applicable at any time, all collateral (or, if applicable, its corresponding equivalent) transferred by Party B in virtue of the provisions of sub-paragraph b (ii) above, will be transferred to Party B, and Party B will not have to transfer any additional collateral with respect to the Change in Party B's Subsequent Rating.

"Required Qualifications" shall mean, with respect to the entity in question, that its unsubordinated and unsecured short-term debt has a Moody's rating of at least P1 and that its unsubordinated and unsecured long-term debt has a Moody's rating of at least A1, or such other qualifications as maybe agreed with Moody's from time to time.

If, in the event of a Change in Part B's Subsequent Rating, Party B fails to carryout the actions specified in (i) and (ii) above, such failure will constitute an event of default on the part of Party B, who will be the sole part affected.

3.4.7.2.7 Termination of the Agreement

The Swap Agreement will be terminated early if the Rating Agency does not confirm as definite, before the beginning of the Subscription Period, the provisional ratings assigned to each Bond Series.

The liquidation of the Financial Interest Rate Swap Agreement will take place at the earliest date between (i) the Legal Maturity Date of the *Fondo* and (ii) the Final Maturity Date of the *Fondo*, according to section 4.4.4 of the Registration Document.

3.4.7.3 Liquidity Facility

The *Sociedad Gestora*, on behalf of the *Fondo*, on the one hand, and Santander (the “**Liquidity Facility Provider**”), on the other, will execute on the Date of Incorporation of the *Fondo* a Liquidity Facility (the “**Liquidity Facility Agreement**”) in virtue of which the Liquidity Facility Provider will grant the *Fondo* a line of liquidity (the “**Liquidity Facility**”), on the terms described in this section, its purpose being to cover payment of the items dealt with in sections (ii) to (iv) inclusive of the Order of Priority of Payments, in the event that Available Resources are not sufficient to carry out such payments on each Payment Date due to non-receipt from any of the *Fondos AyT* or any of the *Fondos TDA* of some or all of the interest accrued and due on any of the Loans.

On July 23, 2007 Moody’s assigned a provisional Aaa rating to the Liquidity Facility. This provisional rating measures the loss expected by *Santander* with respect to the *Fondo* breach of its contractual obligations relating to the Liquidity Facility. The rating does not measure potential losses arising from market risk associated with the said contract.

3.4.7.3.1 Duration of the Liquidity Facility Agreement.

The Liquidity Facility Agreement will end on the Legal Liquidation Date of the *Fondo*, barring its early termination due to reasons set out in the Liquidity Facility Agreement.

3.4.7.3.2 Early termination of the Liquidity Facility Agreement.

The Liquidity Facility Provider may terminate the Liquidity Facility Agreement and be compensated by the *Fondo* for any damages caused, in the following situations of early termination:

- (i) If the *Fondo* breaches its payment obligations according to the Liquidity Facility Agreement and the present Prospectus, whenever the *Fondo* has sufficient Available Resources to make such payments, unless it were the result of:
 - a. The Liquidity Facility Provider’s failure to fulfil its obligations; or
 - b. Any circumstance that would technically prevent payment but is remedied within 10 Business Days following the *Sociedad Gestora*’s receipt of the relevant notification issued by the Liquidity Facility Provider to this effect;
- (ii) In the event of the termination or liquidation of the *Fondo* as a result of
 - (a) the impossibility of maintaining the financial balance of the *Fondo*, (b)

not substituting the *Sociedad Gestora* in one of the situations referred to in articles 11.c) and 19.2 of the *Real Decreto* 926/1998, , or (c) any of reason set out in section 4.4.3 of the Registration Document.

3.4.7.3.3. Maximum Amount Available of the Liquidity Facility.

The maximum Amount Available of the Liquidity Facility will be 40,000,000 Euros.

NOTE: corrected from previous version in which this amount was wrongly established in 30,000,000 Euros.

On each Payment Date the available balance of the Liquidity Facility will be equal to the positive difference between the Maximum Amount of the Liquidity Facility Available and the available balance of the Liquidity Facility.

3.4.7.3.4 Withdrawal from the Liquidity Facility.

The *Fondo* will be able to make one or more withdrawals from the Liquidity Facility, never exceeding the limit of the Maximum Amount Available, if and when all of the following conditions are met:

- (i) all of the accrued and matured interest corresponding to any Loan has not been received from one of the *Fondos AyT* or *Fondos TDA*;
- (ii) The total amount of the withdrawal does not exceed the lesser of the following amounts:
 - a) the difference between (i) interest from Loans accrued that are matured; and (ii) the amount of simple interest of Loans accrued that are matured and paid during the current Collection Period; and
 - b) the available balance of the Liquidity Facility on that same date;
- (iii) The withdrawal request is made in Euros;
- (iv) The withdrawal does not violate legal or regulatory precepts in force on the date of the withdrawal request;
- (v) There has been no event giving rise to early termination of the Liquidity Facility Agreement as established in this Prospectus. This condition will be considered met when any such event giving rise to early termination is or has been prevented by making use of the Liquidity Facility to attend to payments of the items covered in sections (ii) to (iv) inclusive, of the Order of Priority of Payments; and
- (vi) The withdrawal request is made before the Legal Maturity Date of the *Fondo*.

Each time the *Sociedad Gestora* intends to withdraw from the Liquidity Facility, which will coincide with a Payment Date, it will fax a written request to the Liquidity Facility Provider, no later than 10 a.m. (CET) on the Business Day immediately preceding the date in which the withdrawal is to be made. The request should detail (i) the amounts to be withdrawn, (ii) the date on which the withdrawal will be made, and (iii) the data related to the non-payment of Loan interest that make the withdrawal necessary.

Once the –irrevocable- withdrawal request is received, the Liquidity Facility Provider must provide, before 10 am (CET) on the day of the withdrawal indicated in the relevant request, the relevant transfer order and payment on behalf of the *Fondo*, of the amount stated in the *Fondo*'s request, via a deposit into

the Treasury Account opened on behalf of the *Fondo* at the Financial Agent, with value date of that same day.

3.4.7.3.5 Remuneration of the Liquidity Facility.

The accrual and liquidation period for interest on balances withdrawn from the Liquidity Facility will be each period between two consecutive Payment Dates. For each accrual period, the balance withdrawn from the Liquidity Facility will accrue an interest rate equal to the 3-month EURIBOR determined 2 Business Days before the start of each accrual period plus a margin of 0.50%. It is determined according to the Liquidity Facility Agreement.

Accrued interest will be paid each quarter by the *Fondo* to the Seller on Each *Fondo* Payment Date.

The amounts pending payment to the Liquidity Facility Provider as a result of this section will not accrue additional interest in its favour.

3.4.7.3.6 Commissions to be paid to the Liquidity Facility Provider.

On the Closing Date, the *Fondo* will pay the Liquidity Facility Provider a Commission, in one single initial payment, equal to 350,000 Euros.

3.4.7.3.7 Amortisation of amounts withdrawn.

The amounts withdrawn from the Liquidity Facility will be amortised on each Payment Date with the lesser of the two following amounts:

- The Liquidity Facility balance withdrawn,
- Available resources in the Treasury Account after making payments on items (ii) to (iv) in the Payment Priority.

3.4.7.3.8 Modification to credit rating.

On the Date of Incorporation of the *Fondo*, the Liquidity Facility Provider's short-term debt must have a rating equal to P1 (Moody's). If at any time during the validity of the Liquidity Facility Agreement the Liquidity Facility Provider's short-term debt were to be downgraded to a rating below P1 (Moody's), the Liquidity Facility Provider must employ one of the following alternatives within 30 Business Days counting from the day of the rating downgrade:

- (i) Obtain from a credit entity with a minimum rating of P-1 (Moody's) an unconditional, irrevocable, and first-demand guarantee of the Liquidity Facility Provider's obligations in the Liquidity Facility Agreement. The Liquidity Facility Provider will pay any costs, taxes and expenses incurred as a result;
- (ii) Transfer its contractual position in the Liquidity Facility Agreement to a third-party entity (which must have a minimum credit rating of P-1 (Moody's)) in terms established by the *Sociedad Gestora*. The Liquidity Facility Provider will pay any costs, taxes and expenses incurred as a result; or
- (iii) Deposit the entire available Liquidity Facility balance into the Treasury Account. This will be paid in favour of the Liquidity Facility Provider in the same terms as the rest of the Treasury Account balance (and not by

applying the Interest Rate of the Liquidity Facility), except the amounts of said deposit that are used for the default of a Loan. If this is the case, the amounts will be paid to the Liquidity Facility Provider in the same terms as the withdrawals from the Liquidity Facility, that is, at the Interest Rate for the Liquidity Facility.

If the Liquidity Facility Provider were to be substituted, the expenses incurred from the substitution as well as, if necessary, any compensation, would be the responsibility of the substituted Liquidity Facility Provider.

3.5 Name, address, and important economic activities of the Seller of securitised assets.

SANTANDER acts as the Seller of the Loans. SANTANDER is a financial entity incorporated in Spain with its Head Office at Paseo de Pereda 9-12, Santander. C.I.F. A-39000013

The financial information shown below was taken from audited annual accounts for fiscal years 2006 and 2005.

| GRUPO SANTANDER DATA | | | |
|--|-------------------|-------------------|--------------------|
| | 31/12/2006 | 31/12/2005 | % variation |
| BALANCE (in million Euros) | | | |
| Total assets | 833,873 | 809,107 | 3.06% |
| Credit to clients (gross) | 531,509 | 443,439 | 19.86% |
| Client funds included on the balance sheet | 576,419 | 528,041 | 9.16% |
| Other client resources managed | 167,124 | 152,846 | 9.34% |
| Total client resources managed | 743,543 | 680,887 | 9.20% |
| Net assets | 47,073 | 42,627 | 10.43% |
| Equity (including non-distributed earnings) | 40,062 | 35,841 | 11.78% |
| | | | |
| PROFIT AND LOSS ACCOUNT (in million Euros) | | | |
| Intermediation Margin | 12,488 | 10,669 | 17.05% |
| Basic Margin (commercial) | 20,436 | 17,772 | 14.99% |
| Ordinary Margin | 22,615 | 19,333 | 16.98% |
| Operating Margin | 11,369 | 8,909 | 27.61% |
| Earnings before taxes (ordinary)(*) | 8,776 | 6,837 | 28.36% |
| Earnings before taxes (including extraordinary) | 9,150 | 7,800 | 17.31% |
| | | | |
| Allocated group net earnings (ordinary)(*) | 6,582 | 5,212 | 26.29% |
| Net profit of the Group | 7,596 | 6,220 | 22.12% |
| | | | |
| <i>(*): Excluding net excess and extraordinary write-offs.</i> | | | |
| | | | |
| DATA PER SHARE AND MARKET VALUE | | | |
| Quotation | 14.14 | 11.15 | 26.82% |
| Market value (million Euros) | 88,436 | 69,735 | 26.82% |
| Ordinary allocated earnings per share | 1.0534 | 0.8351 | 26.14% |
| Diluted ordinary allocated earnings per share | 1.0477 | 0.832 | 25.93% |
| Book value | 6.41 | 5.73 | 11.87% |

| GRUPO SANTANDER DATA | | | |
|--|-------------------|-------------------|--------------------|
| | 31/12/2006 | 31/12/2005 | % variation |
| PER (Price/allocated annual earnings per share; times) | 13.42 | 13.35 | 0.52% |
| P/BV (Price/book value; times) | 2.21 | 1.95 | |
| | | | |
| RELEVANT RATIOS (%) | | | |
| Operating margins/ATM | 1.40 | 1.20 | |
| Ordinary ROE (Allocated Earnings/Average Equity) | 18.54 | 16.64 | |
| Ordinary ROA (Net Earnings/Average total assets) | 0.88 | 0.78 | |
| Ordinary RORWA (Net Earnings/Average risk-weighted assets) | 1.6 | 1.51 | |
| Efficiency Rate | 43.45 | 47.47 | |
| (*) Efficiency ratio with amortisation | 48.53 | 52.82 | |
| Delinquency Rate | 0.78 | 0.89 | |
| Coverage Rate | 187.23 | 182.02 | |
| | | | |
| CAPITAL RATIOS (BIS REGULATION) (%) | | | |
| Total | 12.49 | 12.94 | |
| Core capital | 5.91 | 6.05 | |
| TIER I | 7.42 | 7.88 | |
| | | | |
| ADDITIONAL INFORMATION | | | |
| Number of shares (million) | 6,254 | 6,254 | |
| Number of shareholders | 2,310,846 | 2,443,831 | |
| Number of employees | 129,749 | 125,367 | |
| Continental Europe | 44,216 | 43,612 | |
| United Kingdom (Abbey) | 17,146 | 19,084 | |
| Latin America | 66,889 | 61,209 | |
| Financial management and holdings | 1,498 | 1,462 | |
| Number of offices | 10,852 | 10,201 | |
| Continental Europe | 5,772 | 5,389 | |
| United Kingdom (Abbey) | 712 | 712 | |
| Latin America | 4,368 | 4,100 | |

3.6 Return and/or reimbursement of securities related to others that are not assets of the issuer.

Not applicable.

3.7 Administrator, calculation agent, or equivalent.

3.7.1 Management, administration and representation of the *Fondo* and securities holders.

IM PRÉSTAMOS FONDOS CÉDULAS, Fondo de Titulización de Activos has been arranged by *InterMoney Titulización, SGFT, S.A.* as the *Sociedad Gestora* entitled to such effect, and, as a result, to administer and legally represent the *Fondo* under the protection of *Real Decreto 926/1998*.

The *Sociedad Gestora*, as a third-party manager, will represent and defend the interests of Bondholders and all other *Fondo* creditors.

Bondholders will have no right of legal action against the *Sociedad Gestora* except when the latter is in breach of its obligations, this Prospectus, the Deed of Incorporation of the *Fondo*, or current regulation.

3.7.1.1. Administration and representation of the *Fondo*.

The *Sociedad Gestora's* functions include, but are not limited to, the following functions, and notwithstanding other functions laid out in this Prospectus:

- (i) To ensure that the amount of all deposits that the *Fondo* receives relevant to the Loans corresponds with those due, according to what is stated in the different agreements establishing said deposits. In particular, the *Sociedad Gestora* must ensure that the interest rates applicable to each accrual period of each Loan are as stated in the relevant incorporation agreements. It must take, where appropriate, judicial or extra-judicial actions that may be necessary or advisable to protect the rights of the *Fondo* and Bondholders;
- (ii) To apply the *Fondo's* deposits received from the Loans to pay *Fondo* obligations to Bonds, according to what is stated in the Deed of Incorporation of the *Fondo* and the Prospectus;
- (iii) To extend or modify the agreements that have been signed on behalf of the *Fondo* to allow the *Fondo* to operate under the terms set out in the Deed of Incorporation of the *Fondo*, in the Prospectus, and in current regulation;
- (iv) To exercise the rights attached to the Credit Rights arising from the Loans acquired by the *Fondo*;
- (v) To substitute each *Fondo* service provider, in the terms set out in the Deed of Incorporation of the *Fondo* and the Prospectus, provided that this is permitted by current legislation, that it is authorized by the competent authorities (if necessary), that the Rating Agency is notified, and that it does not adversely affect Bondholder interests;

- (vi) To carry out the administration of the Loans, according to the terms set out in section 3.7.2 of this Additional Building Block;
- (vii) To relay timely instructions to the Financial Agent regarding the Treasury Account and payments due to Bondholders and, where appropriate, to other entities due to make payments.
- (viii) To determine, in conjunction with Party B, calculations arising from the Financial Interest Rate Swap Agreement;
- (ix) To state and make withdrawals and payments related to the Liquidity Facility;
- (x) To designate and substitute, if necessary, the auditor, with prior consent from the *CNMV*, where appropriate;
- (xi) To prepare and submit to the competent bodies all documents and information, pursuant to current regulation, to the *CNMV*, and prepare and issue any legally required information to Bondholders and the Rating Agency; and
- (xii) To implement timely decisions related to the liquidation of the *Fondo*, including the decision for the early liquidation of the *Fondo*, pursuant to what is set out in the Deed for the Incorporation of the *Fondo* and the Prospectus.

The *Sociedad Gestora* may be responsible for the administration and representation of other Asset Securitisation Funds, in accordance with the *Real Decreto 926/1998*.

The *Sociedad Gestora* must make available to the public all necessary documentation and information, pursuant to the Deed for the Incorporation of the *Fondo* and this Prospectus.

3.7.1.2. Waiver and substitution of the *Sociedad Gestora*.

The waiver and substitution of the *Sociedad Gestora* will be regulated by the *Real Decreto 926/1998*, or by current regulation. The substitution of the *Sociedad Gestora* must, in all cases, be carried out according to the procedure detailed below, unless it is contrary to regulations established for this purpose:

- (i) The *Sociedad Gestora* may waive its function when deemed appropriate and may voluntarily request to be substituted by presenting a written request to the *CNMV*. This request will be accompanied by the document of the new *Sociedad Gestora* duly authorised and registered in the special registries of the *CNMV*, declaring its intention to accept the role of *Sociedad Gestora* and the naming of the new company as the *Sociedad Gestora* of the *Fondo*. At no time may the *Sociedad Gestora* waive the exercise of its functions before the completion of all the requirements and procedures necessary for the substitute to fully assume its *Fondo*-related functions. Neither may the *Sociedad Gestora* waive its functions if, as a result of the substitution, the ratings assigned to the Bonds are lowered. None of the expenses incurred as a result of this substitution will be paid by the *Fondo*;
- (ii) If the *Sociedad Gestora* complies with any of the grounds for dissolution set out in number 1 of article 260 of *Ley de Sociedades Anónimas* (Public Limited Company Act), the *Sociedad Gestora* will be substituted. The *Sociedad Gestora* will notify the *CNMV* of the occurrence of any such

grounds. In this case, the *Sociedad Gestora* will comply with section (i) above before its dissolution;

- (iii) If the *Sociedad Gestora* is declared bankrupt or its authorization is suspended, it must designate a replacement. The substitution must take place before the elapse of four months from the date of the event that forced the replacement. If the *Sociedad Gestora* does not find another *Sociedad Gestora* willing to take on the responsibility for the administration and representation of the *Fondo* or the *CNMV* does not consider its proposal suitable, the *Fondo* will be settled early;
- (iv) The substitution of the *Sociedad Gestora* by a new *Sociedad Gestora*, pursuant to the above sections (i) and (iii), must be authorized by the Rating Agency and must be published within 15 days in the Daily Bulletin of the *ALAF Market* and in 2 national newspapers. The *Sociedad Gestora* will provide all public and private documents necessary for its substitution, according to the above sections (i) and (iii). The substitute *Sociedad Gestora* will be subject to the rights and obligations of the *Sociedad Gestora*, pursuant to the Deed of Incorporation of the *Fondo* and the Prospectus. The *Sociedad Gestora* must provide the new *Sociedad Gestora* with all documents, accounting and computing records in its possession related to the *Fondo*.

Payment for the substitute *Sociedad Gestora* will be the responsibility of the substituted *Sociedad Gestora*. This amount will come from the proportional part of the payment it received when it began its functions in relation to the time remaining until the Legal Maturity Date of the *Fondo*.

3.7.1.3. Subcontracting.

The *Sociedad Gestora* may subcontract or delegate to third parties of recognised solvency and capacity, the undertaking of its services that it must carry out in its functions, pursuant to the present Prospectus, provided that the subcontractor or delegate has waived the right to take action against the *Fondo*. Subcontracting or delegation may not, in any case, incur any additional costs or expenses for the *Fondo*, it will be acceptable under current law, and previous notification must be given to the *CNMV* and the Rating Agency. It will not damage the rating of the Bonds and will carry all the appropriate authorizations. Notwithstanding any subcontract or delegation, the *Sociedad Gestora* will not be exempt from any of the established responsibilities detailed in this Prospectus and which are legally enforceable.

3.7.1.4. Remuneration of the *Sociedad Gestora*.

The *Sociedad Gestora* will receive for its management a management commission on the Closing Date, equal to 484,622 Euros. The *Sociedad Gestora* will pay the *Fondo*'s periodic expenses, pursuant to section 3.4.6 above.

3.7.2. Administration, collection management, and custody of the Loans.

3.7.2.1. Administration and collection management.

The *Sociedad Gestora* will administer and manage the collection of credit rights arising from Loans sold to the *Fondo* until (i) all credit rights have been amortised

in full, (ii) all of the *Sociedad Gestora's* obligations regarding the loans have been extinguished, or (iii) the *Fondo* is extinguished once all its assets have been sold (notwithstanding the forced substitution of the *Sociedad Gestora*, pursuant to section 3.7.1.2 of this Additional Building Block), by taking any judicial or extrajudicial actions that may be necessary to protect Bondholders interests, in particular, actions necessary to claim or collect amounts owed on the Loans, especially any claims that may be made to defend the interest of the *Fondo* before the *sociedades gestoras* of the *Fondos AyT* and *Fondos TDA* or any other individual or court.

The *Fondo*, through the *Sociedad Gestora* and according to the present section, will be able to carry out legal action permitted by current legislation to require that the *sociedades gestoras* for the *Fondos AyT* and *Fondos TDA* be held responsible for not fulfilling their function, and, therefore, never as a result of default or early amortisation of assets in these *Fondos*, of breach of the operation's counterparts contracted on behalf of these *Fondos*, or of insufficient protective financial operations to provide its financial service.

Neither the *Sociedad Gestora* nor the Seller will assume any responsibility for guaranteeing, directly or indirectly, the success of the operation. The Bondholders must assume the risk of non-payment on the Loans.

The *Fondo*, through the *Sociedad Gestora* and according to the present section, will be able to carry out legal action permitted by current legislation to require that the Seller be held responsible for the inaccuracy or falseness of statements made which refer to the present Prospectus or the rest of the agreements related to the incorporation of the *Fondo*.

The Bondholders will not any have legal recourse against the *Fondos AyT* and *Fondos TDA* in breach of their payments obligations. The *Sociedad Gestora*, on behalf of the *Fondo*, will, where appropriate, take this action. Neither Bondholders nor the *Fondo* or *Sociedad Gestora* will have legal recourse against any Issuers of the *Cédulas Hipotecarias*; this action may only be taken by the relevant *Sociedad Gestora* of the *Fondos AyT* and *Fondos TDA*, which, pursuant to article 12.1 of the *Real Decreto 926/98*, will defend the *Fondo's* interests as creditor of these funds.

3.8 Name, address, and brief description of any counterpart in swap, credit, liquidity, or accounts operations.

SANTANDER is the counterpart of the Financial Agency Agreement, of the Financial Interest Rate Swap Agreement, and the Liquidity Facility Agreement. The data related to SANTANDER and its activities are included in section 5.2 of the Registration Document.

4. POST-ISSUANCE INFORMATION

The *Sociedad Gestora* will publish the information regarding the *Fondo*, its assets, and liabilities listed in this section through media, generally accepted by the market, that guarantee a proper and timely coverage of the content, unless the law, regulations, or this Prospectus establish other channels for its distribution.

The information referred to in this section will be available on the *Sociedad Gestora's* website www.imtutilizacion.com.

The *Sociedad Gestora* will make available to the public, at its Head Office, all the documentation and public information, pursuant to the Deed of Incorporation and this Prospectus.

The *Sociedad Gestora*, on behalf of the *Fondo*, must publish the information in this section, even if this information has been issued, published, or made available to third parties. In any event, this information will be adjusted to meet any *CNMV* requirements to this effect.

4.1 Notification of amounts to be paid to Bondholders on the principal and interest.

The payment on interest and amortisation of the Bonds will be announced using channels generally accepted by the market that guarantee a proper and timely coverage of the content.

The “**Notification Dates**” will be the dates on which Bondholders will be notified of the payments to be made by the *Fondo* on the following Payment Date. These Notification Dates will be the second Business Day immediately preceding any Payment Date.

4.2 Periodic Information.

Each quarter and within 7 Business Days following the Payment Date, and notwithstanding the quarterly information previously indicated, the *Sociedad Gestora* will issue a report containing the following information:

- The Amount of the Credit Rights in effect, the interest rate applicable to each Loan and the residual maturity of each Loan, and, where appropriate, the amounts matured and in default.
- The Outstanding Principal Balance of Bonds from each Series before and after the relevant payment on the current Payment Date.
- The matured Principal Balance of Bonds from each Series.
- The percentage of outstanding Bonds from each Series.
- Accrued interest on Bonds from each Series.
- Where appropriate, the Principal Balance not paid to Bondholders as a result of insufficient funds.
- Where appropriate, unpaid accrued interest amounts for Bonds of each Series that should have been paid during previous Payment Dates.
- Treasury Account Balance.
- Reserve Fund Balance.

The *Sociedad Gestora* will issue a certification stating the information above, and will provide a copy to the *CNMV*.

The *Sociedad Gestora* will provide the *CNMV* with the *Fondo*'s annual accounts, along with an auditing report of the accounts, within the 4 months following the *Fondo*'s fiscal year-end, which will coincide with the natural year.

The Board of Directors of the *Sociedad Gestora* has designated Ernst & Young as the *Fondo*'s auditors. The *Sociedad Gestora*'s Board will inform the *CNMV* of any change to the designation of auditors.

The auditors will make any revisions and verifications required by current regulation, certify, when necessary, the precision and accuracy of the accounts, and verify the precision of the information in the management report.

4.3 Obligations to communicate relevant events.

The *Sociedad Gestora*, on behalf of the *Fondo*, undertakes to immediately inform the *CNMV*, the Rating Agency, and the Bondholders in writing throughout the life of the operation, through media outlets that guarantee the proper coverage of information, including the *Sociedad Gestora*'s Internet website, of all relevant events that occur regarding the Agreements, the Bonds, the *Fondo*, and the *Sociedad Gestora* itself that may noticeably influence the negotiation of the Bonds and the amount due to Bondholders on each Payment Date, both on the principal and on interest, and, in general, any relevant modification to *Fondos* assets or liabilities.

4.4 Information provided to the *CNMV*.

The *Sociedad Gestora* will provide the *CNMV* with all notifications and information, both regular and extraordinary, created according to the above sections, as well as any information that, independently from the above, is required by the *CNMV* or by current regulation.

4.5 Information provided to the Rating Agency.

The *Sociedad Gestora* will provide the Rating Agency with regular information regarding the *Fondo*'s situation referred to in section 4.2 of the Additional Building Block and special notifications. It will also provide this information when it is reasonably required of it, and in any case where there is a significant change to the *Fondo*'s conditions, to agreements entered into by *Sociedad Gestora* on behalf of the *Fondo*, or to the parties involved.

Madrid, July 24, 2007

José Antonio Trujillo del Valle
InterMoney Titulización, S.G.F.T., S.A.
CHAIRMAN

GLOSSARY

| | |
|---|--|
| Liquidity Facility Provider | <i>Banco Santander Central Hispano, S.A.</i> , the entity providing the Liquidity Facility. |
| Rating Agency | Moody's. |
| Financial agent | <i>Banco Santander Central Hispano, S.A.</i> , which, in accordance with the Financial Agency Contract, provides maintenance services for the Treasury Account, acts as the recipient of deposits for the Reserve Fund, and carries out the payments of the Bonds. |
| Early Amortisation of Cédulas Hipotecarias | The early amortisation of <i>Cédulas Hipotecarias</i> . |
| Theoretical Amortisation of the A Bonds | For each Payment Date, the amount in section 4.9.4.1 of the Securities Note. |
| Theoretical Amortisation of the B Bonds | For each Payment Date, the amount in section 4.9.4.2 of the Securities Note. |
| Theoretical Amortisation of the C Bonds | For each Payment Date, the amount in section 4.9.4.3 of the Securities Note. |
| Bonds | The Bonds issued at the time that the <i>Fondo</i> is incorporated. |
| Required Qualifications | This means, with respect to the entity in question, that its unsubordinated and unsecured short-term debt has a Moody's rating of at least P1 and that its unsubordinated and unsecured long-term debt has a Moody's rating of at least A1, or such other qualifications as maybe agreed with Moody's from time to time. |
| Amount to Amortise the A Bonds. | The amount calculated for the purposes of the amortisation on A Bonds, as determined in section 4.9.4.1 of the Securitisation Note. |
| Amount to Amortise the B Bonds. | The amount calculated for the purposes of the amortisation on B Bonds, as determined in section 4.9.4.2 of the Securitisation Note. |
| Amount to Amortise the C Bonds. | The amount calculated for the purposes of the amortisation on C Bonds, as determined in section 4.9.4.3 of the Securitisation Note. |

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| <i>Cédulas Hipotecarias(s)</i> | Individually, each of the <i>Cédulas Hipotecarias</i> grouped together in any of the <i>Fondos AyT</i> or <i>Fondos TDA</i> ; jointly, the <i>Cédulas Hipotecarias</i> in any of the <i>Fondos AyT</i> and the <i>Cédulas Hipotecarias</i> in any of the <i>Fondos TDA</i> . |
| CNMV | <i>Comisión Nacional del Mercado de Valores.</i> |
| Agreement | Jointly, the Financial Agency Agreement, the Liquidity Facility Agreement, the Interest Rate Swap Agreement, the Subscription and Underwriting Agreement and the Treasury Account Agreement. |
| Financial Agency Agreement | The financial agency agreement signed by the <i>Sociedad Gestora</i> on behalf of the <i>Fondo</i> , and the Financial Agent, who regulates the Treasury Account and the return on the deposit in the Reserve Fund. |
| Liquidity Facility Agreement | The Liquidity Facility agreement signed by the <i>Sociedad Gestora</i> on behalf of the <i>Fondo</i> and the Liquidity facility provider. |
| Financial Interest Rate Swap Agreement | The financial interest rate swap agreement entered into by the <i>Sociedad Gestora</i> on behalf of the <i>Fondo</i> and SANTANDER, in accordance with the 1992 ISDA Master Agreement. |
| Subscription and Underwriting Agreement | The subscription and underwriting agreement for the Issue and the liquidity commitment for the Bonds signed by the <i>Sociedad Gestora</i> and the Underwriter. |
| Loan Agreements | Agreements that regulate the <i>AyT</i> Loan or the <i>TDA</i> Loan. |
| Treasury Account | The account that the <i>Fondo</i> will maintain at the Financial Agent as regulated by the Financial Agency Agreement. |
| Complementary Right | The complementary or auxiliary matters to those established in the Deed of Incorporation and Prospectus of the various asset securitisation funds regulated in the Internal <i>AyT</i> Management Agreements. |
| Credit Rights or the Assets | Credit rights to be sold to the <i>Fondo</i> through the Deed of Incorporation, arising from the part of the Loans granted by the Participant Entities to the <i>Fondos AyT</i> and <i>Fondos TDA</i> together with the complementary right included in the <i>AyT</i> Internal Management Agreements. |
| Business Day | Any day which is not a bank holiday as defined by the TARGET (<i>Trans-European Automated Real-time Gross Settlement Express Transfer System</i>) calendar or in the city of Madrid |

| | |
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| Registration Document | The Registration Document issued in accordance with the terms of Regulation 809/2004 of the IM PRÉSTAMOS FONDOS CÉDULAS, FONDO DE TITULIZACIÓN DE ACTIVOS. |
| Issuer(s) | Individually, any issuer of <i>Cédulas Hipotecarias</i> and jointly, the issuers of <i>Cédulas Hipotecarias</i> . |
| Credit Institution(s) | Those Issuers which have sold to Santander their share of the relevant Loans, which in turn are to be sold to the <i>Fondo</i> . |
| Underwriter | SANTANDER, the Underwriter of the Bond issue, in accordance with the Subscription and Underwriting Contract. |
| Ernst & Young SL | The auditor of the assets in the <i>Fondo</i> . |
| Deed of Incorporation of the <i>Fondo</i> | The Deed of Incorporation of the <i>Fondo</i> , sale of <i>Cédulas Hipotecarias</i> and the issue of Bonds. |
| EURIBOR | The rate of interest determined in accordance with the terms of section 4.8 of the Securities Note. |
| Collection Date | Each of the payment dates in the Loans between two Payment Dates. |
| Date of Incorporation of the <i>Fondo</i> | The date of the Incorporation of the <i>Fondo</i> , July 25, 2007. |
| Closing Date | The date on which the Bonds will be disbursed and the acquisition price of the <i>Cédulas Hipotecarias</i> will be paid by the <i>Fondo</i> to the Seller. |
| Payment Date | Each of the interest payment dates by the <i>Fondo</i> , i.e. January, April, July and October 24 th of each year, starting on October 24, 2007, inclusive. |
| Swap Liquidation Date | Swap Liquidation dates will coincide with the second Business Day preceding the <i>Fondo</i> Payment Dates if the amount to be paid, according to the Swap Agreement, must be paid to the <i>Fondo</i> by Party B. The Swap Liquidation Dates will coincide with the <i>Fondo</i> Payment Dates if the amount is to be paid by Party A. |
| Final Maturity Date of the <i>Fondo</i> | January 24, 2020, the date of the final regular amortisation of the Bonds, despite the possibility that early amortisation. |

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| Legal Maturity Date of the <i>Fondo</i> | January 24, 2022, the second anniversary of the Final Maturity Date of the <i>Fondo</i> , or if not a Business Day, the following Business Day, except in the event of winding up of the <i>Fondo</i> prior to said date. |
| Notification Dates | The dates on which Bondholders will be notified of payments to be made by the <i>Fondo</i> on the immediately following Payment Date. |
| Prospectus | This Prospectus on the Bond Issue. |
| <i>Fondo</i> | IM PRÉSTAMOS FONDOS CÉDULAS, FONDO DE TITULIZACIÓN DE ACTIVOS. |
| <i>Fondos AyT</i> | Jointly, AyT CÉDULAS CAJAS, FTA, AyT CÉDULAS CAJAS II, FTA, AyT CÉDULAS CAJAS III, FTA, AyT CÉDULAS CAJAS IV, FTA, AyT CÉDULAS CAJAS V, FTA, AyT CÉDULAS CAJAS VI, FTA, AyT CÉDULAS CAJAS VII, FTA, y AyT CÉDULAS CAJAS VIII, FTA,, and, individually, each of the mentioned <i>Fondos de Titulización de Activos</i> . |
| <i>Fondos TDA</i> | Jointly, CÉDULAS TDA 1, FTA, CÉDULAS TDA 2, FTA, CÉDULAS TDA 3, FTA, y CÉDULAS TDA 4, FTA, and, individually, each of the mentioned <i>Fondos de Titulización de Activos</i> . |
| Issue Costs | The costs arising as a result of incorporation the <i>Fondo</i> and issuing the Bonds |
| Amount of the Credit Rights | Regarding Credit Rights, the outstanding principal on any given date. |
| Maximum Amount Available | The maximum amount of the Liquidity Facility available. |
| <i>Ley 19/1992</i> | <i>Ley 19/1992, de 7 de julio, sobre régimen de Sociedades y Fondos de Inversión Inmobiliaria y sobre Fondos de Titulización Hipotecaria, en su redacción actual.</i> |
| <i>Ley 2/1981</i> | <i>Ley 2/1981, de 25 de marzo, de Regulación del Mercado Hipotecario, en su redacción actual.</i> |
| Bankruptcy Act | <i>Ley 22/2003, de 9 de julio, Concursal.</i> |
| <i>Ley del Mercado de Valores</i> | <i>Ley 24/1988, de 28 de julio, del Mercado de Valores, en su redacción actual.</i> |
| Liquidity Facility for Interest | The Liquidity Facility granted by the Liquidity Facility Provider to the <i>Fondo</i> , in accordance with the Liquidity Facility for Interest Agreement. |

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| Additional Building Block | The Additional Building Block of the Securities Note issued in the terms of Regulation 809/2004 of the Prospectus IM PRÉSTAMOS FONDOS CÉDULAS, FONDO DE TITULIZACIÓN DE ACTIVOS |
| Moody's. | Moody's Investors Service España, S.A. |
| Actual Level of the Reserve Fund | The amount corresponding to the Reserve Fund deposited in the Treasury Account at any time. |
| Required Level of the Reserve Fund | The amount up to which the <i>Fondo</i> is to be provisioned on each Payment Date by applying the Available Resources in accordance with the Priority Order of Payments. This amount will be determined on each Payment Date in accordance with the stipulations of section 3.4.2.2 of the Additional Building Block. |
| Securities Note | The Securities Note issued in the terms of Regulation 809/2004 of the Prospectus IM PRÉSTAMOS FONDOS CÉDULAS, FONDO DE TITULIZACIÓN DE ACTIVOS |
| Priority Order of Payments | The Priority Order of Payments established in section 3.4.6 of the Additional Building Block. |
| REUTERS screen, EURIBOR page= | The screen showing the content of the page "EURIBOR=" on the REUTERS MONEY RATES SERVICE, or any other such page as might replace this service in the future. |
| Interest Accrual Period of the Bonds | Each of the Periods into which the Bond Issue is divided for the purposes of accrual, liquidation and payment of interest, from the Closing Date to the Legal Maturity Date, and which includes the days effectively elapsed between two Payment Dates, including the first Payment Date but excluding the last Payment Date. |
| Collection Periods | The time between two consecutive Payment Dates, including the initial Payment Date but excluding the final Payment Date. |
| Subscription Period | The subscription period for the Bonds, beginning on July 30, 2007, at 2.30 p.m. (CET), and ending on July 30, 2007, at 3.30 p.m. (CET). |
| Loans | The Subordinated Loans as defined in section 2.2 of the Additional Building Block. |
| TDA Loans | The Subordinated Loans as defined in section 2.2 of the Additional Building Block derived from each <i>Fondo TDA</i> . |

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|--------------------------------------|---|
| AyT Loans | The Subordinated Loans as defined in section 2.2 of the Additional Building Block derived from each <i>Fondo AyT</i> . |
| Defaulted Loans | Loans remaining unpaid for more than 2 years. |
| Non Defaulted Loans | Loans remaining unpaid for no more than 2 years. |
| Mortgage Loans | The mortgage loans included in the portfolios, which back the <i>Cédulas Hipotecarias</i> issued by the Issuers. |
| <i>Real Decreto 685/1982</i> | <i>Real Decreto 685/1982, de 17 de marzo, por el que se desarrollan determinados aspectos de la Ley 2/1981, en su redacción actual.</i> |
| <i>Real Decreto 926/1998</i> | <i>Real Decreto 926/1998, de 14 de mayo, por el que se regulan los Fondos de Titulización de Activos y las Sociedades Gestoras de Fondos de Titulización.</i> |
| <i>Real Decreto 1310/2005</i> | <i>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 material de admisión a negociación de valores en mercados secundarios oficiales, de ofertas públicas de venta o suscripción y del folleto exigible a tales efectos.</i> |
| Available Resources | The Available Resources of the <i>Fondo</i> . |
| Regulation 809/2004. | Commission Regulation (EC) 809/2004 of 29 April 2004. |
| Excess of the <i>Fondo</i> | Means any possible amount remaining following amortisation of all Bonds and the payment of all amounts in the Priority Order of Payments. |
| Fixed Income | The known component of the remuneration of TDA Loans. |
| Variable Income | The unknown variable component of the remuneration of TDA Loans, which is calculated on the Maturity Date of the Loan by the respective <i>Sociedad Gestora</i> . It is equal to the positive difference, assuming such a difference exists, between (i) the interest and other amounts received from the <i>Cédulas Hipotecarias</i> grouped together in each <i>Fondo TDA</i> plus the yield generated by the treasury account and the <i>Fondo TDA</i> charge account attributable to the <i>cédulas</i> and (ii) the expenses (including taxes) of the <i>Fondo TDA</i> . |
| Outstanding Principal Balance | Regarding the Bonds and each Bond Series, the outstanding principal on any given date. |
| SANTANDER | <i>Banco Santander Central Hispano, S.A.</i> |
| Series | Separately, this refers to A Bonds, B Bonds and C Bonds. |

Sociedad Gestora

Intermoney Titulización, Sociedad Gestora de Fondos de Titulización, S.A.

Principal Interest Rate of a Bond Series

The rate of interest applicable at each Interest Accrual Period for the Bonds in each Series.

IRR

The Internal Rate of Return, as defined in section 4.10 of the Securities Note.