**PROSPECTUS** **November 23, 2006**

# RURALPYME 2 FTPYME
# FONDO DE TITULIZACIÓN DE ACTIVOS

## ISSUE OF ASSET-BACKED BONDS
## EUR 617,050,000

| | | |
|---|---|---|
| **Series A1** | **EUR 487,000,000** | **AAA/Aaa** |
| **Series A2(G) *** | **EUR 53,700,000** | **AAA/Aaa** |
| **Series B** | **EUR 29,100,000** | **A/A2** |
| **Series C** | **EUR 23,200,000** | **BBB-/Baa3** |
| **Series D** | **EUR 24,050,000** | **CC/Ca** |

**** Guaranteed by the Spanish State***

**Backed by loans assigned and serviced by**

**CAIXA POPULAR-CAIXA RURAL, S.C.C.V.**
**CAIXA RURAL DE BALEARS, S.C.C**
**CAJA RURAL ARAGONESA Y DE LOS PIRINEOS, S.C.C**
**CAJA RURAL CENTRAL, S.C.C.**
**CAJA RURAL DE ARAGÓN, S.C.C**
**CAJA RURAL DE BURGOS, C.C.**
**CAJA RURAL DE CIUDAD REAL, S.C.C.**
**CAJA RURAL DE CÓRDOBA, S.C.C.**
**CAJA RURAL DE GIJÓN, C.C.**
**CAJA RURAL DE NAVARRA, S.C.C**
**CAJA RURAL DE TERUEL, S.C.C**
**CAJA RURAL DE ZAMORA, C.C.**
**CAJA RURAL DEL MEDITERRÁNEO, RURALCAJA, S.C.C**
**CAJA RURAL DEL SUR, S.C.C.**

*Lead Managers*

*Underwriters and Placement Agents*

**Banco Cooperativo** **DZ BANK** **Royal Bank of Scotland** **Société Générale**

**BANCAJA** **BANCO PASTOR**

**BBVA** **DANSKE BANK**

*Paying Agent*

**Banco Cooperativo**

*Fund established and managed by*

Prospectus entered in the Registers of the Comisión Nacional del Mercado de Valores

**Material Event concerning** **RURALPYME 2 FTPYME Fondo de Titulización de Activos**

As provided for in the Prospectus for **RURALPYME 2 FTPYME Fondo de Titulización de Activos** (the "**Fund**") notice is given to the COMISIÓN NACIONAL DEL MERCADO DE VALORES of the following material event:

- On July 16, 2015 the Fund's Treasury Account is to be effectively transferred to CITIBANK INTERNATIONAL LTD, Sucursal en España ("**CITIBANK**"), following the signature, on July 9, 2015, of a new Guaranteed Interest Rate Account (Treasury Account) Agreement by the Management Company, for and on behalf of the Fund, CITIBANK and BANCO COOPERATIVO ESPAÑOL, S.A. and the relevant notice to BARCLAYS BANK, PLC Sucursal en España, as the former provider of the Fund's Treasury Account. CITIBANK is to be designated on the same effective date as the Bond Paying Agent, following the signature on July 9, 2015 of a new Paying Agent Agreement by the Management Company, for and on behalf of the Fund, CITIBANK and BANCO COOPERATIVO ESPAÑOL, S.A. and the relevant notice to BARCLAYS BANK, PLC Sucursal en España, as the former Paying Agent.

  The ratings for CITIBANK INTERNATIONAL LTD's short- and long-term unsecured and unsubordinated debt obligations assigned by the Rating Agencies are currently as follows:

| | Moody's | Fitch |
|---|---|---|
| **Short-term** | P-1 | F1 |
| **Long-term** | A1 | A |

- As a result of the new Agreements referred to above, the following sections of the Fund Prospectus shall henceforth read as follows:

| Section | Description |
|---|---|
| **3.4.4.1 Building Block Paragraphs 2 et seq. (Treasury Account)** | CITIBANK shall pay an annual nominal interest rate, floating quarterly and settled quarterly, other than for the first interest accrual period, the duration of and the interest settlement for which shall be based on the duration of that period, applicable for each Interest Accrual Period to the positive daily balances if any on the Treasury Account, equal to the higher of (i) zero percent (0.00%); and (ii) the interest rate resulting from increasing (a) the Euribor rate currently calculated and distributed by the financial information system Global Rate Set Systems Ltd (GRSS) under a European Money Markets Institute (EMMI) mandate and three- (3-) month EURIBOR ACI, set at 11am (CET) on the second Business Day preceding the first day of each interest accrual period (b) by a 0.20% margin. That interest will be in force until July 16, 2018. Interest shall be settled on each Payment Date and be calculated based on: (i) the exact number of days in each interest accrual period, and (ii) a three-hundred-and-sixty (360-) day year. The first interest accrual period shall comprise the days elapsed between July 16, 2015 and July 17, 2015. |


**Lagasca, 120 (1º) -28006 MADRID- Telf.: (34) 91 411 84 67 – Fax: (34) 91 411 84 68 – www.edt-sg.com – info@edt-sg.com**
Registro Mercantil de Madrid. Tomo 5461, Folio 49, Sección 8, Hoja M-89355, Inscripción 1ª Fecha 11/03/93 NIF A-80514466

<table>
<tr><th>Section</th><th>Description</th></tr>
<tr><td></td><td>In the event that the rating of the short-term unsecured and unsubordinated debt obligations of CITIBANK INTERNATIONAL LTD or of the institution in which the Treasury Account is opened (the “Treasury Account Provider”) should be downgraded below P-1 or F1 respectively by Moody’s and Fitch, the Management Company shall, within not more than thirty (30) days from the occurrence of that event, after notifying the Rating Agencies, do one of the following in order to allow a suitable level of guarantee to be maintained with respect to the commitments under this Agreement in order for the rating assigned to the Bonds by the Rating Agencies not to be adversely affected:<br><br>a) Obtain from an institution with short-term unsecured and unsubordinated debt obligations rated at least as high as P-1 and F1 respectively by Moody’s and Fitch, a first demand guarantee securing for the Fund, merely upon the Management Company so requesting, prompt payment by CITIBANK of its obligation to repay the amounts credited to the Treasury Account, for such time as the Treasury Account Provider’s debt obligations remain downgraded below P-1 or F1.<br><br>b) Transfer the Fund’s Treasury Account to an institution with short-term unsecured and unsubordinated debt obligations rated at least as high as P-1 and F1 respectively by Moody’s and Fitch, arranging the highest possible yield for its balances, which may differ from that arranged with CITIBANK under this Agreement.<br><br>c) If a) and b) above are not possible, obtain from the Originators, BANCO COOPERATIVO or a third party collateral security in favour of the Fund on financial assets with a credit quality of not less than and liquidity similar to that of Spanish State Government Debt (Deuda Pública del Estado Español), in an amount sufficient to guarantee the commitments established in this Agreement.<br><br>d) Moreover, if none of the above are possible on the terms laid down, the Management Company may invest the balances for not more than quarterly periods maturing no later than the following Payment Date in short-term fixed-income assets in Euros issued by institutions with short-term unsecured and unsubordinated debt obligations rated at least as high as P-1 and F1 (for periods of not less than 30 days or F1+ for longer periods) respectively by Moody’s and Fitch, including short-term securities issued by the Spanish State, in which case the yield obtained could also differ from that obtained initially with CITIBANK under this Agreement.<br><br>In the event that the Treasury Account Provider’s debt obligations should be downgraded or removed by the Rating Agencies, it shall notify the Management Company<br><br>All costs, expenses and taxes incurred in connection with putting in place and arranging the above options shall be borne by BANCO COOPERATIVO.<br><br>BANCO COOPERATIVO shall agree, upon a credit rating downgrade of the Treasury Account Provider triggering one of a) or b) above, to use commercially reasonable efforts in order that the Management Company may do one of the above.<br><br>In the event that the short-term unsecured and unsubordinated debt obligations of BANCO COOPERATIVO should subsequently be upgraded back to being at least as high as F-1 and P-1 respectively by Fitch and Moody’s, before July 16, 2018, the Management Company may transfer the balances to BANCO COOPERATIVO as the new treasury account provider subject to CITIBANK and BANCO COOPERATIVO so agreeing.</td></tr>
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| Section | Description |
|---|---|
| **5.2.1 Securities Note Paragraphs 4, 5 and 6 (Paying Agent Agreement)** | In the event that the unsecured and unsubordinated debt obligations of CITIBANK INTERNATIONAL LTD should, at any time during the life of the Bond Issue, be downgraded below P-1 in the short-term by Moody's, or be downgraded below F2 or BBB+ respectively in the short- or long-term by Fitch, the Management Company shall, within not more than thirty (30) days from the occurrence of any such circumstance, do one of the following after notifying the Rating Agencies: (i) obtain from an institution with short-term unsecured and unsubordinated debt obligations rated at least as high as F2 and P-1 respectively by Fitch and Moody's, and with long-term unsecured and unsubordinated debt obligations rated at least as high as BBB+ by Fitch, an unconditional and irrevocable first demand guarantee securing payment of the commitments made by the Paying Agent, for such time as the credit rating remains downgraded or is removed as aforesaid; or (ii) revoke the Paying Agent's designation and thereupon designate another institution with short-term unsecured and unsubordinated debt obligations rated at least as high as F2 and P-1 respectively by Fitch and Moody's, and with long-term unsecured and unsubordinated debt obligations rated at least as high as BBB+ by Fitch, to take its stead before terminating the Paying Agent Agreement or, as the case may be, under a new paying agent agreement. In that connection, the assumption is that, even if the Paying Agent's debt obligations should be rated BBB+ and F2, if Fitch should have publicly announced that either of those ratings is under "Rating Watch Negative", the rating of the Paying Agent's debt obligations will also be deemed to be one step below the minimum ratings required by Fitch.<br><br>BANCO COOPERATIVO shall agree, forthwith upon a credit rating downgrade of CITIBANK INTERNATIONAL LTD as set out in the preceding paragraph, to use commercially reasonable efforts in order that the Management Company may do one of (i) or (ii) above.<br><br>Notwithstanding the above, the Management Company shall not be able to revoke the designation of CITIBANK as Paying Agent until July 16, 2016. In addition, CITIBANK may decline to carry on discharging its duties from July 16, 2016.<br><br>The Fund shall not pay CITIBANK any fee as Paying Agent. |

Madrid, July 15, 2015

Mario Masiá Vicente
General Manager


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This document is a prospectus (the “**Prospectus**”) registered at the Comisión Nacional del Mercado de Valores (*National Securities Market Commission*), as provided for in Commission Regulation (EC) No. 809/2004 of April 29, 2004 (“**Regulation 809/2004**”), and comprises:

1. a description of the major risk factors linked to the issuer, the securities and the assets backing the issue (the “**Risk Factors**”);

2. an asset-backed securities registration document, prepared using the outline provided in Annex VII to Regulation 809/2004 (the “**Registration Document**”);

3. a securities note, prepared using the outline provided in Annex XIII to Regulation 809/2004 (the “**Securities Note**”);

4. a Securities Note building block, prepared using the block provided in Annex VIII to Regulation 809/2004 (the “**Building Block**”); and

5. a glossary of definitions.

## RISK FACTORS

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

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

The Fund is a separate fund devoid of legal personality and is managed by a management company, in accordance with Royal Decree 926/1998. The Fund shall be liable only for its obligations to its creditors with its assets.

The Management Company shall discharge for the Fund the functions attributed to it in Royal Decree 926/1998, and enforce Bondholders' interests as the manager of third-party portfolios. There shall be no syndicate of bondholders. Therefore, the capacity to enforce Bondholders' interests shall depend on the Management Company's means.

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

In accordance with article 19 of Royal Decree 926/1998, where the Management Company is adjudged insolvent, it shall find a substitute management company. In any such event, if four months should have elapsed from the occurrence determining the substitution and no new management company should have been found willing to take over management, there shall be an early liquidation of the Fund and an early amortisation of the securities issued by the same.

**c) Limitation of actions against the Management Company.**

Bondholders and all other ordinary creditors of the Fund shall have no recourse whatsoever against the Fund Management Company other than as derived from a breach of its duties or inobservance of the provisions of the Deed of Constitution and of this Prospectus.

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

Both CAIXA POPULAR-CAIXA RURAL, S.C.C.V., CAIXA RURAL DE BALEARS, S.C.C., CAJA RURAL ARAGONESA Y DE LOS PIRINEOS, S.C.C., CAJA RURAL CENTRAL, S.C.C., CAJA RURAL DE ARAGÓN, S.C.C., CAJA RURAL DE BURGOS, C.C., CAJA RURAL DE CIUDAD REAL, S.C.C., CAJA RURAL DE CÓRDOBA, S.C.C., CAJA RURAL DE GIJÓN, C.C., CAJA RURAL DE NAVARRA, S.C.C., CAJA RURAL DE TERUEL, S.C.C., CAJA RURAL DE ZAMORA, C.C., CAJA RURAL DEL MEDITERRÁNEO, RURALCAJA, S.C.C. and CAJA RURAL DEL SUR, S.C.C. (the "**Originators**") and the Management Company may be declared insolvent.

In the event of insolvency of any of the Originators of the Loans, the assets belonging to the Fund, with the exception of money, because it is fungible, which may be in the insolvent Originators' possession shall be the property of and pass to the Fund, on the terms of articles 80 and 81 of Bankruptcy Act 22/2003, July 9, (the "**Bankruptcy Act**").

Subject to the above, both the Prospectus and the Deed of Constitution provide for certain means in order to mitigate the aforesaid effects in relation to money, because it is a fungible asset.

Section 3.3.1 of the Building Block provides that the assignment by the Originators to the Fund of the Loans shall not be notified to the Obligors or third-party guarantors or the insurers with which the Obligors may have taken out the damage insurance contracts, if any, attaching to the Mortgage Loans underlying the Pass-Through Certificates. Where the Loans have other security interests or third-party personal bonds other than a real estate mortgage, the assignment will not be initially notified either to the custodian of the assets, where that is an undertaking other than the Servicer, or to the Obligors' guarantors. Where the Loans have security interests in which the custodian of the assets is the Servicer proper, the same shall be deemed to have received notice of the transfer in the Deed of Constitution.

However, in order to mitigate the consequences that an insolvency decree of any Originator could have in this connection on the Fund's rights, in particular, for the purposes of article 1527 of the Civil Code, in the event of insolvency, or indications thereof, of administration by the Bank of Spain, of liquidation or of substitution of the Servicer, or because the Management Company deems it reasonably justified, the Management Company may demand the Servicer to notify Obligors (and third-party guarantors and insurers, if any), of the transfer to the Fund of the outstanding Loans, and that the payments derived therefrom will only be effective as a discharge if made into the Treasury Account opened in the name of the Fund. However, both in the event of the Servicer failing to notify Obligors and third-party guarantors and insurers, if any, within five (5) Business Days of receiving the request and in the event of the Servicer becoming insolvent, the Management Company itself shall directly or, as the case may be, through a new Servicer it shall have designated, notify Obligors and third-party guarantors and insurers, if any.

Similarly and in the same events, the Management Company may request the Servicer to do such things and satisfy such formalities as may be necessary, including third-party notices and entries in the relevant accounting records, in order to guarantee maximum enforceability of the assignment of the Loans and collaterals with respect to third parties, fully on the terms given in section 3.7.2.1.7 of the Building Block.

Moreover, and for the same purposes of mitigating the aforesaid risk, provision has been made for certain means which are described in sections 3.4.4.1 (Treasury Account), 3.4.5 (Collection by the Fund of payments in respect of the assets) and 3.7.2.1.2 (Collection management) of the Building Block.

In the event of bankruptcy of the Management Company, it must be replaced by another management company in accordance with the provisions of article 19 of Royal Decree 926/1998.

The structure of the envisaged asset securitisation transaction does not, other than in the event of a breach by the parties, allow the existence of any cash amounts that could be included in the Management Company's estate because the Fund's income shall, on the terms provided for in this Prospectus, be paid into the account opened in the name of the Fund by the Management Company (that is involved in opening that account not only as a simple attorney for the Fund but as the Fund's authorised representative).

Subject to the above, insolvency of any of the parties involved (whether the Originators, the Management Company or any other of the Fund's counterparties) could affect their contractual relations with the Fund.

## 2 Risks derived from the securities.

### a) Liquidity

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

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

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

### b) Yield.

Calculation of the yield (internal rate of return) of the Bonds in each Series contained in section 4.10 of the Securities Note is subject to future market interest rates, given the floating nature of the Nominal Interest Rate of each Series.

**c) Duration.**

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

**d) Late-payment interest.**

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

**e) Subordination of the Bonds.**

Series B Bond interest payment and principal repayment is deferred with respect to Class A (Series A1 and A2(G)) Bonds. Series C Bond interest payment and principal repayment is in turn deferred with respect to Class A (Series A1 and A2(G)) and Series B Bonds. Series D Bond interest payment and principal repayment is in turn deferred with respect to Class A (Series A1 and A2(G)), Series B and Series C Bonds. However, there is no certainty that these subordination rules will protect Series A1, A2(G), B, C and D Bondholders from the risk of loss.

According to the Bond servicing tables of section 4.10.1 of the Securities Note, drawn up based on the assumptions given therein, the credit enhancement of Series A2(G) provided by Series B and C and the Cash Reserve does not cover the outstanding principal of Series A2(G) in full, because in those circumstances (i) there are partial principal repayments of Series B and C upon the Conditions for Pro Rata Amortisation given in section 4.9.3.6 of the Securities Note being satisfied, (ii) there is a total amortisation of Series A1 upon the Conditions for Pro Rata Amortisation of Class A established in said section 4.9.3.6 not being satisfied, and (iiii) there is a reduction of the Required Cash Reserve amount as provided for in section 3.4.2.2 of the Building Block. According to these same tables, the application of the rules for Distribution of Available Funds for Amortisation of Series A1, A2(G), B and C results in Series A2(G) Bond amortisation beginning 22 and 19 Payment Dates after Series B and C amortisation begins based on performance assumptions of the future effective constant annual early amortisation or prepayment rate of 8% and 12%, respectively. In addition, it is noteworthy that, in those events, as set out in said section, the average life of Series A2(G) Bonds is longer than the average life of Series B and C Bonds.

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

**f) Deferment of interest.**

This Prospectus and the other supplementary documents relating to the Bonds provide for Series B and C Bond interest payment to be deferred in the Priority of Payments in the event of the circumstances provided for in section 3.4.6.2.1.2 of the Building Block occurring.

**g) Bond Rating.**

The credit risk of the Bonds issued by the Fund has been assessed by the following rating agencies: Fitch Ratings España S.A. and Moody's Investors Service España S.A.

The rating agencies may revise, suspend or withdraw the final ratings assigned at any time, based on any information that may come to their notice.

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

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

### a) Risk of default on the Loans.

Bondholders shall bear the risk of default on the Loans pooled in the Fund.

The Originators shall have no liability whatsoever for the Obligors' default of principal, interest or any other amount they may owe under the Loans. Under article 348 of the Commercial Code, The Originators are liable to the Fund for the existence and lawfulness of the Loans, and for the personality with which the assignment is made. The Originators will have no liability whatsoever to directly or indirectly guarantee that the transaction will be properly performed nor give any guarantees or security, nor indeed agree to repurchase the Loans, other than the undertakings contained in section 2.2.9 of the Building Block regarding substitution or redemption of Loans or Pass-Through Certificates failing to conform, upon the Fund being established, to the representations given in section 2.2.8 of the Building Block.

The Bonds issued by the Fund neither represent nor constitute an obligation of the Originators or the Management Company. With the exception of the State guarantee given for the Series A2(G) Bonds, no other guarantees have been granted by any public or private organisation whatsoever, including the Originators, the Management Company and any of their affiliated or associated companies.

### b) Limited Hedging.

A high level of delinquency of the Loans might reduce or indeed exhaust the limited hedging against Loan losses that the Bonds in each Series distinctly have as a result of the existence of the credit enhancement transactions described in section 3.4.2 of the Building Block. Additionally, that risk of default is covered for the Series A2(G) Bonds by the Spanish State guarantee described in section 3.4.2.3 of the Building Block.

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

### c) Loan prepayment risk.

There will be a prepayment of the Loans pooled in the Fund when the Obligors prepay the portion of principal pending repayment on the Loans, or in the event that an Originator should be substituted in the relevant Loans by any other financial institution licensed to do so, or in any other event having the same effect.

That prepayment risk shall pass quarterly on each Payment Date to Bondholders by the partial amortisation of the Bonds, in accordance with the provisions of the rules for application of Available Funds and for Distribution of Available Funds for Amortisation respectively contained in sections 3.4.6.2.1 of the Building Block and 4.9.3.5 of the Securities Note.

# SECURITIES REGISTRATION DOCUMENT

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

## 1. PERSONS RESPONSIBLE

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

Mr Mario Masiá Vicente, acting for and on behalf of EUROPEA DE TITULIZACIÓN S.A. SOCIEDAD GESTORA DE FONDOS DE TITULIZACIÓN (the "**Management Company**"), the company sponsoring RURALPYME 2 FTPYME FONDO DE TITULIZACIÓN DE ACTIVOS (the "**Fund**" and/or the "**Issuer**"), takes responsibility for the contents of this Registration Document.

Mr Mario Masiá Vicente is acting as General Manager of the Management Company using the authorities conferred by the Board of Directors at its meetings held on January 19, 1993 and January 28, 2000, and expressly for establishing the Fund pursuant to authorities conferred by the Board of Directors at its meeting held on July 18, 2006.

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

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

## 2. STATUTORY AUDITORS

### 2.1 Fund's Auditors.

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

The Fund's annual accounts shall be audited and reviewed every year by statutory auditors. The Fund's annual accounts and their audit report shall be filed with the Companies Register.

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

### 2.2 Accounting policies used by the Fund.

Income and expenditure will be accounted for by the Fund in accordance with the accruals principle, i.e. in accordance with the actual flow represented by such income and expenditure, irrespective of when they are collected and paid.

The expenses of setting up the Fund and issue and admission of the Bonds will be subject to a straight-line depreciation during the months elapsing since the establishment of the Fund until December 31, 2011, inclusive.

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

## 3. RISK FACTORS

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

## 4. INFORMATION ABOUT THE ISSUER

### 4.1 Statement that the issuer has been established as a securitisation fund.

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

The Fund shall have closed-end assets and liabilities.

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

The issuer's name is "RURALPYME 2 FTPYME FONDO DE TITULIZACIÓN DE ACTIVOS" and the following short names may also be used without distinction to identify the Fund:

- RURALPYME 2 FTPYME FTA
- RURALPYME 2 FTPYME F.T.A.

### 4.3 Place of registration of the issuer and registration number.

The place of registration of the Fund is in Spain at the Comisión Nacional del Mercado de Valores (*National Securities Market Commission*) (the "**CNMV**"). The Fund was entered in the Official Registers of the CNMV on November 23, 2006.

***Companies Register***

For the record, neither the establishment of the Fund nor the Bonds issued backed by its assets shall be entered in the Companies Register, in pursuance of the facultative authority for which provision is made in article 5.4 of Royal Decree 926/1998.

### 4.4 Date of establishment and existence of the issuer.

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

The Management Company shall, in the presence of CAIXA POPULAR-CAIXA RURAL, S.C.C.V., CAIXA RURAL DE BALEARS, S.C.C., CAJA RURAL ARAGONESA Y DE LOS PIRINEOS, S.C.C., CAJA RURAL CENTRAL, S.C.C., CAJA RURAL DE ARAGÓN, S.C.C., CAJA RURAL DE BURGOS, C.C., , CAJA RURAL DE CIUDAD REAL, S.C.C., CAJA RURAL DE CÓRDOBA, S.C.C., CAJA RURAL DE GIJÓN, C.C., CAJA RURAL DE NAVARRA, S.C.C., CAJA RURAL DE TERUEL, S.C.C., CAJA RURAL DE ZAMORA, C.C., CAJA RURAL DEL MEDITERRÁNEO, RURALCAJA, S.C.C. and CAJA RURAL DEL SUR, S.C.C., proceed to execute on November 24, 2006 a public deed whereby RURALPYME 2 FTPYME FONDO DE TITULIZACIÓN DE ACTIVOS will be established, the Originators will assign to the Fund Non-Mortgage Loans and Mortgage Loans, the latter by means of the issue of Pass-Through Certificates, and the Fund will issue the Asset-Backed Bonds (the "**Deed of Constitution**"), on the terms provided in article 6 of Royal Decree 926/1998.

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

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

### 4.4.2 Existence of the Fund.

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

The Fund shall be in existence until April 25, 2030 or the following Business Day if that is not a Business Day, the Final Maturity Date of the Bond Issue, unless there should previously have been an Early Liquidation as set forth in section 4.4.3 of this Registration Document or any of the events laid down in section 4.4.4 of this Registration Document should occur.

### 4.4.3 Early Liquidation of the Fund.

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

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

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

(ii) Where, in any event or circumstance whatsoever unrelated to the Fund's operations, a substantial alteration occurs or the financial balance of the Fund required by article 11.b) of Royal Decree 926/1998 is permanently damaged. This event includes such circumstances as the existence of any change in the law or supplementary implementing regulations, the establishment of withholding obligations or other situations which might permanently affect the financial balance of the Fund.

(iii) In the event that the Management Company should be adjudged insolvent, or the statutory term to do so or otherwise four months should elapse without a new management company being designated in accordance with the provisions of section 3.7.1.3 of the Building Block.

(iv) When a default occurs indicating a major permanent imbalance in relation to any of the Bonds issued or that it is about to occur.

(v) Upon the lapse of thirty-six (36) months from the date of the last maturity of the Loans, even if amounts are still due and payable.

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

(i) That Bondholders be given not less than fifteen (15) Business Days' notice, as prescribed in section 4.1.3.2 of the Building Block, of the Management Company's resolution to proceed to an Early Liquidation of the Fund.

(ii) That the Management Company previously advise the CNMV and the Rating Agencies of that notice.

(iii) The notice of the Management Company's resolution to proceed to an Early Liquidation of the Fund shall contain a description of (i) the event or events for which an Early Liquidation of the Fund is effected, (ii) the liquidation procedure, and (iii) the manner in which the payment obligations derived from the Bonds are to be honoured and settled in the Liquidation Priority of Payments.

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

(i) Shall, notwithstanding the provisions of paragraph (iv) below, proceed to sell the Loans remaining in the Fund for a price of not less than the sum of the principal still outstanding plus interest accrued and not paid on the relevant Loans.

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

(iii) Shall be entitled to arrange for a credit facility, which shall be fully allocated to the early amortisation of Series A1, A2(G), B and C Bonds then outstanding and repayment of amounts due to the State upon the State Guarantee being enforced for Series A2(G), the financial cost of which (interest and fees and expenses, if any) may not exceed the average Nominal Interest Rate of Series A1, A2(G), B and C then outstanding, weighted by the Outstanding Principal Balance of each those Series. The financial expenses due shall be paid and credit facility principal shall be repaid in accordance with the Liquidation Priority of Payments of the Fund.

(iv) Finally, both due to the preceding actions falling short and the existence of Loans or other remaining assets of the Fund, the Management Company shall proceed to sell them and shall therefore invite a bid from at least five (5) entities who may, in its view, give a market value. The Management Company shall be bound to accept the best bid received for the Loans and for the assets on offer. In order to set the market value, the Management Company may secure such valuation reports as it shall deem necessary.

In events (i) and (iv) above, each Originator shall have a pre-emptive right and will therefore have priority over third parties to acquire the Loans originated by each Originator or other remaining Loan assets still on the assets of the Fund, and shall, in event (iii) above, have priority to grant the credit facility to the Fund. The Management Company shall therefore send each Originator a list of the relevant Loans and the remaining Loan assets offered by the Management Company and of third-party bids received, and each Originator may use that right for all of the relevant Loans and other Loan assets offered by the Management Company or the credit facility within five (5) Business Days of receiving said notice, and provided that its bid is at least equal to the best of the third-party bids.

The Management Company shall forthwith apply all the proceeds from the sale of the Fund's assets to paying the various items, in such manner, amount and order as shall be requisite in the Liquidation Priority of Payments, other than the amounts, if any, drawn under the credit facility arranged for Early Amortisation of Series A1, A2(G), B and C Bonds then outstanding, which shall be fully applied to Early Amortisation of these Series and repayment of amounts due to the State upon the State Guarantee being enforced for Series A2(G).

### 4.4.4 Termination of the Fund.

The Fund shall terminate in any of the following events:

(i) Upon the Loans pooled therein being fully amortised.

(ii) Upon the Bonds issued being fully amortised.

(iii) When the Early Liquidation procedure established in section 4.4.3 above is over.

(iv) Upon the final liquidation of the Fund on the Final Maturity Date on April 25, 2030 or the following Business Day if that is not a Business Day.

(v) Upon the establishment of the Fund terminating in the event that the Rating Agencies should not confirm any of the assigned provisional ratings as final ratings by the start of the Subscription Period. In this event, the Management Company shall terminate the establishment of the Fund, the assignment of the loans to the Fund and the Bond issue.

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

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

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

Upon a period of six (6) months elapsing from liquidation of the Fund's remaining assets and distribution of the Liquidation Available Funds, the Management Company shall execute a statutory declaration before a notary public declaring (i) that the Fund has terminated, and the events prompting its termination, (ii) how Bondholders and the CNMV were notified, and (iii) how the Liquidation Available Funds were distributed in the Liquidation Priority of Payments; notice of this shall be given in a nation-wide newspaper and all other appropriate administrative procedures will be observed. The Management Company will submit that statutory declaration to the CNMV.

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

In accordance with the provisions of article 1.1 of Royal Decree 926/1998, the Fund has no own legal personality, and Securitisation Fund Management Companies are entrusted with establishing, managing and legally representing those funds, and, as managers of third-party portfolios, with representing and enforcing the interests of the holders of the securities issued by the Funds they manage and of all their other ordinary creditors.

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

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

The establishment of the Fund is subject to Spanish Law and in particular is carried out in pursuance of the provisions of the Ministerial Order dated December 28, 2001, amended by Economy Ministry Order ECO/1064/2003, April 29, relating to Agreements for Sponsoring Asset Securitisation Funds to foster business financing (the "**Order of December 28, 2001**") and in accordance with the legal system provided for by (i) Royal Decree 926/1998, May 14, regulating asset securitisation funds and securitisation fund management companies ("**Royal Decree 926/1998**") and implementing regulations, (ii) Investment Trusts and Companies System and Mortgage Securitisation Funds Act 19/1992, July 7 ("**Act 19/1992**"), failing a provision in Royal Decree 926/1998 and to the extent applicable, (iii) Act 3/1994, April 14, adapting Spanish law in regard to credit institutions to the Second Banking Co-ordination Directive and introducing other changes relating to the financial system ("**Act 3/1994**"), (iv) Royal Decree 1310/2005, November 4, partly implementing Securities Market Act 24/1988, July 28, in regard to admission to trading of securities in official secondary markets, public offerings for sale or subscription and the prospectus required for that purpose, (v) Commission Regulation (EC) No. 809/2004, April 29, 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements, and (vi) all other legal and statutory provisions in force and applicable from time to time.

**4.5.1 Tax system of the Fund.**

In accordance with the provisions of article 1.2 of Royal Decree 926/1998; of article 5.10 of Act 19/1992; of article 7.1.h) of the Consolidation of the Corporation Tax Act approved by Legislative Royal Decree 4/2004, March 5; of article 20.One.18 of Value Added Tax Act 37/1992, December 28; of article 59.k of the Corporation Tax Regulations approved by Royal Decree 1777/2004, July 30; of article 45.I.B).15 of the Consolidation of the Capital Transfer and Documents Under Seal Tax Act approved by Legislative Royal Decree 1/1993, September 24; and additional provision five of Act 3/1994, the following are the characteristics of the current tax system of the Fund:

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

(ii) Bond issue, subscription and amortisation is exempt from payment of Value Added Tax and Capital Transfer and Documents Under Seal Tax.

(iii) The Fund is liable to pay Corporation Tax at the general rate in force from time to time, which currently stands at 35%.

(iv) As for returns on the Loans, including the Pass-Through Certificates, or other credit rights constituting Fund income, there shall be no Corporation Tax withholding or interim payment obligation.

(v) The Fund management and custody services shall be exempt from Value Added Tax.

(vi) The assignment of the Loans and the transfer to the Fund of the Pass-Through Certificates is a transaction subject to and exempt from Value Added Tax.

**4.6 Issuer's authorised and issued capital.**

Not applicable.

**5. BUSINESS OVERVIEW**

**5.1 Brief description of the issuer's principal activities.**

The Fund's activity is to acquire a set of loans owned by CAIXA POPULAR-CAIXA RURAL, S.C.C.V, CAIXA RURAL DE BALEARS, S.C.C., CAJA RURAL ARAGONESA Y DE LOS PIRINEOS, S.C.C., CAJA RURAL CENTRAL, S.C.C., CAJA RURAL DE ARAGÓN, S.C.C., CAJA RURAL DE BURGOS, C.C., CAJA RURAL DE CIUDAD REAL, S.C.C., CAJA RURAL DE CÓRDOBA, S.C.C., CAJA RURAL DE GIJÓN, C.C.., CAJA RURAL DE NAVARRA, S.C.C., CAJA RURAL DE TERUEL, S.C.C., CAJA RURAL DE ZAMORA, C.C., CAJA RURAL DEL MEDITERRÁNEO, RURALCAJA, S.C.C. and CAJA RURAL DEL SUR, S.C.C. granted to sole traders and non-financial small and medium-sized enterprises, as defined by the European Commission (Recommendation of May 6, 2003 replacing the Recommendation of April 3, 1996) domiciled in Spain (the "**Obligors**"), and to issue asset-backed bonds, the underwritten placement of which is targeted at qualified investors.

The selected loans may be classified based on their collaterals into:

(i) Loans with real estate mortgage security originated in a public deed (the "**Mortgage Loans**").

The Mortgage Loans shall be assigned to the Fund upon the Originators issuing and the Fund subscribing for Pass-Through Certificates subject to the provisions of Act 2/1981 and additional provision five of Act 3/1994 as worded by article 18 of Act 44/2002, on the terms provided for in section 3.3 of the Building Block.

(ii) Loans without security, secured by pledging money or with third-party personal guarantees, originated in a public document, which are enforceable (Civil Procedure Act article 517) (the "**Non-Mortgage Loans**").

The Non-Mortgage Loans shall be directly assigned to the Fund upon being sold by the Originators and acquired by the Fund, on the terms provided for in section 3.3 of this Building Block.

In this Registration Document and elsewhere in the Prospectus the term "**Loans**" shall be used in some definitions to refer generically to the Non-Mortgage Loans and the Mortgage Loans or the Pass-Through Certificates perfecting their assignment.

Interest and principal repayment income and other Loan amounts received by the Fund shall be allocated quarterly on each Payment Date to Bond interest payment and principal repayment on the specific terms of each of the series (the "**Series**") making up the issue of Bonds and in the order of priority established for Fund payments.

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

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

- EUROPEA DE TITULIZACIÓN, S.A., SOCIEDAD GESTORA DE FONDOS DE TITULIZACIÓN ("**EUROPEA DE TITULIZACIÓN**") is the Management Company that will establish, manage and legally represent the Fund and has structured the financial terms of Fund and the Bond Issue.

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

  VAT REG. No.: A-80514466 Business Activity Code No.: 6713

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

- CAIXA POPULAR-CAIXA RURAL, S.C.C.V., CAIXA RURAL DE BALEARS, S.C.C., CAJA RURAL ARAGONESA Y DE LOS PIRINEOS, S.C.C., CAJA RURAL CENTRAL, S.C.C., CAJA RURAL DE ARAGÓN, S.C.C., CAJA RURAL DE BURGOS, C.C., CAJA RURAL DE CIUDAD REAL, S.C.C., CAJA RURAL DE CÓRDOBA, S.C.C., CAJA RURAL DE GIJÓN, C.C., CAJA RURAL DE NAVARRA, S.C.C., CAJA RURAL DE TERUEL, S.C.C., CAJA RURAL DE ZAMORA, C.C., CAJA RURAL DEL MEDITERRÁNEO, RURALCAJA, S.C.C. and CAJA RURAL DEL SUR, S.C.C., are the Originators of the Loans to be assigned to the Fund upon being established and shall be the Fund's counterparty in the Series D Bond Subscription, Start-Up Loan, Loan Servicing and Financial Intermediation Agreements.

- CAIXA POPULAR-CAIXA RURAL, S.C.C.V. ("**CAIXA POPULAR-CAIXA RURAL**") is a credit co-operative incorporated in Spain and entered in the Companies Register of Valencia, Volume 6212, Book 3518, Section 8, Folio 183, Sheet V-35594, entry 56.

  VAT Reg. No.: F-46090650 Business Activity Code No.: 65123

  Registered office: Avda. Juan de la Cierva, 9, 46980 Paterna-Valencia (Spain).

  CAIXA POPULAR-CAIXA RURAL has no ratings assigned by the Rating Agencies.

- CAIXA RURAL DE BALEARS S.C.C. ("**CAIXA RURAL DE BALEARS**") is a credit co-operative incorporated in Spain and entered in the Companies Register of Majorca, Companies Volume 966, Folio 73, Sheet PM-7591, entry 4, and also entered in the Co-Operative Companies Register, Central Section, Volume VII, Folio 631, entry number 17 and registration number SMT-779.

  VAT Reg. No.: F-07053788 Business Activity Code No.: 65123

  Registered office: Antonio Gaudí, 2, 07013 Palma, Majorca-Balearic Isles (Spain).

  CAIXA RURAL DE BALEARS has no ratings assigned by the Rating Agencies.

- CAIXA RURAL ARAGONESA Y DE LOS PIRINEOS, S.C.C. ("**MULTICAJA**") is a credit co-operative incorporated in Spain and entered in the Companies Register of Huesca, Volume 467, Book 7, Folio 1, section 8, Sheet HU-6,254, entry 1, and in the Co-Operative Companies Register, Central Section, Volume LIV, Folio 5,319, entry number 1, registration number 2185-SMT.

  VAT Reg. No.: F-22252076 Business Activity Code No.: 65123

  Registered office: Berenguer, 2-4 , 22002 Huesca (Spain).

  MULTICAJA has no ratings assigned by the Rating Agencies.

- CAJA RURAL CENTRAL S.C.C. ("**CAJA RURAL CENTRAL**") is a credit co-operative incorporated in Spain and entered in the Companies Register of Alicante, general volume 857, Book 1, Section 4, Folio 4, Entry 1, and in the Co-Operative Companies Register under number 135/SMT.

  VAT Reg. No.: F-03014677 Business Activity Code No.: 65123

  Registered office: Dr. Sarget, 29, 03300 Orihuela (Spain).

  CAJA RURAL CENTRAL has no ratings assigned by the Rating Agencies.

- CAJA RURAL DE ARAGÓN S.C.C. ("**CAJA RURAL DE ARAGÓN**") is a credit co-operative incorporated in Spain and entered in the Companies Register of Zaragoza, Volume 3074, Folio 108, Sheet Z-12968 and in the Co-Operative Companies Register under no. 38/two.

  VAT Reg. No.: F-50020213 Business Activity Code No.: 65123

  Registered office: Coso, 29, 50003 Zaragoza (Spain).

  CAJA RURAL DE ARAGÓN has no ratings assigned by the Rating Agencies.

- CAJA RURAL DE BURGOS C.C. ("**CAJA RURAL DE BURGOS**") is a credit co-operative incorporated in Spain and entered in the Companies Register of Burgos, Volume 316, Book 107, Folio 84, Sheet BU-3766 .

  VAT Reg. No.: F-09006495 Business Activity Code No.: 65123

  Registered office: Plaza de España, s/n, 09005 Burgos (Spain).

  CAJA RURAL DE BURGOS has no ratings assigned by the Rating Agencies.

- CAJA RURAL DE CIUDAD REAL S.C.C. ("**CAJA RURAL DE CIUDAD REAL**") is a credit co-operative incorporated in Spain and entered in the Companies Register of Ciudad Real, Volume 116, Folio 1, Sheet CR-4.301.

  VAT Reg. No.: F-13002829 Business Activity Code No.: 65123

  Registered office: Alarcos, 23, 13001 Ciudad Real (Spain).

  CAJA RURAL DE CIUDAD REAL has no ratings assigned by the Rating Agencies.

- CAJA RURAL DE CÓRDOBA S.C.C. ("**CAJA RURAL DE CÓRDOBA**") is a credit co-operative incorporated in Spain and entered in the Companies Register of Córdoba, Volume 419, Sheet CO-104.

  VAT Reg. No.: F-14012892 Business Activity Code No.: 65123

  Registered office: Ronda de los Tejares, 36, 14008 Córdoba (Spain).

  CAJA RURAL DE CÓRDOBA has no ratings assigned by the Rating Agencies.

- CAJA RURAL DE GIJÓN, C.C. ("**CAJA RURAL DE GIJÓN**") is a credit co-operative incorporated in Spain and entered in the Co-Operative Companies Register, Volume 13, Folio 1,278, entry 12, number AS-262, entry 10.

  VAT Reg. No.: F-33604455 Business Activity Code No.: 65123

  Registered office: Infancia, 10, 33027 Gijón-Asturies (Spain).

  CAJA RURAL DE GIJÓN has no ratings assigned by the Rating Agencies.

- CAJA RURAL DE NAVARRA S.C.C. ("**CAJA RURAL DE NAVARRA**") is a credit co-operative incorporated in Spain and entered in the Companies Register of Navarre, Volume 11, Folio 175, Sheet NA-183, entry 1.

  VAT Reg. No.: F-31021611 Business Activity Code No.: 65123

  Registered office: Plaza de los Fueros, 1, 31002 Pamplona (Spain).

  Ratings for the short- and long-term unsecured and unsubordinated debt obligations of Caja Rural de Navarra assigned by the rating agencies:

| | Fitch Ratings |
|---|---|
| **Short-term** | F2 (March 20, 2006) |
| **Long-term** | A- (March 20, 2006) |

- CAJA RURAL DE TERUEL S.C.C. ("**CAJA RURAL DE TERUEL**") is a credit co-operative incorporated in Spain and entered in the Companies Register of Teruel, Book 85, Folio 110, Sheet TE42.

  VAT Reg. No.: F44002756 Business Activity Code No.: 65123

  Registered office: Plaza Carlos Castel, 14, 44001 Teruel (Spain).

  CAJA RURAL DE TERUEL has no ratings assigned by the Rating Agencies.

- CAJA RURAL DE ZAMORA C.C. ("**CAJA RURAL DE ZAMORA**") is a credit co-operative incorporated in Spain and entered in the Companies Register of Zamora, Folio 1, Companies Volume 114 in the Co-Operatives Section, Sheet ZA-1,343, entry 1.

  VAT Reg. No.: F49002454 Business Activity Code No.: 65123

  Registered office: Avda. Alfonso IX, 7, 49013 Zamora (Spain).

  CAJA RURAL DE ZAMORA has no ratings assigned by the Rating Agencies.

- CAJA RURAL DEL MEDITERRÁNEO, RURALCAJA, S.C.C. ("**CAJA RURAL DEL MEDITERRÁNEO, RURALCAJA**") is a credit co-operative incorporated in Spain and entered in the Companies Register of Valencia, Volume 3073, Folio 97, Sheet V-5578, entry 1 and in the Co-Operatives Register, Central Section, under no. 199 SMT.

  VAT Reg. No.: F46028064 Business Activity Code No.: 65123

  Registered office: Paseo de la Alameda, 34, 46023 Valencia (Spain).

  Ratings for the short- and long-term unsecured and unsubordinated debt obligations of Caja Rural del Mediterráneo, Ruralcaja assigned by the rating agencies:

| | Fitch Ratings |
|---|---|
| **Short-term** | F2 (August 25, 2006) |
| **Long-term** | A- (August 25, 2006) |

- CAJA RURAL DEL SUR S.C.C. ("**CAJA RURAL DEL SUR**") is a credit co-operative incorporated in Spain and entered in the Companies Register of Seville, Volume 3,240, Folio 1, Sheet SE-43.895, entry 1.

  VAT Reg. No.: F-91119065 Business Activity Code No.: 65123

  Registered office: Murillo, 2, 41001 Seville (Spain).

| | Fitch Ratings |
|---|---|
| **Short-term** | F2 (November 13, 2006) |
| **Long-term** | A- (November 13, 2006) |

- BANCO COOPERATIVO ESPAÑOL, S.A. ("**BANCO COOPERATIVO**") shall be one of the Bond Issue Lead Managers and one of the Series A1, A2(G), B and C Bond Underwriters and Placement Agents.

  Out of the functions and activities that Lead Managers may discharge in accordance with article 35.1 of Royal Decree 1310/2005, BANCO COOPERATIVO will, together with the other Lead Managers, do the following: (i) temporary and marketing actions and activities in connection with the offering for Series A1, A2(G), B and C Bond subscription, (ii) liaising with potential investors, (iii) coordinating the other Underwriters and Placement Agents, and (iv) all other actions and activities provided for in respect of the Lead Managers in the Securities Note.

  It shall also be the Fund's counterparty in the Guaranteed Interest Rate Account (Treasury Account), Interest Swap, Bond Paying Agent and Loan Servicing (as potential substitute in certain circumstances for the Servicers) Agreements.

  BANCO COOPERATIVO is a bank incorporated and registered in Spain and entered in the Bank of Spain's Special Register of Banks and Bankers under code number 0198.

  VAT REG. No.: A-79496055 Business Activity Code No.: 65121

  Registered office: Calle Virgen de los Peligros number 4, Madrid 28013

  Ratings for the short- and long-term unsecured and unsubordinated debt obligations of BANCO COOPERATIVO assigned by the rating agencies:

| | Fitch Ratings | Moody's Ratings |
|---|---|---|
| **Short-term** | F1 (December 2, 2005) | P-1 (October 13, 2003) |
| **Long-term** | A (February 23, 2006) | A2 (October 13, 2003) |

- DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main ("**DZ BANK**") shall be one of the Bond Issue Lead Managers, one of the Underwriters and Placement Agents and one of Series A1, A2(G), B and C Bond subscription book runners.

  Out of the functions and activities that Lead Managers may discharge in accordance with article 35.1 of Royal Decree 1310/2005, DZ BANK will, together with the other Lead Managers, do the following: (i) temporary and marketing actions and activities in connection with the offering for Bond Issue subscription, (ii) liaising with potential investors and being a Series A1, A2(G), B and C Bond subscription book runner, (iii) coordinating the other Underwriters and Placement Agents, and (iv) all other actions and activities provided for in respect of the Lead Managers in the Securities Note.

  DZ BANK AG is a bank incorporated and registered in Germany, entered in the German Trade Register under number 46561 and with registered office in Germany at Platz der Republik 60265 Frankfurt am Main. In addition, DZ BANK AG is registered with the Bank of Spain as a Community credit institution, operating in Spain without an establishment

- THE ROYAL BANK OF SCOTLAND PLC ("**RBS**") shall be one of the Bond Issue Lead Managers, one of the Underwriters and Placement Agents and one of Series A1, A2(G), B and C Bond subscription book runners.

  Out of the functions and activities that Lead Managers may discharge in accordance with article 35.1 of Royal Decree 1310/2005, RBS will, together with the other Lead Managers, do the following: (i) temporary and marketing actions and activities in connection with the offering for Bond Issue subscription, (ii) liaising with potential investors and being a Series A1, A2(G), B and C Bond subscription book runner, (iii) coordinating the other Underwriters and Placement Agents, and (iv) all other actions and activities provided for in respect of the Lead Managers in the Securities Note.

  RBS is a credit institution with registered office in Edinburgh (United Kingdom), registered under number SC090312 and operating from its UK establishment at 135 Bishopsgate, London, EC2M 3UR. In addition, RBS is registered with the Bank of Spain as a Community credit institution under code number 1477, operating in Spain with an establishment.

- SOCIÉTÉ GÉNÉRALE, SUCURSAL EN ESPAÑA ("**SOCIÉTÉ GÉNÉRALE**") shall be one of the Bond Issue Lead Managers, one of the Underwriters and Placement Agents and one of Series A1, A2(G), B and C Bond subscription book runners.

  Out of the functions and activities that Lead Managers may discharge in accordance with article 35.1 of Royal Decree 1310/2005, SOCIÉTÉ GÉNÉRALE will, together with the other Lead Managers, do the following: (i) temporary and marketing actions and activities in connection with the offering for Bond Issue subscription, (ii) liaising with potential investors and being a Series A1, A2(G), B and C Bond subscription book runner, (iii) coordinating the other Underwriters and Placement Agents, and (iv) all other actions and activities provided for in respect of the Lead Managers in the Securities Note.

  SOCIÉTÉ GÉNÉRALE is a bank incorporated in France acting through its Spanish Branch, which is entered in the Bank of Spain as a foreign Community credit institution under code number 0108 and entered in the Companies Register of Madrid, Volume 10,205, Folio 35, Sheet 18,909, entry 480.

  VAT REG. No.: A0011682B

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

- CAJA DE AHORROS DE VALENCIA, CASTELLÓN Y ALICANTE, BANCAJA ("**BANCAJA**") shall be one of the Series A1, A2(G), B, C and D Bond Underwriters and Placement Agents.

  BANCAJA is a Savings Bank incorporated in Spain, entered in the Companies Register of Castellón and in the Bank of Spain's Special Register of Popular Savings Banks under number 49, its code number being 2077.

  C.I.F.: G-46/002804

  VAT REG. No.: G-46/002804

  Registered office: Caballeros number 2, 12001 Castellón (Spain).

  Principal place of business: Pintor Sorolla number 8, 46002 Valencia (Spain).

- BANCO PASTOR, S.A. ("**BANCO PASTOR**") shall be one of the Series A1, A2(G), B, C and D Bond Underwriters and Placement Agents.

  BANCO PASTOR is a bank incorporated in Spain, entered in the Companies Register of Corunna at volume 91, book 3, section 3, folio 107, sheet 33, entry 1, and in the Bank of Spain's Special Register of Banks and Bankers under number R-2, its code number being 0072.

  VAT REG. No.: A-15000128

  Registered office: Cantón Pequeño number 1, 15003 Corunna (Spain).

- BANCO BILBAO VIZCAYA ARGENTARIA, S.A. ("**BBVA**") shall be one of the Series A1, A2(G), B, C and D Bond Underwriters and Placement Agents.

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

  VAT REG. No.: A-48265169 Business Activity Code No.: 65121

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

  Principal places of business: Paseo de la Castellana number 81, 28046 Madrid

  Gran Vía number 1, 48001 Bilbao

  Paseo de Recoletos number 10, 28001 Madrid

- DANSKE BANK S/A ("**DANSKE BANK**") shall be one of the Series A1, A2(G), B, C and D Bond Underwriters and Placement Agents.

  DANSKE BANK is a credit institution with registered office in Copenhagen (Denmark), registered under number 3,000 and operating from its establishment in Denmark at Holmens Kanal 2-12 DK-1092 Copenhagen. In addition, DANSKE BANK is registered with the Bank of Spain as a Community credit institution, operating in Spain without an establishment.

- FITCH RATINGS ESPAÑA, S.A. is one of the two rating agencies (collectively, the "**Rating Agencies**") of each Series in the Bond Issue.

  Fitch Ratings España, S.A. is a Spanish company licensed as a rating agency by the CNMV, which is affiliated to and operates in accordance with the methodology, standards and quality control of Fitch Ratings Limited (each of them "**Fitch**" without distinction).

  VAT REG. No.: A-58090655

  Registered Office: Paseo de Gracia number 85, 08008 Barcelona (Spain)

- MOODY'S INVESTORS SERVICE ESPAÑA, S.A. is one of the two Rating Agencies of each Series in the Bond Issue.

  Moody's Investors Service España, S.A. is a Spanish company licensed as a rating agency by the CNMV, which is affiliated to and operates in accordance with the methodology, standards and quality control of Moody's Investors Service Limited (each of them "**Moody's**" without distinction).

  VAT REG. No.: A-80448475

  Registered Office: Bárbara de Braganza number 2, 28004 Madrid (Spain)

- The law firm LOVELLS ("**LOVELLS**") has provided legal advice for establishing the Fund and issuing the Bonds and reviewed the tax implications thereof.

  VAT Reg. Number: N0067537A

  Registered Office: Paseo de la Castellana, 51, 28046 Madrid (Spain)

- PRICEWATERHOUSECOOPERS AUDITORES S.L. ("**PRICEWATERHOUSECOOPERS**") have issued an audit on certain characteristics and attributes of a sample of all the Originators' selected loans from which the Loans will be taken to be assigned to the Fund upon being established.

  PRICEWATERHOUSECOOPERS are entered in the Official Register of Auditors (ROAC) of Spain under number S0242.

  VAT Reg. Number: B-79031290

  Registered Office: Paseo de la Castellana number 43 28046 Madrid (Spain)

BANCO COOPERATIVO has a 0.77 percent interest in EUROPEA DE TITULIZACIÓN's share capital.

CAIXA POPULAR-CAIXA RURAL, CAIXA RURAL DE BALEARS, CAJA RURAL ARAGONESA Y DE LOS PIRINEOS, CAJA RURAL CENTRAL, CAJA RURAL DE ARAGÓN, CAJA RURAL DE BURGOS, CAJA RURAL DE CIUDAD REAL, CAJA RURAL DE CÓRDOBA, CAJA RURAL DE GIJÓN, CAJA RURAL DE NAVARRA, CAJA RURAL DE TERUEL, CAJA RURAL DE ZAMORA, CAJA RURAL DEL MEDITERRÁNEO, RURALCAJA, and CAJA RURAL DEL SUR have a joint 35.16% interest in BANCO COOPERATIVO's share capital.

The following table gives each originator's share in the share capital of BANCO COOPERATIVO.

| Originator | Share (%) |
|---|---|
| CAIXA POPULAR-CAIXA RURAL, S.C.C.V. | 0.77 |
| CAIXA RURAL DE BALEARS, S.C.C. | 0.32 |
| CAJA RURAL ARAGONESA Y DE LOS PIRINEOS, S.C.C. | 3.72 |
| CAJA RURAL CENTRAL, S.C.C. | 1.28 |
| CAJA RURAL DE ARAGON, S.C.C. | 2.07 |
| CAJA RURAL DE BURGOS, C.C. | 1.13 |
| CAJA RURAL DE CIUDAD REAL, S.C.C. | 1.80 |
| CAJA RURAL DE CORDOBA, S.C.C. | 1.39 |
| CAJA RURAL DE GIJÓN, C.C.. | 0.34 |
| CAJA RURAL DE NAVARRA, S.C.C. | 4.67 |
| CAJA RURAL DE TERUEL, S.C.C. | 0.84 |
| CAJA RURAL DE ZAMORA, C.C. | 1.30 |

| Originator | Share (%) |
|---|---|
| CAJA RURAL DEL MEDITERRANEO, RURALCAJA, S.C.C. | 9.34 |
| CAJA RURAL DEL SUR, S.COOP. DE CREDITO | 6.19 |
| | **35.16** |

BANCO BILBAO VIZCAYA ARGENTARIA S.A. has an 82.97% interest in the share capital of EUROPEA DE TITULIZACIÓN.

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

## 6. ADMINISTRATION, MANAGEMENT AND SUPERVISORY BODIES

The Management Company, EUROPEA DE TITULIZACIÓN, S.A., SOCIEDAD GESTORA DE FONDOS DE TITULIZACIÓN, shall be responsible for the management and legal representation of the Fund on the terms set in Royal Decree 926/1998, Act 19/1992, failing a provision in Royal Decree 926/1998 and to the extent applicable, and other applicable laws, and on the terms of the Deed of Constitution.

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

EUROPEA DE TITULIZACIÓN, S.A., SOCIEDAD GESTORA DE FONDOS DE TITULIZACIÓN was incorporated in a public deed executed on January 19, 1993 before Madrid Notary Public Mr Roberto Blanquer Uberos, his document number 117, with the prior authorisation of the Economy and Finance Ministry, given on December 17, 1992, and entered in the Companies Register of Madrid at volume 5,461, book 0, folio 49, section 8, sheet M-89355, entry 1, on March 11, 1993; the company was re-registered as a Securitisation Fund Management Company in accordance with the provisions of chapter II and in the single transitional provision of Royal Decree 926/1998, May 14, regulating asset securitisation funds and securitisation fund management companies, pursuant to an authorisation granted by a Ministerial Order dated October 4, 1999 and in a deed executed on October 25, 1999 before Madrid Notary Public Mr Luis Felipe Rivas Recio, his document number 3,289, which was entered under number 33 of the sheet opened for the Company in said Companies Register.

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

### 6.2 Audit.

The annual accounts of EUROPEA DE TITULIZACIÓN for the years ended on December 31, 2005, 2004 and 2003 have been audited by the firm Deloitte S.L., with place of business at Madrid, and entered in the Official Register of Auditors (ROAC) under number S0692.

The audit reports on the annual accounts for the years 2005, 2004 and 2003 have no provisos.

### 6.3 Principal activities.

The exclusive objects of EUROPEA DE TITULIZACIÓN are to establish, manage and legally represent both asset securitisation funds and mortgage securitisation funds.

EUROPEA DE TITULIZACIÓN managed 60 securitisation funds as at November 15, 2006, 21 being mortgage securitisation funds and 39 being asset securitisation funds.

The following table itemises the 60 securitisation funds managed, giving their date of establishment and the face amount of the bonds issued by those funds and their outstanding principal balances as at October 31, 2006.

| Securitisation Fund | Establishment | Bond Issue Initially EUR | Bond Balance 31.10.2006 EUR | Issue Δ% | Bond Balance 31.12.2005 EUR | Issue Δ% | Bond Issue Balance 31.12.2004 EUR |
|---|---|---|---|---|---|---|---|
| **TOTAL** | | **55,020,546,652.96** | **38,037,985,401.38** | **17.1%** | **32,490,363,122.22** | **49.44%** | **21,742,066,167.51** |
| **Mortgage (FTH)** | | **12,627,546,652.96** | **6,870,479,435.49** | **6.1%** | **6,475,261,178.18** | **14.32%** | **5,664,315,494.43** |
| Bankinter 12 FTH | 06.03.2006 | 1,200,000,000.00 | 1,200,000,000.00 | | | | |
| Valencia Hipotecario 2 FTH | 07.12.2005 | 950,000,000.00 | 830,584,559.95 | -12.6% | 950,000,000.00 | | |
| Bankinter 11 FTH | 28.11.2005 | 900,000,000.00 | 900,000,000.00 | 0.0% | 900,000,000.00 | | |
| Bankinter 7 FTH | 18.02.2004 | 490,000,000.00 | 321,112,065.82 | -10.0% | 356,717,443.60 | -19.5% | 443,242,308.18 |
| Bankinter 5 FTH | 16.12.2002 | 710,000,000.00 | 408,240,616.78 | -12.4% | 465,770,758.79 | -18.1% | 568,496,104.12 |
| BZ Hipotecario 4 FTH | 27.11.2002 | 313,400,000.00 | 133,590,667.48 | -21.8% | 170,910,609.60 | -20.4% | 214,702,964.80 |
| Rural Hipotecario IV FTH | 14.11.2002 | 520,000,000.00 | 264,657,421.32 | -15.0% | 311,312,202.68 | -18.7% | 383,066,455.30 |
| Bancaja 4 FTH | 05.11.2002 | 1,000,000,000.00 | 449,702,168.10 | -15.2% | 530,288,384.35 | -21.7% | 676,910,165.65 |
| Bankinter 4 FTH | 24.09.2002 | 1,025,000,000.00 | 613,969,175.84 | -11.8% | 695,988,565.76 | -13.6% | 805,537,009.40 |
| Rural Hipotecario III FTH | 14.05.2002 | 325,000,000.00 | 157,864,785.04 | -13.7% | 182,884,293.55 | -17.5% | 221,756,180.86 |
| Bankinter 3 FTH | 22.10.2001 | 1,322,500,000.00 | 636,195,596.86 | -15.4% | 752,104,867.20 | -14.8% | 882,775,463.04 |
| BZ Hipotecario 3 FTH | 23.07.2001 | 310,000,000.00 | 104,762,637.42 | -20.2% | 131,343,594.55 | -20.2% | 164,493,197.56 |
| Rural Hipotecario II FTH | 29.05.2001 | 235,000,000.00 | 91,948,172.80 | -15.4% | 108,722,959.00 | -19.6% | 135,215,972.80 |
| BZ Hipotecario 2 FTH | 28.04.2000 | 285,000,000.00 | 64,459,847.58 | -18.8% | 79,335,648.86 | -24.0% | 104,365,347.64 |
| Rural Hipotecario I FTH | 22.02.2000 | 200,000,000.00 | 56,092,663.88 | -18.3% | 68,686,186.28 | -20.5% | 86,384,087.06 |
| Bankinter 2 FTH | 25.10.1999 | 320,000,000.00 | 113,458,270.94 | -17.1% | 136,877,163.99 | -16.5% | 163,903,710.50 |
| Bankinter 1 FTH | 12.05.1999 | 600,000,000.00 | 149,656,739.58 | -20.6% | 188,428,409.46 | -19.3% | 233,577,234.54 |
| BZ Hipotecario 1 FTH | 16.04.1999 | 350,000,000.00 | 68,215,759.46 | -19.8% | 85,068,186.20 | -22.9% | 110,269,777.88 |
| Hipotecario 2 FTH | 04.12.1998 | 1,051,771,182.67 | 248,299,767.84 | -12.9% | 285,097,903.72 | -21.5% | 363,220,856.66 |
| Bancaja 2 FTH | 23.10.1998 | 240,404,841.75 | 45,073,251.00 | -24.8% | 59,937,667.99 | -22.4% | 77,225,834.66 |
| Bancaja 1 FTH | 18.07.1997 | 120,202,420.88 | 12,595,267.80 | -20.2% | 15,786,332.60 | -25.8% | 21,266,914.30 |
| BBV-MBS I FTH | 30.11.1995 | 90,151,815.66 | liquidated | | 0.00 | -100.0% | 7,905,909.48 |
| Hipotecario 1 FTH | 20.09.1993 | 69,116,392.00 | liquidated | | | | |
| **Asset (FTA)** | | **42,393,000,000.00** | **31,167,505,965.89** | **19.8%** | **26,015,101,944.04** | **61.8%** | **16,077,750,673.08** |
| Valencia Hipotecario 3 FTA | 15.11.2006 | 911,000,000.00 | | | | | |
| BBVA-5 FTPYME FTA | 23.10.2006 | 1,900,000,000.00 | 1,900,000,000.00 | | | | |
| PYME Bancaja 5 FTA | 02.10.2006 | 1,178,800,000.00 | 1,178,800,000.00 | | | | |
| Bankinter 2 PYME FTA | 26.06.2006 | 800,000,000.00 | 800,000,000.00 | | | | |
| Consumo Bancaja 1 FTA | 26.06.2006 | 612,900,000.00 | 612,900,000.00 | | | | |
| Rural Hipotecario VIII FTA | 26.05.2006 | 1,311,700,000.00 | 1,311,700,000.00 | | | | |
| BBVA Consumo 1 FTA | 08.05.2006 | 1,500,000,000.00 | 1,500,000,000.00 | | | | |
| MBS Bancaja 3 FTA | 03.04.2006 | 810,000,000.00 | 740,693,320.00 | | | | |
| Bancaja 9 FTA | 02.02.2006 | 2,022,600,000.00 | 1,825,400,160.00 | | | | |
| BBVA Autos 2 FTA | 12.12.2005 | 1,000,000,000.00 | 1,000,000,000.00 | 0.0% | 1,000,000,000.00 | | |
| EdtTFTPYME Pastor 3 FTA | 05.12.2005 | 520,000,000.00 | 380,805,675.83 | -26.8% | 520,000,000.00 | | |
| Rural H. Global I FTA | 18.11.2005 | 1,078,000,000.00 | 932,164,120.79 | -13.5% | 1,078,000,000.00 | | |
| FTPYME BANCAJA 4 FTA | 07.11.2005 | 1,524,000,000.00 | 986,887,779.41 | -35.2% | 1,524,000,000.00 | | |
| BBVA 4 PYME FTA | 26.09.2005 | 1,250,000,000.00 | 1,250,000,000.00 | 0.0% | 1,250,000,000.00 | | |
| Bankinter 10 FTA | 27.06.2005 | 1,740,000,000.00 | 1,740,000,000.00 | 0.0% | 1,740,000,000.00 | | |
| MBS Bancaja 2 FTA | 27.06.2005 | 809,200,000.00 | 616,537,933.20 | -17.3% | 745,472,663.52 | | |
| BBVA Hipotecario 3 FTA | 13.06.2005 | 1,450,000,000.00 | 1,094,247,315.45 | -17.2% | 1,321,621,631.30 | | |
| Rural Hipotecario VII FTA | 29.04.2005 | 1,100,000,000.00 | 885,696,791.81 | -11.6% | 1,002,428,919.05 | | |
| Bancaja 8 FTA | 22.04.2005 | 1,680,100,000.00 | 1,253,797,200.56 | -18.6% | 1,539,361,229.38 | | |
| Bankinter 9 FTA | 14.02.2005 | 1,035,000,000.00 | 860,813,028.16 | -16.8% | 1,035,000,000.00 | | |
| BBVA-3 FTPYME FTA | 29.11.2004 | 1,000,000,000.00 | 589,349,210.82 | -41.1% | 1,000,000,000.00 | 0.0% | 1,000,000,000.00 |
| Ruralpyme 1 FTPYME FTA | 23.11.2004 | 214,000,000.00 | 141,137,931.67 | -18.4% | 173,024,296.72 | -19.1% | 214,000,000.00 |
| BBVA Autos 1 FTA | 25.10.2004 | 1,000,000,000.00 | 1,000,000,000.00 | 0.0% | 1,000,000,000.00 | 0.0% | 1,000,000,000.00 |
| FTPYME Bancaja 3 FTA | 11.10.2004 | 900,000,000.00 | 429,398,848.87 | -52.3% | 900,000,000.00 | 0.0% | 900,000,000.00 |
| Bancaja 7 FTA | 12.07.2004 | 1,900,000,000.00 | 1,244,980,790.90 | -28.9% | 1,750,000,000.00 | -7.9% | 1,900,000,000.00 |
| Rural Hipotecario VI FTA | 07.07.2004 | 950,000,000.00 | 651,118,829.40 | -16.7% | 781,477,860.25 | -14.9% | 918,039,044.03 |
| MBS Bancaja 1 FTA | 17.05.2004 | 690,000,000.00 | 390,122,268.90 | -43.5% | 690,000,000.00 | 0.0% | 690,000,000.00 |
| Valencia H 1 FTA | 23.04.2004 | 472,000,000.00 | 328,207,962.38 | -11.6% | 371,107,375.09 | -14.9% | 436,154,049.09 |
| Bankinter 8 FTA | 03.03.2004 | 1,070,000,000.00 | 743,635,114.22 | -11.3% | 837,970,768.01 | -14.1% | 976,014,308.21 |
| Bancaja 6 FTA | 03.12.2003 | 2,080,000,000.00 | 1,129,024,080.60 | -17.6% | 1,369,610,139.04 | -34.2% | 2,080,000,000.00 |
| Rural Hipotecario V FTA | 28.10.2003 | 695,000,000.00 | 433,784,211.92 | -13.2% | 499,528,194.12 | -15.5% | 591,221,073.84 |
| Bankinter 6 FTA | 25.09.2003 | 1,350,000,000.00 | 933,178,418.38 | -10.6% | 1,043,250,162.72 | -12.4% | 1,191,555,147.63 |
| FTPYME Bancaja 2 FTA | 19.09.2003 | 500,000,000.00 | 190,138,306.78 | -29.7% | 270,480,639.80 | -44.0% | 483,139,909.38 |
| Bancaja 5 FTA | 14.04.2003 | 1,000,000,000.00 | 478,827,993.55 | -20.7% | 604,031,954.00 | -20.4% | 758,585,912.95 |
| Bancaja 3 FTA | 29.07.2002 | 520,900,000.00 | 520,900,000.00 | 0.0% | 520,900,000.00 | 0.0% | 520,900,000.00 |
| FTPYME Bancaja 1 FTA | 04.03.2002 | 600,000,000.00 | 255,514,370.40 | -2.1% | 260,899,034.40 | -56.5% | 600,000,000.00 |
| BBVA-2 FTPYME ICO | 01.12.2000 | 900,000,000.00 | 175,048,960.77 | -42.9% | 306,595,443.42 | -39.7% | 508,081,398.75 |
| BCL Municipios I FTA | 21.06.2000 | 1,205,000,000.00 | 459,377,520.00 | -22.9% | 595,672,530.00 | -26.9% | 815,121,170.00 |
| BBVA-1 FTA | 24.02.2000 | 1,112,800,000.00 | 203,317,821.12 | -28.6% | 284,669,103.22 | -42.5% | 494,938,659.20 |

6.4 **Share capital and equity.**

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

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

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

| *(EUR)* | 31.12.2005 | Δ% | 31.12.2004 | Δ% | 31.12.2003 |
|---|---|---|---|---|---|
| **Equity *** | **3,095,298.97** | **0.00%** | **3,095,298.97** | **0.03%** | **3,094,300.50** |
| Capital | 1,803,037.50 | 0.00% | 1,803,037.50 | 0.00% | 1,803,037.50 |
| Reserves | 1,292,261.47 | 0.00% | 1,292,261.47 | 0.08% | 1,291,263.00 |
| *Legal* | *360,607.50* | *0.00%* | *360,607.50* | *0.28%* | *359,609.03* |
| *Voluntary* | *931,653.97* | *0.00%* | *931,653.97* | *0.00%* | *931,653.97* |
| **Year's profit** | **1,789,429.69** | **0.14%** | **1,786,915.94** | **0.84%** | **1,772,026.40** |

* Does not include year's profit

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

There are no shareholdings in any other company.

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

The government and management of the Management Company are entrusted under the Articles of Association to the General Shareholders' Meeting and the Board of Directors. Their duties and authorities are as prescribed for those bodies in the Public Limited Companies Act and in Royal Decree 926/1998, in relation to the objects.

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

**Board of Directors**

The Board of Directors has the following membership:

**Chairman:** Mr Roberto Vicario Montoya (*)

**Directors:** (1)
Mr Ignacio Aldonza Goicoechea
Mr Luis Bach Gómez (*)
Mr José Mª. Castellón Leal on behalf of Barclays Bank, S.A. (*)
Mr Ignacio Echevarría Soriano (2)
Ms Ana Fernández Manrique (*)
Mr Juan Gortázar Sánchez-Torres
Mr Mario Masiá Vicente (*)
Mr Arturo Miranda Martín on behalf of J.P. Morgan España, S.A. (*) (3)
Ms Carmen Pérez de Muniaín Marzana (*)
Mr Jesús del Pino Durán
Mr José Miguel Raboso Díaz on behalf of Citibank España, S.A
Mr Jorge Sáenz de Miera on behalf of Deutsche Bank Credit, S.A.

Mr José Manuel Tamayo Pérez
Mr Borja Uriarte Villalonga on behalf of Bankinter, S. A.
BNP Paribas España, S.A. (2)

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

(*) Member of the Board of Directors' Executive Committee.
(1) Mr Carlos Pertejo Muñoz's resignation as Vice-Chairman and member of the Board of Directors in a letter dated May 23, 2006 and Banco Cooperativo Español, S.A.'s resignation as a member of the Board of Directors made at the General Shareholders' Meeting held on June 30, 2006 are yet to be entered in the Companies Register.
(2) Mr Ignacio Echevarría Soriano's and BNP Paribas España, S.A.'s appointment as members of the Board of Directors made at the General Shareholders' Meeting held on June 30, 2006 is yet to be entered in the Companies Register. BNP Paribas España, S.A.'s appointment is yet to be notified to the CNMV.
(3) The change of individual representative of the member of the Board of Directors J.P. Morgan España, S.A., made at the General Shareholders' Meeting held on June 30, 2006 is yet to be entered in the Companies Register.

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

**General Manager.**

The General Manager of the Management Company is Mr Mario Masiá Vicente.

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

None of the persons referred to in the preceding section performs outside the Management Company any activities which are significant with respect to the Fund.

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

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

6.9 **Litigation in the Management Company.**

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

## 7. MAJOR SHAREHOLDERS

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

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

| Name of shareholder company | Holding * (%) |
|---|---|
| Banco Bilbao Vizcaya Argentaria, S.A. | 82.9703 |
| J.P. Morgan España, S.A. | 4.0000 |
| Caja de Ahorros del Mediterráneo | 1.5420 |
| Bankinter, S.A. | 1.5317 |
| Barclays Bank, S.A. | 1.5317 |
| Citibank España, S.A. | 1.5317 |
| Deutsche Bank Credit, S.A. | 0.7658 |
| Deutsche Bank, S.A.E. | 0.7658 |
| Banco Cooperativo Español, S.A. | 0.7658 |
| Banco Pastor, S.A. | 0.7658 |
| Banco de la Pequeña y Mediana Empresa, S.A. | 0.7658 |
| Banco Sabadell, S.A. | 0.7658 |

| Name of shareholder company | Holding * (%) |
|---|---|
| Banco Urquijo, S.A. | 0.7658 |
| BNP Paribas España, S.A. | 0.7658 |
| Caja de Ahorros y Monte de Piedad de Madrid | 0.3829 |
| Caja de Ahorros de Salamanca y Soria - Caja Duero | 0.3829 |
| | 100.0000 |

For the purposes of Commercial Code article 42, EUROPEA DE TITULIZACIÓN is a member of Banco Bilbao Vizcaya Argentaria Group.

EUROPEA DE TITULIZACIÓN has established an Internal Code of Conduct in fulfilment of the provisions of Chapter II of Royal Decree 629/1993, May 3, on operating standards in securities markets and mandatory registrations, which has been notified to the CNMV.

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

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

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

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

Not applicable.

### 8.2 bis Historical financial information for issues of securities having a denomination per unit of at least EUR 50,000.

Not applicable.

### 8.3 Legal and arbitration proceedings.

Not applicable.

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

Not applicable.

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

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

No statement or report is included.

### 9.2 Information sourced from a third party.

No information is included.

## 10. DOCUMENTS ON DISPLAY

### 10.1 Documents on display.

If necessary, the following documents or copies thereof may be inspected during the period of validity of this Registration Document:

a) the Deed of Constitution of the Fund;

b) the transcripts of the Management Company's and the Originators' corporate resolutions;

c) this Prospectus;

d) the agreements to be entered into by the Management Company for and on behalf of the Fund;

e) the Economy and Finance Ministry's Order granting the Series A2(G) Bonds the Spanish State's guarantee;

f) the audit report on certain characteristics and attributes of a sample of all the Originators' selected loans from which the Loans will be taken to be assigned to the Fund upon being established;

g) the letters from the Rating Agencies notifying the ratings assigned to each of the Series in the Bond Issue;

h) the letter statements from the Lead Managers of the Bond Issue;

i) the letter statements from the Originators of the Loans;

j) the notarial certificate of payment of the Bond Issue, once the Bond Issue is paid up;

k) the Management Company's annual accounts and the relevant audit reports; and

l) the articles of association and memorandum of association of the Management Company.

Those documents may be physically obtained at the registered office of EUROPEA DE TITULIZACIÓN at Madrid, calle Lagasca number 120.

Moreover, the Prospectus can also be accessed at the website of EUROPEA DE TITULIZACIÓN at www.edt-sg.com and of AIAF at www.aiaf.es, and is available to investors interested in the offer at the registered offices of the Underwriters and Placement Agents.

The Deed of Constitution of the Fund may be physically accessed at the place of business of Iberclear in Madrid, Plaza de la Lealtad number 1.

In addition, the documents listed in a) to k) may be obtained at the CNMV.

# SECURITIES NOTE

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

## 1 PERSONS RESPONSIBLE

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

Mr Mario Masiá Vicente, acting for and on behalf of EUROPEA DE TITULIZACIÓN S.A. SOCIEDAD GESTORA DE FONDOS DE TITULIZACIÓN, the company sponsoring RURALPYME 2 FTPYME FONDO DE TITULIZACIÓN DE ACTIVOS, takes responsibility for the contents of this Securities Note.

Mr Mario Masiá Vicente is acting as General Manager of the Management Company using the authorities conferred by the Board of Directors at its meetings held on January 19, 1993 and January 28, 2000, and expressly for establishing the Fund pursuant to authorities conferred by the Board of Directors' Executive Committee at its meeting held on July 18, 2006.

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

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

## 2 RISK FACTORS

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

The risk factors linked to the assets backing the issue are described in section 3 of Risk Factors of this Prospectus.

## 3 KEY INFORMATION

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

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

a) EUROPEA DE TITULIZACIÓN is the Fund Management Company and has structured the financial terms of the Fund and the Bond Issue.

b) CAIXA POPULAR-CAIXA RURAL, CAIXA RURAL DE BALEARS, CAJA RURAL ARAGONESA Y DE LOS PIRINEOS, CAJA RURAL CENTRAL, CAJA RURAL DE ARAGÓN, CAJA RURAL DE BURGOS, CAJA RURAL DE CIUDAD REAL, CAJA RURAL DE CÓRDOBA, CAJA RURAL DE GIJÓN, CAJA RURAL DE NAVARRA, CAJA RURAL DE TERUEL, CAJA RURAL DE ZAMORA, CAJA RURAL DEL MEDITERRÁNEO, RURALCAJA and CAJA RURAL DEL SUR are the Originators of the Loans to be pooled in the Fund and shall be the Series D Bond subscribers. They shall moreover act as the Fund's counterparty in the Start-Up Loan, Loan Servicing and Financial Intermediation Agreements.

c) BANCO COOPERATIVO, DZ BANK, RBS and SOCIÉTÉ GÉNÉRALE are involved as Bond Issue Lead Managers and Series A1, A2(G), B and C Bond Underwriters and Placement Agents.

d) DZ BANK, RBS and SOCIÉTÉ GÉNÉRALE are involved as placement agents in charge of keeping the Series A1, A2(G), B and C Bond subscription orders book (*joint book runners*).

e) BANCAJA, BANCO PASTOR, BBVA and DANSKE BANK are involved as Series A1, A2(G), B and C Bond Underwriters and Placement Agents.

f) BANCO COOPERATIVO is involved as Paying Agent of the Bond Issue and as the Fund's counterparty in the Guaranteed Interest Rate Account (Treasury Account), Interest Swap and Loan Servicing (as potential substitute in certain circumstances for the Servicers) Agreements.

The Management Company is not aware of the existence of any other significant link or economic interest between the aforesaid institutions involved in the Bond Issue, other than what is strictly professional derived from their involvement as detailed in this section and in section 3.2 of the Building Block, saving as described in section 5.2 of the Registration Document.

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

### 4.1 Total amount of the securities.

The total face value amount of the issue of asset-backed bonds (the "**Bond Issue**" and the "**Bonds**") is EUR six hundred and seventeen million fifty thousand (617,050,000.00) consisting of six thousand four hundred and eleven (6,411) Bonds denominated in euros and comprised of four Bond Classes, distributed into five Series as follows:

a) Class A comprising two Series having a total face amount of EUR five hundred and forty million seven hundred thousand (540,700,000.00) (either "**Class A**" or the "**Class A Bonds**"):

   i) Series A1 having a total face amount of EUR four hundred and eighty-seven million (487,000,000.00) comprising four thousand eight hundred and seventy (4,870) Bonds having a unit face value of EUR one hundred thousand (100,000), represented by means of book entries (either "**Series A1**" or the "**Series A1 Bonds**").

   ii) Series A2(G) having a total face amount of EUR fifty-three million seven hundred thousand (53,700,000.00) comprising five hundred and thirty-seven (537) Bonds having a unit face value of EUR one hundred thousand (100,000), represented by means of book entries (either "**Series A2(G)**" or the "**Series A2(G) Bonds**").

b) Class B comprising a single Series B having a total face amount of EUR twenty-nine million one hundred thousand (29,100,000.00) comprising two hundred and ninety-one (291) Bonds having a unit face value of EUR one hundred thousand (100,000), represented by means of book entries (either "**Series B**" or the "**Series B Bonds**").

c) Class C comprising a single Series C having a total face amount of EUR twenty-three million two hundred thousand (23,200,000.00) comprising two hundred and thirty-two (232) Bonds having a unit face value of EUR one hundred thousand (100,000), represented by means of book entries (either "**Series C**" or the "**Series C Bonds**").

d) Class D comprising a single Series D having a total face amount of EUR twenty-four million fifty thousand (24,050,000.00) comprising four hundred and eighty-one (481) Bonds having a unit face value of EUR fifty thousand (50,000), represented by means of book entries (either "**Series D**" or the "**Series D Bonds**").

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

#### 4.1.1 Underwriting and placement of Series A1, A2(G), B and C Bonds.

The Series A1, A2(G), B and C Bonds shall be underwritten and placed by BANCO COOPERATIVO ESPAÑOL, S.A. ("**BANCO COOPERATIVO**"), DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main ("**DZ BANK**"), THE ROYAL BANK OF SCOTLAND PLC ("**RBS**") and SOCIÉTÉ GÉNÉRALE, SUCURSAL EN ESPAÑA ("**SOCIÉTÉ GÉNÉRALE**") as Lead Managers and Underwriters and Placement Agents, and CAJA DE AHORROS DE VALENCIA, CASTELLÓN Y ALICANTE, BANCAJA

(“**BANCAJA**”), BANCO PASTOR, S.A. (“**BANCO PASTOR**”), BANCO BILBAO VIZCAYA ARGENTARIA, S.A. (“**BBVA**”) and DANSKE BANK S/A (“**DANSKE BANK**”) as Underwriters and Placement Agents, under the Series A1, A2(G), B and C Bond Management, Underwriting and Placement Agreement to be entered into by the Management Company for and on behalf of the Fund.

The Underwriters and Placement Agents shall take on the obligations laid down in the Series A1, A2(G), B and C Bond Management, Underwriting and Placement Agreement, which are broadly the following: 1) securing placement for third-party subscription of the Series A1, A2(G), B and C Bonds; 2) an undertaking to subscribe on their own account for the Series A1, A2(G), B and C Bonds not subscribed for by third parties during the Subscription Period, up to the amounts of their respective underwriting commitments; 3) payment by the Underwriters and Placement Agents (except BANCO COOPERATIVO) to the Paying Agent, by 2pm (CET time) on the Closing Date, for same day value, of the face amount of the Series A1, A2(G), B and C Bonds they shall have placed and subscribed for on their own account, as the case may be, up to their respective underwriting commitments, whereupon the Paying Agent shall proceed to pay to the Fund, by 3pm (CET time), for same day value, the amount received from the other Underwriters and Placement Agents and the face amount of the Series A1, A2(G), B and C Bonds it shall have placed as Underwriter and Placement Agent, and subscribed for, as the case may be, on its own account up to its respective underwriting commitment; 4) an undertaking to pay late-payment interest covenanted in the agreement in the event of late payment of amounts due; 5) providing subscribers with a document proving subscription; 6) providing the Paying Agent with Series A1, A2(G), B and C Bond placement dissemination control information; and 7) all other aspects governing underwriting and placement.

The following is the commitment by each Underwriter and Placement Agent in relation to its joint involvement in underwriting placement of the Series A1, A2(G), B and C Bonds:

| Underwriter and Placement Agent | Series A1 Bonds | Series A2(G) Bonds | Series B Bonds | Series C Bonds |
|---|---|---|---|---|
| BANCO COOPERATIVO | 116,700,000.00 | 13,400,000.00 | 7,200,000.00 | 5,800,000.00 |
| DZ BANK | 116,800,000.00 | 13,400,000.00 | 7,300,000.00 | 5,800,000.00 |
| RBS | 116,700,000.00 | 13,500,000.00 | 7,300,000.00 | 5,800,000.00 |
| SOCIÉTÉ GÉNÉRALE | 116,800,000.00 | 13,400,000.00 | 7,300,000.00 | 5,800,000.00 |
| BANCAJA | 5,000,000.00 | 0.00 | 0.00 | 0.00 |
| BANCO PASTOR | 5,000,000.00 | 0.00 | 0.00 | 0.00 |
| BBVA | 5,000,000.00 | 0.00 | 0.00 | 0.00 |
| DANSKE BANK | 5,000,000.00 | 0.00 | 0.00 | 0.00 |
| **Total** | **487,000,000.00** | **53,700,000.00** | **29,100,000.00** | **23,200,000.00** |

The Underwriters and Placement Agents of each Series A1, A2(G), B and C shall altogether receive an underwriting and placement fee from the Fund, based on the face amount of the Bonds in the relevant Series, comprised between 0.05% and 0.10%, both inclusive.

The underwriting and placement fee applicable to the face amount of the Series A1, A2(G), B and C Bonds shall be determined with one accord by the Lead Managers and notified in writing to the Management Company by 10am (CET time) on the day of the Subscription Period (November 27, 2006). Failing an agreement between the Lead Managers, the Management Company shall set the underwriting and placement fee in respect of Series for which there was no agreement at 0.10%.

The underwriting and placement fee applicable to the Bonds in each of Series A1, A2(G), B and C Bonds to have been set shall be notified by the Management Company by the start of the Subscription Period to the Underwriters and Placement Agents and to the CNMV.

The Paying Agent shall pay each Series A1, A2(G), B and C Underwriter and Placement Agent on the Closing Date the underwriting and placement fee amount they shall each have accrued, after they have in turn paid the face amount of the Bonds they shall each have placed and subscribed for on their own account, as the case may be, up to their respective underwriting commitments.

BANCO COOPERATIVO, DZ BANK, RBS and SOCIÉTÉ GÉNÉRALE shall be involved as Lead Managers in the Bond Issue. They shall not be howsoever remunerated for managing the Bond Issue.

The Series A1, A2(G), B and C Management, Underwriting and Placement Agreement shall be fully terminated in the event that the Rating Agencies should not confirm the provisional ratings assigned to each Series as final ratings by the start of the Subscription Period.

### 4.1.2 Subscription for the Series D Bonds.

Subscription for all of the Series D Bonds shall be carried out exclusively by the Originators under a Series D Bond Subscription Agreement to be entered into by the Management Company, for and on behalf of the Fund, and the Originators.

The Originators shall take on the obligations contained in the Series D Bond Subscription Agreement, which are broadly the following: 1) subscribing for the Series D Bonds in their own name up to their respective joint subscription commitments; 2) payment by the Originators to the Paying Agent by 2pm (CET time) on the Closing Date, for same day value, of the face amount of the Series D Bonds they shall each have subscribed for, whereupon the Paying Agent shall proceed to pay the amount received to the Fund, by 3pm (CET time), for same day value; 3) an undertaking to pay late-payment interest covenanted in the Agreement in the event of late payment of the amounts due; and 4) all other aspects governing subscription for the Series D Bonds.

The number of Series D Bonds and the relevant face value to be subscribed for by each Originator shall be determined upon the Fund being established in proportion to the face value of the Loans assigned by each Originator and pooled in the Fund.

The Series D Bond Subscription Agreement shall be fully terminated in the event that the Rating Agencies should not confirm the provisional ratings assigned to each Series as final ratings by the start of the Subscription Period.

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

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

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

The establishment of the Fund and the Bond Issue are subject to Spanish Law in accordance with the legal system provided for by (i) Royal Decree 926/1998 and implementing regulations, (ii) Act 19/1992 failing a provision in Royal Decree 926/1998 and to the extent applicable, (iii) the Securities Market Act, (iv) Commission Regulation (EC) No. 809/2004 of April 29, 2004, (v) Royal Decree 1310/2005, November 4, partly implementing Securities Market Act 24/1998, July 28, in regard to admission to trading of securities in official secondary markets, public offerings for sale or subscription and the prospectus required for that purpose, (vi) in pursuance of the Order of December 28, 2001, and (vii) all other legal and statutory provisions in force and applicable from time to time.

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

The Bonds issued by the Fund will be exclusively represented by means of book entries, and will become such Bonds when entered at Iberclear, the institution in charge of the accounting record, in accordance with article 11 of Royal Decree 116/1992. In this connection, and for the record, the Deed of Constitution shall have the effects prescribed by article 6 of the Securities Market Act.

Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores S.A. (“**Iberclear**”), with place of business at Plaza de la Lealtad, no. 1, 28014 Madrid, shall be the institution designated in the Deed of Constitution to account for the Bonds in order for the Bonds to be cleared and settled in accordance with the operating rules regarding securities listed on the AIAF and represented by means of book entries, established now or henceforth by Iberclear or AIAF.

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

**4.5 Currency of the issue.**

The Bonds shall be denominated in Euros.

**4.6 Ranking of the securities.**

Series B Bond interest payment and principal repayment is deferred with respect to Class A (Series A1 and A2(G)) Bonds, as provided in the Priority of Payments and in the Liquidation Priority of Payments.

Series C Bond interest payment and principal repayment is deferred with respect to Class A (Series A1 and A2(G)) and Series B Bonds, as provided in the Priority of Payments and in the Liquidation Priority of Payments.

Series D Bond interest payment and principal repayment is deferred with respect to Class A (Series A1 and A2(G)), Series B and Series C Bonds, as provided in the Priority of Payments and in the Liquidation Priority of Payments.

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

Payment of interest accrued by Series A1 and A2(G) Bonds is (i) third ($3^{rd}$) in the application of Available Funds in the Priority of Payments established in section 3.4.6.2.1.2 of the Building Block, and (ii) fourth ($4^{th}$) in the application of Liquidation Available Funds in the Liquidation Priority of Payments established in section 3.4.6.3 of the Building Block.

Payment of interest accrued by Series B Bonds is (i) fourth ($4^{th}$) in the application of Available Funds in the Priority of Payments established in said section 3.4.6.2.1.2 of the Building Block, other than in the event provided for in that same section for the same to be deferred, in which case it shall be seventh ($7^{th}$), and (ii) sixth ($6^{th}$) in the application of Liquidation Available Funds in the Liquidation Priority of Payments established in section 3.4.6.3 of the Building Block.

Payment of interest accrued by Series C Bonds is (i) fifth ($5^{th}$) in the application of Available Funds in the Priority of Payments established in said section 3.4.6.2.1.2 of the Building Block, other than in the event provided for in that same section for the same to be deferred, in which case it shall be eighth ($8^{th}$), and (ii) eighth ($8^{th}$) in the application of Liquidation Available Funds in the Liquidation Priority of Payments established in section 3.4.6.3 of the Building Block.

Payment of interest accrued by Series D Bonds is (i) tenth ($10^{th}$) in the application of Available Funds in the Priority of Payments established in said section 3.4.6.2.1.2 of the Building Block, and (ii) eleventh ($11^{th}$) in the application of Liquidation Available Funds in the Liquidation Priority of Payments established in section 3.4.6.3 of the Building Block.

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

The Series A1, A2(G), B and C Amortisation Withholding amount designed for amortising the Bonds as a whole without distinction between Series is sixth ($6^{th}$) in the application of Available Funds in the Priority of Payments established in section 3.4.6.2.1.2 of the Building Block.

Repayment of Series A1, A2(G), B and C Bond principal shall take place in accordance with the rules for Distribution of Available Funds for Amortisation of Series A1, A2(G), B and C contained in section 4.9.3.6 of this Securities Note.

Repayment of Series D Bond principal is eleventh (11$^{th}$) in the application of Available Funds in the Priority of Payments established in section 3.4.6.2.1.2 of the Building Block.

Repayment of Series A1 and A2(G) Bond principal is fifth (5$^{th}$) in the application of Liquidation Available Funds in the Liquidation Priority of Payments established in section 3.4.6.3 of the Building Block.

Repayment of Series B Bond principal is seventh (7$^{th}$) in the application of Liquidation Available Funds in the Liquidation Priority of Payments established in section 3.4.6.3 of the Building Block.

Repayment of Series C Bond principal is ninth (9$^{th}$) in the application of Liquidation Available Funds in the Liquidation Priority of Payments established in section 3.4.6.3 of the Building Block.

Repayment of Series D Bond principal is twelfth (12$^{th}$) in the application of Liquidation Available Funds in the Liquidation Priority of Payments established in section 3.4.6.3 of the Building Block.

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

#### 4.7.1 General.

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

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

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

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

All matters, disagreements, actions and claims deriving from the Management Company's establishment, administration and legal representation of the Fund and the Bond Issue by the same shall be heard and ruled upon by the competent Spanish Courts and Tribunals.

#### 4.7.2 Spanish State Guarantee for the Series A2(G) Bonds.

In a Ministerial Order, the Economy and Finance Ministry shall provide the Fund before it is established with a guarantee (the "**State Guarantee**") whereby the Spanish State will guarantee, waiving the benefit of discussion established in Civil Code article 1830, payment of such economic obligations as may be enforceable on the Fund deriving from the Series A2(G) Bonds for a face amount of EUR fifty-three million seven hundred thousand (53,700,000.00).

The general characteristics of the State Guarantee and its enforcement are given in section 3.4.2.3 of the Building Block.

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

### 4.8.1 Bond nominal interest rate.

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

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

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

#### 4.8.1.1 Interest accrual.

For interest accrual purposes, the duration of each Bond Series shall be divided into successive interest accrual periods ("**Interest Accrual Periods**") comprising the exact number of days elapsed between every two consecutive Payment Dates, each Interest Accrual Period including the beginning Payment Date but not including the ending Payment Date. Exceptionally, the duration of the first Interest Accrual Period shall be equivalent to the exact number of days elapsed between the Closing Date, November 29, 2006, inclusive, and the first Payment Date, April 25, 2007, exclusive.

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

#### 4.8.1.2 Nominal Interest Rate.

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

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

(ii) a margin for each Series as follows:

- **Series A1:** margin ranging between 0.12% and 0.16%, both inclusive.
- **Series A2(G):** margin ranging between 0.01% and 0.04%, both inclusive.
- **Series B:** margin ranging between 0.25% and 0.40%, both inclusive.
- **Series C:** margin ranging between 0.55% and 0.75%, both inclusive.
- **Series D:** 4.00% margin.

The margin applicable to each Series A1, A2(G), B and C, expressed as a percentage, shall be determined with one accord among the Lead Managers within the ranges established in the preceding paragraph for each Series and notified in writing to the Management Company by 10am (CET time) on the day of the Subscription Period (November 27, 2006).

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

- **Series A1:** 0.16% margin.
- **Series A2(G):** 0.04% margin.
- **Series B:** 0.40% margin.
- **Series C:** 0.75% margin.

The final margins applicable to each Series A1, A2(G), B and C fixed shall be notified by the Management Company by the start of the Subscription Period to the Underwriters and Placement Agents to be reported to investors interested in subscribing for the Bonds. The Management Company will also notify this to the CNMV as information in addition to this Prospectus. The final margin applicable to each Series A1, A2(G), B and C shall be set down on the notarial certificate recording subscription for and payment of the Bond Issue.

The resultant Nominal Interest Rate shall be expressed as a percentage rounded to the nearest thousandth of a whole number or rounded up to the nearest one where the differences of rounding up or down to the nearest thousandths are identical.

4.8.1.3 **Reference Rate and determining the same.**

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

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

   Exceptionally, the Reference Rate for the first Interest Accrual Period shall be the result of a straight-line interpolation between four- (4-) month Euribor and five- (5-) month Euribor, fixed at 11am (CET time) on the second Business Day preceding the Closing Date, which is the day of the Subscription Period, bearing in mind the number of days in the first Interest Accrual Period. The Reference Rate for the first Interest Accrual Period shall be calculated in accordance with the following formula:

$$IR = [((D-120)/30) \times E5] + [(1-((D-120)/30)) \times E4]$$

   Where:

   IR = Reference Rate for the first Interest Accrual Period.
   D = Number of days in the first Interest Accrual Period.
   E4 = Four- (4-) month Euribor.
   E5 = Five- (5-) month Euribor.

   Euribor definitions approved by the FBE and the Financial Markets Association (ACI) supplementing the current definition of Euribor shall be considered included for the purpose of the Euribor Reference Rate without having to amend these Reference Rate terms or have the Management Company notify Bondholders.

ii) In the event that the Euribor rate established in paragraph (i) above should not be available or be impossible to obtain, the substitute Reference Rate shall be the interest rate resulting from finding the simple arithmetic mean of the interbank offered interest rates for non-transferable three- (3-) month deposit transactions in euros in an amount equivalent to the Outstanding Principal Balance of the Bond Issue, declared by four (4) prime banks in the Euro zone, following a simultaneous request to each of their headquarters by the Paying Agent after and around 11am (CET time) on the Interest Rate Fixing Date.

   Exceptionally, the substitute Reference Rate for the first Interest Accrual Period shall be the rate resulting from the straight-line interpolation between the interest rate resulting from finding the simple arithmetic mean of the interbank offered interest rates for non-transferable four- (4-) month deposit transactions in euros and the interest rate resulting from finding the simple arithmetic mean of the interbank offered interest rates for non-transferable five- (5-) month deposit transactions in euros, both in an amount equivalent to the face amount of the Bond Issue, declared by the banks as provided for in paragraph one above, following a simultaneous request to each of their headquarters by the Paying Agent after and around 11am (CET time) on the second Business Day preceding the Closing Date.

The substitute Reference Rate shall be expressed as a percentage rounded to the nearest thousandth of a percentage point or rounded up to the nearest point where the differences of rounding up or down to the nearest thousandths are identical.

Should it be impossible to apply the above substitute Reference Rate, upon the failure by any or several of the banks to provide written quotations as provided for in paragraphs one and two of this section, the interest rate resulting from applying the simple arithmetic mean of the interest rates declared by at least two of the other banks shall be applicable.

iii) If the rates established in paragraphs i) and ii) above should not be available or be impossible to obtain, the last Reference Rate or substitute Reference Rate applied to the next preceding Interest Accrual Period shall apply, and so on for successive Interest Accrual Periods whilst matters remain the same.

On each Interest Rate Fixing Date, the Paying Agent shall notify the Management Company of the Reference Rate determined in accordance with paragraphs i) and ii) above. The Management Company shall keep the listings and supporting documents on which the Paying Agent shall notify it the Reference Rate determined.

4.8.1.4 **Interest Rate Fixing Date.**

The Management Company shall, for and on behalf of the Fund, determine the Nominal Interest Rate applicable to each Bond Series for every Interest Accrual Period as provided for in sections 4.8.1.2 and 4.8.1.3 above, on the second Business Day preceding each Payment Date (the "**Interest Rate Fixing Date**"), and it will apply for the following Interest Accrual Period.

Exceptionally, the Management Company shall determine the Nominal Interest Rate of the Bonds in each Series for the first Interest Accrual Period as provided for in sections 4.8.1.2 and 4.8.1.3 above, on the second Business Day preceding the Closing Date, which is the day of the Subscription Period, and shall notify the same in writing on the same day to the Underwriters and Placement Agents in order for them to report this to investors interested in subscribing for the Bonds. The Management Company will also notify this to the CNMV, the Paying Agent, AIAF and Iberclear.

The nominal interest rates determined for each Bond Series for successive Interest Accrual Periods shall be communicated to Bondholders within the deadline and in the manner for which provision is made in section 4.1.1.a) of the Building Block.

4.8.1.5 **Formula for calculating interest.**

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

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

*Where:*

*I = Interest payable on a given Payment Date, rounded up to the nearest eurocent..*

*P = Outstanding Principal Balance of the Bonds in the Series on the Determination Date preceding that Payment Date.*

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

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

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

For merely illustrative purposes, below are details of the three- (3-) month Euribor rates published on certain dates over the last two years, which, other than the first date, would have matched the second Business Day preceding the $25^{th}$ of each month, which is the Payment Date of this Bond Issue, published on the EURIBOR01 electronic page supplied by Reuters, and the Nominal Interest Rate that would have been applicable to each Bond Series, in the event that the applicable margins should be the average margins in the range established for each Series, in accordance with section 4.8.1.2 of this Securities Note (0.14% for Series A1, 0.025% for Series A2(G), 0.325% for Series B, 0.65% for Series C and the margin for Series D should be 4.00%):

| Dates | 3-month Euribor | Series A1 Bonds | Series A2(G) Bonds | Series B Bonds | Series C Bonds | Series D Bonds |
|---|---|---|---|---|---|---|
| 14 November 2006 | 3.593 | 3.733 | 3.618 | 3.918 | 4.243 | 7.593 |
| 21 September 2006 | 3.372 | 3.512 | 3.397 | 3.697 | 4.022 | 7.372 |
| 22 August 2006 | 3.249 | 3.389 | 3.274 | 3.574 | 3.899 | 7.249 |
| 21 July 2006 | 3.124 | 3.264 | 3.149 | 3.449 | 3.774 | 7.124 |
| 22 June 2006 | 2.993 | 3.133 | 3.018 | 3.318 | 3.643 | 6.993 |
| 23 May 2006 | 2.904 | 3.044 | 2.929 | 3.229 | 3.554 | 6.904 |
| 21 April 2006 | 2.779 | 2.919 | 2.804 | 3.104 | 3.429 | 6.779 |
| 23 March 2006 | 2.739 | 2.879 | 2.764 | 3.064 | 3.389 | 6.739 |
| 23 February 2006 | 2.628 | 2.768 | 2.653 | 2.953 | 3.278 | 6.628 |
| 23 January 2006 | 2.524 | 2.664 | 2.549 | 2.849 | 3.174 | 6.524 |
| 22 December 2005 | 2.494 | 2.634 | 2.519 | 2.819 | 3.144 | 6.494 |
| 23 November 2005 | 2.443 | 2.583 | 2.468 | 2.768 | 3.093 | 6.443 |
| 21 October 2005 | 2.186 | 2.326 | 2.211 | 2.511 | 2.836 | 6.186 |
| 22 September 2005 | 2.135 | 2.275 | 2.160 | 2.460 | 2.785 | 6.135 |
| 23 August 2005 | 2.133 | 2.273 | 2.158 | 2.458 | 2.783 | 6.133 |
| 21 July 2005 | 2.123 | 2.263 | 2.148 | 2.448 | 2.773 | 6.123 |
| 23 June 2005 | 2.102 | 2.242 | 2.127 | 2.427 | 2.752 | 6.102 |
| 23 May 2005 | 2.126 | 2.266 | 2.151 | 2.451 | 2.776 | 6.126 |
| 21 April 2005 | 2.133 | 2.273 | 2.158 | 2.458 | 2.783 | 6.133 |
| 23 March 2005 | 2.142 | 2.282 | 2.167 | 2.467 | 2.792 | 6.142 |
| 23 February 2005 | 2.135 | 2.275 | 2.160 | 2.460 | 2.785 | 6.135 |
| 21 January 2005 | 2.143 | 2.283 | 2.168 | 2.468 | 2.793 | 6.143 |
| 23 December 2004 | 2.178 | 2.318 | 2.203 | 2.503 | 2.828 | 6.178 |
| 23 November 2004 | 2.177 | 2.317 | 2.202 | 2.502 | 2.827 | 6.177 |

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

Interest on the Bonds in all the Series will be paid until they are finally amortised by Interest Accrual Periods in arrears on January 25, April 25, July 25 and October 25 in each year, or the following Business Day if any of those is not a Business Day (each of those dates, a "**Payment Date**"), and interest for the then-current Interest Accrual Period will accrue until said first Business Day, not inclusive, on the terms established in section 4.8.1.2 of this Securities Note.

The first interest Payment Date for the Bonds in each Series shall be April 25, 2007, and interest will accrue at the applicable Nominal Interest Rate between the Closing Date, November 29, 2006, inclusive, and April 25, 2007, exclusive.

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

- public holiday in the city of Madrid, or
- non-business day in the TARGET calendar (Trans European Automated Real-Time Gross Settlement Express Transfer System).

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

Bond interest accrued shall be paid on each Payment Date provided that the Fund has sufficient liquidity to do so in the Priority of Payments or Liquidation Priority of Payments, as the case may be.

In the event that on a Payment Date the Fund should be unable to make full or partial payment of interest accrued on the Bonds in any Series, in the Priority of Payments, interest amounts not paid shall be accumulated on the following Payment Date to interest on the Series proper that, as the case may be, should be paid on that same Payment Date, and will be paid in the Priority of Payments and applied by order of maturity if it should be impossible once again not to pay the same fully due to a shortfall of Available Funds. The foregoing shall be without prejudice to the State Guarantee which covers shortfalls in payment of the economic obligations enforceable on the Fund in respect of Series A2(G) Bond interest and principal.

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

The Fund, through its Management Company, may not defer Bond interest payment beyond April 25, 2030, the Final Maturity Date, or the following Business Day if that is not a Business Day.

The Bond issue shall be serviced through the Paying Agent, to which end the Management Company shall, for and on behalf of the Fund, enter into a Paying Agent Agreement with BANCO COOPERATIVO, as established in section 5.2.1 of this Securities Note.

## 4.9 Maturity date and amortisation of the securities.

### 4.9.1 Bond redemption price.

The redemption price of Series A1, A2(G), B and C Bonds shall be EUR one hundred thousand (100,000) per Bond, equivalent to 100 percent of their face value, payable as established in section 4.9.2 below. The redemption price of Series D Bonds shall be EUR fifty thousand (50,000) per Bond, equivalent to 100 percent of their face value, payable as established in section 4.9.2 below.

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

### 4.9.2 Characteristics specific to the Amortisation of each Bond Series.

#### 4.9.2.1 Amortisation of Series A1 Bonds.

Series A1 Bond principal shall be amortised by partial amortisation on each Payment Date after their amortisation begins until their total face amount has been fully amortised, in an amount equal to the Available Funds for Amortisation of Series A1, A2(G), B and C applied on each Payment Date to amortising Series A1, in accordance with the rules for Distribution of Available Funds for Amortisation of Series A1, A2(G), B and C given in sections 4.9.3.5 and 4.9.3.6 below, pro rated between the Bonds in Series A1 proper by reducing the face amount of each Series A1 Bond.

The first partial amortisation of Series A1 Bonds shall occur on the first Payment Date, April 25, 2007.

Final amortisation of Series A1 Bonds shall occur on the Final Maturity Date (April 25, 2030 or the following Business Day if that is not a Business Day), notwithstanding full amortisation before that date due to the partial amortisation for which provision is made and the fact that the Management Company may, for and on behalf of the Fund, and in accordance with the provisions of section 4.9.4 below, proceed to the Early Amortisation of the Bond Issue before the Final Maturity Date.

#### 4.9.2.2 Amortisation of Series A2(G) Bonds.

Series A2(G) Bond principal shall be amortised by partial amortisation on each Payment Date after their amortisation begins until their total face amount has been fully amortised, in an amount equal to the Available Funds for Amortisation of Series A1, A2(G), B and C applied on each Payment Date to amortising Series A2(G), in accordance with the rules for Distribution of Available Funds for Amortisation of Series A1, A2(G), B and C given in sections 4.9.3.5 and 4.9.3.6 below, pro rated between the Bonds in Series A2(G) proper by reducing the face amount of each Series A2(G) Bond.

The first partial amortisation of Series A2(G) Bonds shall occur once the Series A1 Bonds have been fully amortised. However, even if Series A1 has not been fully amortised, in the event that the circumstances for Pro Rata Amortisation of Class A occur, Series A2(G) Bonds shall be amortised pro rata to the Series

A1 Bonds, fully in accordance with the rules for Distribution of Available Funds for Amortisation of Series A1, A2(G), B and C.

Final amortisation of Series A2(G) Bonds shall occur on the Final Maturity Date (April 25, 2030 or the following Business Day if that is not a Business Day), notwithstanding full amortisation before that date due to the partial amortisation for which provision is made, and the fact that the Management Company may, for and on behalf of the Fund, and in accordance with the provisions of section 4.9.4 below, proceed to the Early Amortisation of the Bond Issue before the Final Maturity Date.

4.9.2.3 **Amortisation of Series B Bonds.**

Series B Bond principal shall be amortised by partial amortisation on each Payment Date after their amortisation begins until their total face amount has been fully amortised, in an amount equal to the Available Funds for Amortisation of Series A1, A2(G), B and C applied on each Payment Date to amortising Series B in accordance with the rules for Distribution of Available Funds for Amortisation of Series A1, A2(G), B and C given in sections 4.9.3.5 and 4.9.3.6 below, pro rated between the Bonds in Series B proper by reducing the face amount of each Series B Bond.

The first partial amortisation of Series B Bonds shall occur once the Class A (Series A1 and A2(G)) Bonds have been fully amortised. However, even if Class A (Series A1 and A2(G)) has not been fully amortised, the Available Funds for Amortisation of Series A1, A2(G), B and C shall also be applied to amortising Series B on the Payment Date on which the Conditions for Pro Rata Amortisation are satisfied for Series B in accordance with the rules for Distribution of Available Funds for Amortisation of Series A1, A2(G), B and C, in such a way that the ratio of the Outstanding Principal Balance of Series B to the sum of the Outstanding Principal Balance of Series A1, A2(G), B and C is kept at 9.815%, or higher percentage closest thereto.

Final amortisation of Series B Bonds shall occur on the Final Maturity Date (April 25, 2030 or the following Business Day if that is not a Business Day), notwithstanding their full amortisation before that date due to the partial amortisation for which provision is made, and the fact that the Management Company may, for and on behalf of the Fund, and in accordance with the provisions of section 4.9.4 below, proceed to the Early Amortisation of the Bond Issue before the Final Maturity Date.

4.9.2.4 **Amortisation of Series C Bonds.**

Series C Bond principal shall be amortised by partial amortisation on each Payment Date after their amortisation begins until their total face amount has been fully amortised, in an amount equal to the Available Funds for Amortisation of Series A1, A2(G), B and C applied on each Payment Date to amortising Series C in accordance with the rules for Distribution of Available Funds for Amortisation of Series A1, A2(G), B and C given in sections 4.9.3.5 and 4.9.3.6 below, pro rated between the Bonds in Series C proper by reducing the face amount of each Series C Bond.

The first partial amortisation of Series C Bonds shall occur once the Class A (Series A1 and A2(G)) and the Series B Bonds have been fully amortised. However, even if Class A (Series A1 and A2(G)) and Series B have not been fully amortised, the Available Funds for Amortisation of Series A1, A2(G), B and C shall also be applied to amortising Series C on the Payment Date on which the Conditions for Pro Rata Amortisation are satisfied for Series C in accordance with the rules for Distribution of Available Funds for Amortisation of Series A1, A2(G), B and C, in such a way that the ratio of the Outstanding Principal Balance of Series C to the sum of the Outstanding Principal Balance of Series A1, A2(G), B and C is kept at 7.825%, or higher percentage closest thereto.

Final amortisation of Series C Bonds shall occur on the Final Maturity Date (April 25, 2030 or the following Business Day if that is not a Business Day), notwithstanding full amortisation before that date due to the partial amortisation for which provision is made, and the fact that the Management Company may, for and on behalf of the Fund, and in accordance with the provisions of section 4.9.4 below, proceed to the Early Amortisation of the Bond Issue before the Final Maturity Date.

4.9.2.5 **Amortisation of Series D Bonds.**

Series D Bond principal shall be amortised by partial amortisation on each Payment Date based on the amortisation rules established hereinafter and until their total face amount has been fully amortised, in an amount equal to the Available Funds applied on each Payment Date to amortising Series D, in accordance with the Priority of Payments, pro rated between the Bonds in Series D proper by reducing the face amount of each Series D Bond.

Partial amortisation of Series D Bonds shall occur on each Payment Date in an amount equal to the positive difference existing between the Outstanding Principal Balance of Series D on the Determination Date preceding the relevant Payment Date and the Required Cash Reserve amount on the relevant Payment Date, in accordance with the provisions of section 3.4.2.2 of the Building Block transcribed hereinafter.

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

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

(i) EUR twenty-four million fifty thousand (24,050,000.00).

(ii) The higher of:

a) 8.10% of the sum of the Outstanding Principal Balance of Series A1, A2(G), B, C and D.

b) EUR twelve million twenty-five thousand (12,025,000.00).

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

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

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

iii) That two (2) years have not elapsed since the date of establishment of the Fund."

Final amortisation of Series D Bonds shall occur on the Final Maturity Date (April 25, 2030 or the following Business Day if that is not a Business Day), notwithstanding full amortisation before that date due to the partial amortisation for which provision is made, and the fact that the Management Company may, for and on behalf of the Fund, and in accordance with the provisions of section 4.9.4 below, proceed to the Early Amortisation of the Bond Issue before the Final Maturity Date.

4.9.3 **Partial amortisation of Series A1, A2(G), B and C Bonds.**

Irrespective of the Final Maturity Date and subject to Early Amortisation of the Bond Issue in the event of Early Liquidation of the Fund, the Fund shall, through its Management Company, proceed to partial amortisation of the Series A1, A2(G), B and C Bonds on the specific amortisation terms for each Series established in sections 4.9.2.1 to 4.9.2.4 of this Securities Note and on the terms described hereinafter in this section common to Series A1, A2(G), B and C.

4.9.3.1 **Determination Dates and Determination Periods.**

These will be the dates falling on the fifth ($5^{th}$) Business Day preceding each Payment Date on which the Management Company on behalf of the Fund will make all necessary calculations to distribute or withhold the Available Funds and the Available Funds for Amortisation of Series A1, A2(G), B and C which the Fund shall dispose of on the relevant Payment Date, in the Priority of Payments. The first Determination Date shall be April 18, 2007.

Determination Periods shall be periods comprising the exact number of days elapsed between every two consecutive Determination Dates, each Determination Period excluding the beginning Determination Date and including the ending Determination Date. Exceptionally, the duration of the first Determination Period shall be equal to the days elapsed between the date of establishment of the Fund, inclusive, and the first Determination Date, April 18, 2007, inclusive.

4.9.3.2 **Outstanding Principal Balance of the Bonds.**

The Outstanding Principal Balance of a Series shall be the sum of the principal pending repayment (outstanding balance) on a given date of all the Bonds in that Series.

By addition, the Outstanding Principal Balance of Class A shall be the sum of the Outstanding Principal Balance of Series A1 and A2(G) making up Class A. Moreover, the Outstanding Principal Balance of the Bond Issue shall be the sum of the Outstanding Principal Balance of all five Series A1, A2(G), B, C and D making up the Bond Issue.

4.9.3.3 **Outstanding Balance of the Loans.**

The Outstanding Balance of a Loan shall be the sum of the capital or principal not yet due and the capital or principal due and not paid into the Fund on the specific Loan on a given date.

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

Delinquent Loans shall be deemed to be Loans that are delinquent on a given date with an arrears in excess of three (3) months in payment of overdue amounts, excluding Doubtful Loans. Non-Delinquent Loans shall be deemed to be Loans that are not deemed to be Delinquent Loans on a given date, also excluding Doubtful Loans.

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

4.9.3.4 **Series A1, A2(G), B and C Amortisation Withholding and Amortisation Deficiency on each Payment Date.**

On each Payment Date, the Available Funds shall be used in sixth (6th) place in the priority of payments, in accordance with the Priority of Payments, for withholding the amount designed for amortising the Series A1, A2(G), B and C Bonds as a whole and without distinguishing among the various Series and repaying to the State the amount paid for repaying Series A2(G) principal ("**Series A1, A2(G), B and C Amortisation Withholding**"), in an amount equal to the positive difference, if any, on the Determination Date preceding the relevant Payment Date, between (i) the sum of the Outstanding Principal Balance of Series A1, A2(G), B and C, increased by the amount to be repaid to the State upon the State Guarantee being enforced for amortising Series A2(G), and (ii) the Outstanding Balance of Non-Doubtful Loans.

Depending on the liquidity existing on each Payment Date, the amount actually applied of the Available Funds for Series A1, A2(G), B and C Amortisation Withholding shall be included in the Available Funds for Amortisation of Series A1, A2(G), B and C to be applied in accordance with the rules for Distribution of Available Funds for Amortisation of Series A1, A2(G), B and C established hereinafter in section 4.9.3.6 below.

The amortisation deficiency (the "**Amortisation Deficiency**") on a Payment Date shall be the positive difference, if any, between (i) the Series A1, A2(G), B and C Amortisation Withholding amount, and (ii) the amount actually applied of the Available Funds for Series A1, A2(G), B and C Amortisation Withholding.

4.9.3.5 **Available Funds for Amortisation of Series A1, A2(G), B and C on each Payment Date.**

The available funds for amortisation on each Payment Date (the "**Available Funds for Amortisation of Series A1, A2(G), B and C**") shall be the Series A1, A2(G), B and C Amortisation Withholding amount applied in 6th place of the Available Funds on the relevant Payment Date.

Additionally, and not included among the Available Funds for Amortisation of Series A1, A2(G), B and C, the Fund shall avail of the amount drawn upon enforcing the State Guarantee, for amortising Series A2(G) Bond principal, paid to the Fund from the preceding Payment Date until the relevant Payment Date, allocated only to repaying Series A2(G) Bond principal.

4.9.3.6 **Distribution of Available Funds for Amortisation of Series A1, A2(G), B and C.**

The Available Funds for Amortisation of Series A1, A2(G), B and C shall be applied on each Payment Date to amortising Series A1, A2(G), B and C in accordance with the following rules ("**Distribution of Available Funds for Amortisation of Series A1, A2(G), B and C**"):

1. The Available Funds for Amortisation of Series A1, A2(G), B and C shall be sequentially applied firstly to amortising Class A (Series A1 and A2(G)) and repaying amounts due to the State upon enforcing the State Guarantee for amortising Series A2(G) until fully amortised and repaid, as provided for in rule 2 below, secondly to amortising Series B until fully amortised and thirdly to amortising Series C until fully amortised, notwithstanding the provisions of rules 3 and 4 below for pro rata amortisation of Class A (Series A1, A2(G)) and Series B and C.

2. The amounts of the Available Funds for Amortisation of Series A1, A2(G), B and C applied to amortising Class A (Series A1 and A2(G)) and repaying amounts due to the State upon enforcing the Guarantee for amortising Series A2(G), both under rule 1 above and under rules 3 and 4 below, shall be applied to amortising Series A1 and A2(G) as follows:

2.1 Ordinary application in the following order:

   1. Repayment of Series A1 Bond principal.
   2. Repayment of Series A2(G) Bond principal and repayment to the State of amounts paid to the Fund upon the State Guarantee being drawn down for repaying Series A2(G) Bond principal, once the Series A1 Bonds have been fully amortised.

   The amount of the Available Funds for Amortisation of Series A1, A2(G), B and C applied on a Payment Date to both items (repayment of Series A2(G) Bond principal and repayment to the State of amounts due upon enforcing the State Guarantee for amortising Series A2(G)) shall be applied as follows:

   (i) If there is an Amortisation Deficiency on the relevant Payment Date, firstly to amortising Series A2(G) and secondly, in the remaining amount, if any, to repayment to the State of amounts due upon enforcing the State Guarantee for amortising Series A2(G).

   (ii) Otherwise, firstly to repayment to the State of amounts due upon enforcing the State Guarantee for amortising Series A2(G) and secondly, in the remaining amount, if any, to amortising Series A2(G).

2.2 Exceptional pro rata application of Class A ("**Pro Rata Amortisation of Class A**"): The application priority of paragraph 2.1 above shall be stopped on any Payment Date if on the Determination Date immediately preceding the relevant Payment Date the ratio of (i) the Outstanding Balance of Non-Delinquent Loans, increased by the Loan principal repayment income amount received during the Determination Period preceding the relevant Payment Date, to (ii) the sum of the Outstanding Principal Balance of Class A and the amount yet to be repaid to the State upon enforcing the Guarantee for amortising Series A2(G), is less than or equal to 1.

In that event, on the relevant Payment Date, the Available Funds for Amortisation of Series A1, A2(G), B and C applied to amortising Class A (Series A1 and A2(G)) and repayment to the State upon the State Guarantee being enforced for amortising Series A2(G) shall be distributed among the items set out in paragraph 2.1 above as follows:

(a) This shall be prorated directly in proportion to (i) the Outstanding Principal Balance of Series A1 and (ii) the Outstanding Principal Balance of Series A2(G) increased by the balance of amounts due to the State upon enforcing the State Guarantee for amortising Series A2(G).

(b) The amount assigned to the Series A2(G) Bonds and amounts due upon enforcing the State Guarantee for amortising Series A2(G), in accordance with item (ii) of paragraph a) above, shall be applied to repayment of the Series A2(G) Bonds and repayment to the State of those amounts due in accordance with the provisions of paragraph 2.1 above.

3. However, even if Class A (Series A1 and A2(G)) has not been fully amortised, the Available Funds for Amortisation of Series A1, A2(G), B and C shall also be applied to amortising Series B and as the case may be Series C on the Payment Date on which the following circumstances are all satisfied ("**Conditions for Pro Rata Amortisation**"):

   a) In order to amortise Series B and as the case may be Series C:

      i) that the Pro Rata Amortisation of Class A does not apply;

      ii) that the Required Cash Reserve shall have been fully provisioned on the relevant Payment Date; and

      iii) that on the Determination Date preceding the relevant Payment Date, the amount of the Outstanding Balance of the Non-Doubtful Loans is equal to or greater than 10.00% of the initial Outstanding Balance of the Loans upon the Fund being established.

   b) In order to amortise Series B, that on the Determination Date preceding the relevant Payment Date:

      i) the Outstanding Principal Balance of Series B is equal to or greater than 9.815% of the sum of the Outstanding Principal Balance of Series A1, A2(G), B and C and the amount yet to be repaid to the State upon the Guarantee being enforced for amortising Series A2(G); and

      ii) the Outstanding Balance of Delinquent Loans does not exceed 1.25% of the Outstanding Balance of Non-Doubtful Loans.

   c) In order to amortise Series C, that on the Determination Date preceding the relevant Payment Date:

      i) the Outstanding Principal Balance of Series C is equal to or greater than 7.825% of the sum of the Outstanding Principal Balance of Series A1, A2(G), B and C and the amount yet to be repaid to the State upon the Guarantee being enforced for amortising Series A2(G); and

      ii) the Outstanding Balance of Delinquent Loans does not exceed 1.00% of the Outstanding Balance of Non-Doubtful Loans.

4. In the event that the amortisation of Series B and as the case may be Series C should apply on a Payment Date because the Conditions for Pro Rata Amortisation of Series B and of Series C as provided for in rule 3 above are satisfied, the Available Funds for Amortisation of Series A1, A2(G), B and C shall also be applied to amortising Series B and as the case may be to amortising Series C in such a way that the ratio of the Outstanding Principal Balance of Series B and as the case may be the Outstanding Principal Balance of Series C to the sum of the Outstanding Principal Balance of Series A1, A2(G), B and C and the amount yet to be repaid to the State upon the Guarantee being enforced for amortising Series A2(G) is respectively kept at 9.815% and 7.825%, or higher percentages closest thereto.

   In the event that on the Payment Date preceding the then-current Payment Date, and provided that the amortisation of Series B and C applies, the ratio of the Outstanding Principal Balance of Series B or C to the sum of the Outstanding Principal Balance of Series A1, A2(G), B and C and the amount yet to be repaid to the State upon the Guarantee being enforced for amortising Series A2(G) should be respectively in excess of 9.815% and 7,825% (the "objective ratios"), the Available Funds for Amortisation shall be applied (i) firstly to amortising the Series eligible for amortisation and having the higher proportion between (a) the Outstanding Principal Balance of that Series to the sum of the Outstanding Principal Balance of Series A1, A2(G), B and C and the amount yet to be repaid to the State upon the Guarantee being enforced for amortising Series A2(G) on the preceding Determination Date minus the Available Funds for Amortisation on the then-current Payment Date and (b) their objective ratios, until the same proportion as the other Series is achieved, whereupon the Available Funds for Amortisation shall be prorated among both Series.

4.9.4 **Early Amortisation of the Bond Issue.**

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

4.9.5 **Final Maturity Date.**

The Final Maturity Date and consequently the final amortisation of the Bonds is April 25, 2030 or the following Business Day if that is not a Business Day, without prejudice to the Management Company, for and on behalf of the Fund, and in accordance with the provisions of sections 4.9.2 and 4.9.4 of this Securities Note, proceeding to amortise all or any the Series in the Bond Issue before the Final Maturity Date. Final amortisation of the Bonds on the Final Maturity Date shall be made subject to the Liquidation Priority of Payments.

**4.10 Indication of yield.**

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

i) The repayment schedule and system of each Loan established in the relevant loan document.

ii) The Obligors' capacity to prepay the Loans in whole or in part and the aggregate prepayment pace throughout the life of the Fund. In this sense, Loan prepayments by Obligors, subject to continual changes, and estimated in this Prospectus using several performance assumptions of the future effective constant annual early amortisation or prepayment rate (hereinafter also "**CPR**"), are very significant and shall directly affect the pace at which the Bonds are amortised, and therefore their average life and duration.

iii) The floating interest rates which shall apply to the Loans, resulting in the repayment amount on every instalment differing.

iv) The Obligors' delinquency in payment of Loan instalments.

The following assumed values have been used for the above-mentioned factors in calculating the tables contained in this section:

- Loan interest rate: 4.28% weighted average interest rate as of October 26, 2006 of the portfolio of selected loans which has been used for calculating the repayment instalments and interest of each of the selected loans;
- Loan portfolio delinquency: 0.10% of the Outstanding Balance of the Loans, with 100% recoveries within 15 months of becoming delinquent;
- Loan portfolio doubtfuls rated as bad debts: 0%;
- that the Loan prepayment rate remains constant throughout the life of the Bonds;
- that the Bond Closing Date is November 29, 2006;
- that there is no Amortisation Deficiency, and
- that there is no extension of the term of any of the Loans.

The actual adjusted life and the yield or return on the Bonds will also depend on their interest rate, which floats. The following nominal interest rates are assumed for each Series for the first Interest Accrual Period, resulting from the straight-line interpolation bearing in mind the number of days in the First Interest Accrual Period between 4-month Euribor (3.645%) and 5-month Euribor (3.696%) on November 14, 2006 and in the event that the applicable margins should be the average margins in the range established for each Series in accordance with section 4.8.1.2 of this Securities Note:

| | Series A1 Bonds | Series A2(G) Bonds | Series B Bonds | Series C Bonds | Series D Bonds |
|---|---|---|---|---|---|
| **Nominal interest rate** | 3. 831% | 3.716% | 4.016% | 4.341% | 7.691% |

For successive Interest Accrual Periods, the floating interest rate of the Bonds in each Series is assumed to be constant as follows, resulting from 3-month Euribor (3.593%) on November 14, 2006 and in the event that the applicable margins should be the average margins in the range established for each Series in accordance with section 4.8.1.2 of this Securities Note:

| | Series A1 Bonds | Series A2(G) Bonds | Series B Bonds | Series C Bonds | Series D Bonds |
|---|---|---|---|---|---|
| **Nominal interest rate** | 3.733% | 3.618% | 3.918% | 4.243% | 7.593% |

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

Assuming that the Management Company shall exercise the Early Liquidation of the Fund and Early Amortisation of the Bond Issue option provided in section 4.4.3 of the Registration Document when the Outstanding Balance of the Loans is less than 10% of their initial Outstanding Balance upon the Fund being established, the average life, return (IRR) for the Bond subscriber, duration and final maturity of the Bonds for different CPRs, would be as follows:

| % CPR: | 6.00% | 8.00% | 10.00% | 12.00% | 14.00% |
|---|---|---|---|---|---|
| | **Series A1 Bonds** | | | | |
| **Average life (years)** | 3.33 | 3.06 | 2.83 | 2.63 | 2.45 |
| **IRR** | 3.853% | 3.853% | 3.853% | 3.853% | 3.853% |
| **Duration (years)** | 2.93 | 2.72 | 2.53 | 2.36 | 2.21 |
| **Final maturity** | 25 04 2016 | 26 10 2015 | 26 01 2015 | 25 07 2014 | 27 01 2014 |
| **(in years)** | 9.41 | 8.91 | 8.16 | 7.66 | 7.17 |
| | **Series A2(G) Bonds** | | | | |
| **Average life (years)** | 9.89 | 9.15 | 8.64 | 7.91 | 7.40 |
| **IRR** | 3.724% | 3.724% | 3.724% | 3.724% | 3.724% |
| **Duration (years)** | 8.04 | 7.53 | 7.17 | 6.65 | 6.28 |
| **Final maturity** | 25 10 2016 | 25 01 2016 | 27 07 2015 | 27 10 2014 | 25 04 2014 |
| **(in years)** | 9.91 | 9.16 | 8.66 | 7.92 | 7.41 |
| | **Series B Bonds** | | | | |
| **Average life (years)** | 6.77 | 6.24 | 5.81 | 5.36 | 5.00 |
| **IRR** | 4.039% | 4.039% | 4.039% | 4.039% | 4.039% |
| **Duration (years)** | 5.66 | 5.28 | 4.95 | 4.62 | 4.33 |
| **Final maturity** | 25 10 2016 | 25 01 2016 | 27 07 2015 | 27 10 2014 | 25 04 2014 |
| **(in years)** | 9.91 | 9.16 | 8.66 | 7.92 | 7.41 |
| | **Series C Bonds** | | | | |
| **Average life (years)** | 6.77 | 6.24 | 5.81 | 5.36 | 5.00 |
| **IRR** | 4.379% | 4.379% | 4.379% | 4.379% | 4.379% |
| **Duration (years)** | 5.58 | 5.21 | 4.89 | 4.56 | 4.28 |
| **Final maturity** | 25 10 2016 | 25 01 2016 | 27 07 2015 | 27 10 2014 | 25 04 2014 |
| **(in years)** | 9.91 | 9.16 | 8.66 | 7.92 | 7.41 |

| % CPR: | 6.00% | 8.00% | 10.00% | 12.00% | 14.00% |
|---|---|---|---|---|---|
| | Series D Bonds | | | | |
| **Average life (years)** | 7.34 | 6.77 | 6.34 | 5.82 | 5.44 |
| **IRR** | 7.928% | 7.928% | 7.928% | 7.928% | 7.928% |
| **Duration (years)** | 5.12 | 4.82 | 4.58 | 4.29 | 4.07 |
| **Final maturity** | 25 10 2016 | 25 01 2016 | 27 07 2015 | 27 10 2014 | 25 04 2014 |
| **(in years)** | 9.91 | 9.16 | 8.66 | 7.92 | 7.41 |

These figures have been calculated using the following formula:

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

$$V = \frac{\sum_{i=1}^{n}(P_i \, x \, d_i)}{T} \times \frac{1}{365}$$

*Where:*

*V =* *Average life in each Bond Series issued expressed in years.*
*$P_i$ =* *Estimated principal to be repaid in each Bond Series on each Payment Date, as described in section 4.9.2 of this Securities Note.*
*$d_i$ =* *Number of days elapsed between the Closing Date and the Payment Date at issue.*
*T =* *Total face amount in EUR in each Bond Series.*

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

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

*Where:*

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

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

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

*Where:*

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

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

- Whereas CPRs are assumed to be constant respectively at 8.00%, 10.00% and 12.00% throughout the life of the Bond Issue, as explained above actual prepayment changes continually.
- The Outstanding Principal Balance of the Bonds on each Payment Date and hence interest payable on each such dates shall depend on the actual Loan prepayment, delinquency and default rates.
- Whereas Bond nominal interest rates are assumed to be constant for each Series from the second Interest Accrual Period, the interest rate in all the Series is known to be variable.
- The assumed values referred to at the beginning of this section are at all events taken for granted.
- It is assumed that the Management Company will exercise the Early Liquidation of the Fund and thereby the Early Amortisation of the Bond Issue option when the Outstanding Balance of the Loans is less than 10% of the Initial Outstanding Balance upon the Fund being set up, as provided in section 4.4.3 of the Registration Document.
- In this scenario, Pro Rata Amortisation of Class A does not apply and the Conditions for Pro Rata Amortisation of Series B and C do.

# FLOWS FOR EVERY BOND WITHOUT WITHHOLDING FOR THE HOLDER (AMOUNTS IN EUR) CPR = 8%

| Payment | Series A1 Bonds | | | Series A2 (G) Bonds | | | Series B Bonds | | | Series C | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Date | Principal Repayment | Gross Interest | Total Flow | Principal Repayment | Gross Interest | Total Flow | Principal Repayment | Gross Interest | Total Flow | Principal Repayment | Gro Inte |
| TOTALS | 100,000.00 | 11,657.36 | 111,657.36 | 100,000.00 | 33,686.66 | 133,686.66 | 100,000.00 | 24,898.00 | 124,898.00 | 100,000.00 | 26,9 |
| 29/11/2006 | | | | | | | | | | | |
| 25/04/2007 | 8,396.07 | 1,559.02 | 9,955.09 | 0.00 | 1,512.06 | 1,512.06 | 0.00 | 1,634.56 | 1,634.56 | 0.00 | 1, |
| 25/07/2007 | 5,687.35 | 866.94 | 6,554.29 | 0.00 | 917.33 | 917.33 | 0.00 | 993.16 | 993.16 | 0.00 | 1, |
| 25/10/2007 | 6,235.93 | 822.05 | 7,057.98 | 0.00 | 927.41 | 927.41 | 0.00 | 1,004.08 | 1,004.08 | 0.00 | 1, |
| 25/01/2008 | 5,991.05 | 762.38 | 6,753.43 | 0.00 | 927.41 | 927.41 | 0.00 | 1,004.08 | 1,004.08 | 0.00 | 1, |
| 25/04/2008 | 5,077.25 | 697.40 | 5,774.65 | 0.00 | 917.33 | 917.33 | 0.00 | 993.16 | 993.16 | 0.00 | 1, |
| 25/07/2008 | 4,956.85 | 649.35 | 5,606.20 | 0.00 | 917.33 | 917.33 | 0.00 | 993.16 | 993.16 | 0.00 | 1, |
| 27/10/2008 | 5,043.79 | 622.30 | 5,666.09 | 0.00 | 947.57 | 947.57 | 0.00 | 1,025.91 | 1,025.91 | 0.00 | 1, |
| 26/01/2009 | 5,425.37 | 554.70 | 5,980.07 | 0.00 | 917.33 | 917.33 | 0.00 | 993.16 | 993.16 | 0.00 | 1, |
| 27/04/2009 | 4,103.31 | 503.36 | 4,606.67 | 0.00 | 917.33 | 917.33 | 0.00 | 993.16 | 993.16 | 0.00 | 1, |
| 27/07/2009 | 4,023.12 | 464.52 | 4,487.65 | 0.00 | 917.33 | 917.33 | 0.00 | 993.16 | 993.16 | 0.00 | 1, |
| 26/10/2009 | 4,115.59 | 426.45 | 4,542.04 | 0.00 | 917.33 | 917.33 | 0.00 | 993.16 | 993.16 | 0.00 | 1, |
| 25/01/2010 | 4,119.38 | 387.50 | 4,506.87 | 0.00 | 917.33 | 917.33 | 0.00 | 993.16 | 993.16 | 0.00 | 1, |
| 26/04/2010 | 2,306.78 | 348.51 | 2,655.29 | 0.00 | 917.33 | 917.33 | 9,171.40 | 993.16 | 10,164.56 | 9,171.40 | 1, |
| 26/07/2010 | 2,640.54 | 326.68 | 2,967.22 | 0.00 | 917.33 | 917.33 | 5,265.94 | 902.08 | 6,168.02 | 5,265.94 | |
| 25/10/2010 | 2,676.58 | 301.69 | 2,978.27 | 0.00 | 917.33 | 917.33 | 5,337.81 | 849.78 | 6,187.59 | 5,337.81 | |
| 25/01/2011 | 2,583.82 | 279.40 | 2,863.21 | 0.00 | 927.41 | 927.41 | 5,152.82 | 805.52 | 5,958.34 | 5,152.82 | |
| 25/04/2011 | 2,063.11 | 249.14 | 2,312.25 | 0.00 | 907.25 | 907.25 | 4,114.40 | 737.39 | 4,851.80 | 4,114.40 | |
| 25/07/2011 | 2,011.56 | 232.38 | 2,243.94 | 0.00 | 917.33 | 917.33 | 4,011.58 | 704.73 | 4,716.31 | 4,011.58 | |
| 25/10/2011 | 2,030.40 | 215.69 | 2,246.09 | 0.00 | 927.41 | 927.41 | 4,049.17 | 672.19 | 4,721.36 | 4,049.17 | |
| 25/01/2012 | 2,080.02 | 196.26 | 2,276.28 | 0.00 | 927.41 | 927.41 | 4,148.12 | 631.53 | 4,779.65 | 4,148.12 | |
| 25/04/2012 | 1,687.83 | 174.44 | 1,862.27 | 0.00 | 917.33 | 917.33 | 3,365.98 | 583.47 | 3,949.45 | 3,365.98 | |
| 25/07/2012 | 1,643.20 | 158.47 | 1,801.67 | 0.00 | 917.33 | 917.33 | 3,276.98 | 550.04 | 3,827.03 | 3,276.98 | |
| 25/10/2012 | 1,639.33 | 144.49 | 1,783.82 | 0.00 | 927.41 | 927.41 | 3,269.26 | 523.18 | 3,792.45 | 3,269.26 | |
| 25/01/2013 | 1,653.78 | 128.80 | 1,782.58 | 0.00 | 927.41 | 927.41 | 3,298.07 | 490.36 | 3,788.43 | 3,298.07 | |
| 25/04/2013 | 1,344.68 | 110.52 | 1,455.20 | 0.00 | 907.25 | 907.25 | 2,681.65 | 447.30 | 3,128.95 | 2,681.65 | |
| 25/07/2013 | 1,324.93 | 99.02 | 1,423.96 | 0.00 | 917.33 | 917.33 | 2,642.27 | 425.64 | 3,067.91 | 2,642.27 | |
| 25/10/2013 | 1,339.97 | 87.44 | 1,427.41 | 0.00 | 927.41 | 927.41 | 2,672.26 | 403.79 | 3,076.05 | 2,672.26 | |
| 27/01/2014 | 1,362.48 | 76.24 | 1,438.71 | 0.00 | 947.57 | 947.57 | 2,717.14 | 385.15 | 3,102.29 | 2,717.14 | |
| 25/04/2014 | 1,106.55 | 58.90 | 1,165.45 | 0.00 | 887.09 | 887.09 | 2,206.75 | 334.47 | 2,541.22 | 2,206.75 | |
| 25/07/2014 | 1,091.62 | 50.44 | 1,142.05 | 0.00 | 917.33 | 917.33 | 2,176.97 | 323.95 | 2,500.93 | 2,176.97 | |
| 27/10/2014 | 1,118.07 | 41.43 | 1,159.49 | 0.00 | 947.57 | 947.57 | 2,229.72 | 312.30 | 2,542.02 | 2,229.72 | |
| 26/01/2015 | 1,110.67 | 29.52 | 1,140.20 | 0.00 | 917.33 | 917.33 | 2,214.97 | 280.19 | 2,495.16 | 2,214.97 | |
| 27/04/2015 | 894.42 | 19.01 | 913.43 | 0.00 | 917.33 | 917.33 | 1,783.71 | 258.19 | 2,041.90 | 1,783.71 | |
| 27/07/2015 | 862.42 | 10.55 | 872.97 | 0.00 | 917.33 | 917.33 | 1,719.89 | 240.47 | 1,960.37 | 1,719.89 | |
| 26/10/2015 | 252.19 | 2.39 | 254.58 | 5,770.62 | 917.33 | 6,687.95 | 1,771.91 | 223.39 | 1,995.30 | 1,771.91 | |
| 25/01/2016 | 0.00 | 0.00 | 0.00 | 94,229.38 | 864.39 | 95,093.77 | 20,721.20 | 205.80 | 20,927.00 | 20,721.20 | |

## FLOWS FOR EVERY BOND WITHOUT WITHHOLDING FOR THE HOLDER
## (AMOUNTS IN EUR)
## CPR = 10%

| Payment | **Series A1 Bonds** | | | **Series A2 (G) Bonds** | | | **Series B Bonds** | | | **Series** | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Date | Principal Repayment | Gross Interest | Total Flow | Principal Repayment | Gross Interest | Total Flow | Principal Repayment | Gross Interest | Total Flow | Principal Repayment | Gr Int |
| TOTALS | 100,000.00 | 10,780.18 | 110,780.18 | 100,000.00 | 31,813.98 | 131,813.98 | 100,000.00 | 23,168.26 | 123,168.26 | 100,000.00 | 25, |
| 29/11/2006 | | | | | | | | | | | |
| 25/04/2007 | 9,267.09 | 1,559.02 | 10,826.11 | 0.00 | 1,512.06 | 1,512.06 | 0.00 | 1,634.56 | 1,634.56 | 0.00 | 1 |
| 25/07/2007 | 6,232.86 | 858.70 | 7,091.56 | 0.00 | 917.33 | 917.33 | 0.00 | 993.16 | 993.16 | 0.00 | 1 |
| 25/10/2007 | 6,713.35 | 808.50 | 7,521.85 | 0.00 | 927.41 | 927.41 | 0.00 | 1,004.08 | 1,004.08 | 0.00 | 1 |
| 25/01/2008 | 6,402.81 | 744.26 | 7,147.07 | 0.00 | 927.41 | 927.41 | 0.00 | 1,004.08 | 1,004.08 | 0.00 | 1 |
| 25/04/2008 | 5,441.56 | 675.58 | 6,117.13 | 0.00 | 917.33 | 917.33 | 0.00 | 993.16 | 993.16 | 0.00 | 1 |
| 25/07/2008 | 5,268.80 | 624.08 | 5,892.88 | 0.00 | 917.33 | 917.33 | 0.00 | 993.16 | 993.16 | 0.00 | 1 |
| 27/10/2008 | 5,301.94 | 593.14 | 5,895.09 | 0.00 | 947.57 | 947.57 | 0.00 | 1,025.91 | 1,025.91 | 0.00 | 1 |
| 26/01/2009 | 5,610.55 | 524.04 | 6,134.59 | 0.00 | 917.33 | 917.33 | 0.00 | 993.16 | 993.16 | 0.00 | 1 |
| 27/04/2009 | 4,285.62 | 470.94 | 4,756.56 | 0.00 | 917.33 | 917.33 | 0.00 | 993.16 | 993.16 | 0.00 | 1 |
| 27/07/2009 | 4,169.21 | 430.38 | 4,599.59 | 0.00 | 917.33 | 917.33 | 0.00 | 993.16 | 993.16 | 0.00 | 1 |
| 26/10/2009 | 4,216.03 | 390.92 | 4,606.95 | 0.00 | 917.33 | 917.33 | 0.00 | 993.16 | 993.16 | 0.00 | 1 |
| 25/01/2010 | 3,080.85 | 351.02 | 3,431.87 | 0.00 | 917.33 | 917.33 | 10,186.17 | 993.16 | 11,179.33 | 10,186.17 | 1 |
| 26/04/2010 | 2,762.82 | 321.86 | 3,084.69 | 0.00 | 917.33 | 917.33 | 5,509.80 | 892.00 | 6,401.80 | 5,509.80 | |
| 26/07/2010 | 2,671.30 | 295.72 | 2,967.02 | 0.00 | 917.33 | 917.33 | 5,327.29 | 837.28 | 6,164.57 | 5,327.29 | |
| 25/10/2010 | 2,678.66 | 270.44 | 2,949.09 | 0.00 | 917.33 | 917.33 | 5,341.96 | 784.37 | 6,126.33 | 5,341.96 | |
| 25/01/2011 | 2,565.35 | 247.78 | 2,813.13 | 0.00 | 927.41 | 927.41 | 5,116.00 | 739.35 | 5,855.35 | 5,116.00 | |
| 25/04/2011 | 2,060.67 | 218.38 | 2,279.05 | 0.00 | 907.25 | 907.25 | 4,109.52 | 673.03 | 4,782.55 | 4,109.52 | |
| 25/07/2011 | 1,994.52 | 201.30 | 2,195.82 | 0.00 | 917.33 | 917.33 | 3,977.60 | 639.69 | 4,617.29 | 3,977.60 | |
| 25/10/2011 | 1,992.28 | 184.43 | 2,176.71 | 0.00 | 927.41 | 927.41 | 3,973.14 | 606.78 | 4,579.92 | 3,973.14 | |
| 25/01/2012 | 2,015.50 | 165.37 | 2,180.87 | 0.00 | 927.41 | 927.41 | 4,019.45 | 566.89 | 4,586.34 | 4,019.45 | |
| 25/04/2012 | 1,643.76 | 144.50 | 1,788.26 | 0.00 | 917.33 | 917.33 | 3,278.09 | 520.81 | 3,798.90 | 3,278.09 | |
| 25/07/2012 | 1,587.04 | 128.94 | 1,715.98 | 0.00 | 917.33 | 917.33 | 3,164.98 | 488.25 | 3,653.23 | 3,164.98 | |
| 25/10/2012 | 1,568.27 | 115.17 | 1,683.45 | 0.00 | 927.41 | 927.41 | 3,127.55 | 461.84 | 3,589.39 | 3,127.55 | |
| 25/01/2013 | 1,564.22 | 100.17 | 1,664.39 | 0.00 | 927.41 | 927.41 | 3,119.48 | 430.43 | 3,549.91 | 3,119.48 | |
| 25/04/2013 | 1,276.48 | 83.35 | 1,359.83 | 0.00 | 907.25 | 907.25 | 2,545.65 | 390.43 | 2,936.08 | 2,545.65 | |
| 25/07/2013 | 1,247.18 | 72.20 | 1,319.38 | 0.00 | 917.33 | 917.33 | 2,487.21 | 369.49 | 2,856.70 | 2,487.21 | |
| 25/10/2013 | 1,247.97 | 61.06 | 1,309.03 | 0.00 | 927.41 | 927.41 | 2,488.79 | 348.58 | 2,837.36 | 2,488.79 | |
| 27/01/2014 | 1,253.90 | 50.18 | 1,304.09 | 0.00 | 947.57 | 947.57 | 2,500.62 | 330.62 | 2,831.24 | 2,500.62 | |
| 25/04/2014 | 1,021.15 | 35.50 | 1,056.65 | 0.00 | 887.09 | 887.09 | 2,036.45 | 285.50 | 2,321.95 | 2,036.45 | |
| 25/07/2014 | 998.64 | 27.05 | 1,025.69 | 0.00 | 917.33 | 917.33 | 1,991.56 | 275.01 | 2,266.57 | 1,991.56 | |
| 27/10/2014 | 1,011.06 | 18.18 | 1,029.24 | 0.00 | 947.57 | 947.57 | 2,016.32 | 263.64 | 2,279.97 | 2,016.32 | |
| 26/01/2015 | 848.53 | 8.03 | 856.56 | 1,319.64 | 917.33 | 2,236.97 | 1,982.38 | 235.20 | 2,217.58 | 1,982.38 | |
| 27/04/2015 | 0.00 | 0.00 | 0.00 | 7,275.95 | 905.23 | 8,181.17 | 1,599.99 | 215.52 | 1,815.51 | 1,599.99 | |
| 27/07/2015 | 0.00 | 0.00 | 0.00 | 91,404.41 | 838.48 | 92,242.89 | 20,099.99 | 199.63 | 20,299.61 | 20,099.99 | |

## FLOWS FOR EVERY BOND WITHOUT WITHHOLDING FOR THE HOLDER
## (AMOUNTS IN EUR)
## CPR = 12%

| Payment | Series A1 Bonds | | | Series A2 (G) Bonds | | | Series B Bonds | | | Series C | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Date | Principal Repayment | Gross Interest | Total Flow | Principal Repayment | Gross Interest | Total Flow | Principal Repayment | Gross Interest | Total Flow | Principal Repayment | Gro Inter |
| TOTALS | 100,000.00 | 10,010.67 | 110,010.67 | 100,000.00 | 29,136.66 | 129,136.66 | 100,000.00 | 21,392.70 | 121,392.70 | 100,000.00 | 23,1 |
| 29/11/2006 | | | | | | | | | | | |
| 25/04/2007 | 10,150.77 | 1,559.02 | 11,709.79 | 0.00 | 1,512.06 | 1,512.06 | 0.00 | 1,634.56 | 1,634.56 | 0.00 | 1,7 |
| 25/07/2007 | 6,778.29 | 850.33 | 7,628.62 | 0.00 | 917.33 | 917.33 | 0.00 | 993.16 | 993.16 | 0.00 | 1,0 |
| 25/10/2007 | 7,184.20 | 794.82 | 7,979.03 | 0.00 | 927.41 | 927.41 | 0.00 | 1,004.08 | 1,004.08 | 0.00 | 1,0 |
| 25/01/2008 | 6,802.79 | 726.08 | 7,528.87 | 0.00 | 927.41 | 927.41 | 0.00 | 1,004.08 | 1,004.08 | 0.00 | 1,0 |
| 25/04/2008 | 5,790.08 | 653.81 | 6,443.89 | 0.00 | 917.33 | 917.33 | 0.00 | 993.16 | 993.16 | 0.00 | 1,0 |
| 25/07/2008 | 5,561.70 | 599.01 | 6,160.71 | 0.00 | 917.33 | 917.33 | 0.00 | 993.16 | 993.16 | 0.00 | 1,0 |
| 27/10/2008 | 5,538.50 | 564.39 | 6,102.89 | 0.00 | 947.57 | 947.57 | 0.00 | 1,025.91 | 1,025.91 | 0.00 | 1,1 |
| 26/01/2009 | 5,773.12 | 493.96 | 6,267.08 | 0.00 | 917.33 | 917.33 | 0.00 | 993.16 | 993.16 | 0.00 | 1,0 |
| 27/04/2009 | 4,443.97 | 439.32 | 4,883.30 | 0.00 | 917.33 | 917.33 | 0.00 | 993.16 | 993.16 | 0.00 | 1,0 |
| 27/07/2009 | 4,290.54 | 397.27 | 4,687.81 | 0.00 | 917.33 | 917.33 | 0.00 | 993.16 | 993.16 | 0.00 | 1,0 |
| 26/10/2009 | 3,282.39 | 356.66 | 3,639.05 | 0.00 | 917.33 | 917.33 | 9,399.76 | 993.16 | 10,392.93 | 9,399.76 | 1,0 |
| 25/01/2010 | 3,464.61 | 325.60 | 3,790.21 | 0.00 | 917.33 | 917.33 | 6,909.36 | 899.81 | 7,809.17 | 6,909.36 | 9 |
| 26/04/2010 | 2,794.90 | 292.81 | 3,087.70 | 0.00 | 917.33 | 917.33 | 5,573.77 | 831.19 | 6,404.96 | 5,573.77 | 8 |
| 26/07/2010 | 2,682.95 | 266.36 | 2,949.31 | 0.00 | 917.33 | 917.33 | 5,350.53 | 775.83 | 6,126.36 | 5,350.53 | 8 |
| 25/10/2010 | 2,662.97 | 240.96 | 2,903.93 | 0.00 | 917.33 | 917.33 | 5,310.67 | 722.69 | 6,033.36 | 5,310.67 | 7 |
| 25/01/2011 | 2,530.58 | 218.13 | 2,748.71 | 0.00 | 927.41 | 927.41 | 5,046.65 | 677.31 | 5,723.96 | 5,046.65 | 7 |
| 25/04/2011 | 2,041.46 | 189.71 | 2,231.17 | 0.00 | 907.25 | 907.25 | 4,071.22 | 613.02 | 4,684.24 | 4,071.22 | 6 |
| 25/07/2011 | 1,961.78 | 172.49 | 2,134.27 | 0.00 | 917.33 | 917.33 | 3,912.31 | 579.39 | 4,491.71 | 3,912.31 | 6 |
| 25/10/2011 | 1,940.29 | 155.62 | 2,095.90 | 0.00 | 927.41 | 927.41 | 3,869.45 | 546.48 | 4,415.93 | 3,869.45 | 5 |
| 25/01/2012 | 1,939.90 | 137.05 | 2,076.96 | 0.00 | 927.41 | 927.41 | 3,868.68 | 507.62 | 4,376.31 | 3,868.68 | 5 |
| 25/04/2012 | 1,587.68 | 117.20 | 1,704.88 | 0.00 | 917.33 | 917.33 | 3,166.26 | 463.68 | 3,629.94 | 3,166.26 | 5 |
| 25/07/2012 | 1,520.59 | 102.18 | 1,622.77 | 0.00 | 917.33 | 917.33 | 3,032.47 | 432.24 | 3,464.70 | 3,032.47 | 4 |
| 25/10/2012 | 1,488.94 | 88.75 | 1,577.70 | 0.00 | 927.41 | 927.41 | 2,969.35 | 406.54 | 3,375.89 | 2,969.35 | 4 |
| 25/01/2013 | 1,469.20 | 74.51 | 1,543.70 | 0.00 | 927.41 | 927.41 | 2,929.97 | 376.73 | 3,306.70 | 2,929.97 | 4 |
| 25/04/2013 | 1,201.72 | 59.13 | 1,260.86 | 0.00 | 907.25 | 907.25 | 2,396.55 | 339.76 | 2,736.31 | 2,396.55 | 3 |
| 25/07/2013 | 1,164.59 | 48.42 | 1,213.01 | 0.00 | 917.33 | 917.33 | 2,322.50 | 319.73 | 2,642.23 | 2,322.50 | 3 |
| 25/10/2013 | 1,153.57 | 37.81 | 1,191.38 | 0.00 | 927.41 | 927.41 | 2,300.53 | 299.92 | 2,600.45 | 2,300.53 | 3 |
| 27/01/2014 | 1,146.03 | 27.35 | 1,173.38 | 0.00 | 947.57 | 947.57 | 2,285.49 | 282.84 | 2,568.33 | 2,285.49 | 3 |
| 25/04/2014 | 934.81 | 15.12 | 949.93 | 0.00 | 887.09 | 887.09 | 1,864.25 | 242.84 | 2,107.09 | 1,864.25 | 2 |
| 25/07/2014 | 717.09 | 6.79 | 723.87 | 1,718.00 | 917.33 | 2,635.33 | 1,807.85 | 232.60 | 2,040.45 | 1,807.85 | 2 |
| 27/10/2014 | 0.00 | 0.00 | 0.00 | 98,282.00 | 931.29 | 99,213.30 | 21,612.38 | 221.72 | 21,834.10 | 21,612.38 | 2 |

## 4.11 Representation of security holders.

No syndicate of Bondholders will be set up for the securities included in this Bond Issue.

On the terms provided for in article 12 of Royal Decree 926/1998, it is the Management Company's duty, as the manager of third-party portfolios, to represent and enforce the interests of the holders of the Bonds issued by the Fund and of all its other ordinary creditors. Consequently, the Management Company shall make its actions conditional on their protection and observe the provisions established for that purpose from time to time.

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

**a) Corporate resolutions.**

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

At its meeting of July 18, 2006, the Executive Committee of the Board of Directors of EUROPEA DE TITULIZACIÓN resolved that:

i) RURALPYME 2 FTPYME FONDO DE TITULIZACIÓN DE ACTIVOS be set up in accordance with the legal system for which provision is made in Royal Decree 926/1998, Act 19/1992, failing a provision in Royal Decree 926/1998, and to the extent applicable, in pursuance of the Order of December 28, 2001 and all other legal and statutory provisions in force and applicable from time to time.

ii) Credit rights owned by and recorded in the assets of CAIXA POPULAR-CAIXA RURAL, CAIXA RURAL DE BALEARS, CAJA RURAL ARAGONESA Y DE LOS PIRINEOS, CAJA RURAL CENTRAL, CAJA RURAL DE ARAGÓN, CAJA RURAL DE BURGOS, CAJA RURAL DE CIUDAD REAL, CAJA RURAL DE CÓRDOBA, CAJA RURAL DE GIJÓN, CAJA RURAL DE NAVARRA, CAJA RURAL DE TERUEL, CAJA RURAL DE ZAMORA, CAJA RURAL DEL MEDITERRÁNEO, RURALCAJA, and CAJA RURAL DEL SUR derived from loans with real estate mortgage security, with security other than a real estate mortgage and without special security granted to sole traders and non-financial small and medium-sized enterprises domiciled in Spain satisfying the requirements for small and medium-sized enterprises as defined by the European Commission (Recommendation of May 6, 2003 replacing the Recommendation of April 3, 1996) be pooled in the Fund.

iii) The Bonds be issued by the Fund.

***Resolution to assign the Loans:***

The Management Boards of CAIXA POPULAR-CAIXA RURAL at a meeting held on September 25, 2006, CAIXA RURAL DE BALEARS at a meeting held on August 28, 2006, CAJA RURAL ARAGONESA Y DE LOS PIRINEOS at a meeting held on September 29, 2006, CAJA RURAL CENTRAL at a meeting held on February 27, 2006, CAJA RURAL DE ARAGÓN at a meeting held on September 15, 2006, CAJA RURAL DE BURGOS at a meeting held on September 21, 2006, CAJA RURAL DE CIUDAD REAL at a meeting held on October 3, 2006, CAJA RURAL DE CÓRDOBA at a meeting held on September 12, 2006, CAJA RURAL DE GIJÓN at a meeting held on September 13, 2006, CAJA RURAL DE NAVARRA at a meeting held on September 22, 2006, CAJA RURAL DE TERUEL at a meeting held on September 21, 2006, CAJA RURAL DE ZAMORA at a meeting held on March 24, 2006, CAJA RURAL DEL MEDITERRÁNEO, RURALCAJA at a meeting held on March 27, 2006 and CAJA RURAL DEL SUR at a meeting held on September 19, 2006, resolved that the assignment to the Fund of credit rights derived from personal loans, loans with real estate mortgage security and loans with security other than a real estate mortgage (or any other type of credit assets) granted by them to finance non-financial enterprises (legal persons or sole traders) domiciled in Spain be authorised.

**b) Registration by the CNMV.**

The establishment of the Fund and issue of the Bonds are subject to the condition precedent of the entry in the Official Registers of the CNMV of this Prospectus and all other supporting documents, in accordance with the provisions of article 5.1.e) of Royal Decree 926/1998.

This Prospectus regarding the establishment of the Fund and issue of the Bonds has been entered in the CNMV's Official Registers on November 23, 2006.

**c) Agreements relating to the execution of the State Guarantee.**

In accordance with the provisions of section Two of the Order of December 28, 2001, the Management Company entered on October 30, 2006 into a standard Collaboration Agreement with the Industry, Tourism and Commerce Ministry to set up the Fund for fostering business financing.

Furthermore, in accordance with the provisions of section Three of the Order of December 28, 2001, each Originator entered on October 30, 2006 into the Framework Collaboration Agreement with the Industry, Tourism and Commerce Ministry to determine the loans eligible for assignment to the Fund.

In a Ministerial Order, the Economy and Finance Ministry shall provide the Fund before it is established with the Guarantee whereby the Spanish State will guarantee, waiving the benefit of discussion established in Civil Code article 1830, payment of such economic obligations as may be enforceable on the Fund deriving from the Series A2(G) Bonds for a face amount of EUR fifty-three million seven hundred thousand (53,700,000.00).

**d) Execution of the Fund public deed of constitution.**

Upon the CNMV registering this Prospectus, the Management Company shall, with the presence of the Originators, proceed to execute on November 24, 2006 a public deed whereby RURALPYME 2 FTPYME FONDO DE TITULIZACIÓN DE ACTIVOS will be established, the Originators will assign to the Fund Non-Mortgage Loans and Mortgage Loans, by means of the issue of Pass-Through Certificates, and the Fund will issue the Asset-Backed Bonds, on the terms provided in article 6 of Royal Decree 926/1998.

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

The Management Company shall submit a copy of the Deed of Constitution to the CNMV to be entered in the Official Registers before the Bond Subscription Period begins.

### 4.13 Issue date of the securities.

The Bond issue date shall be November 24, 2006, by means of the Deed of Constitution of the Fund.

#### 4.13.1 Potential investors to whom the Series A1, A2(G), B and C Bonds are offered

Placement of the Bonds in each of Series A1, A2(G), B and C of the Bond Issue is targeted at qualified investors and, therefore, in accordance with the Securities Market Act and applicable implementing regulations, the Bond offering shall not be considered a public offering.

Subscription for all the Series D Bonds shall be carried out exclusively by the Originators.

**Tranches.**

Each of the Series consists of one tranche only.

#### 4.13.2 Series A1, A2(G), B and C Bond subscription or acquisition date or period.

The Series A1, A2(G), B and C subscription period (the "**Subscription Period**") shall begin at 1pm (CET time) on November 27, 2006 and end at 2pm (CET time) on the same day.

4.13.3 **Where and with whom may Series A1, A2(G), B and C Bond subscription or acquisition be processed?**

Series A1, A2(G), B and C Bond subscription proposals shall be made with BANCO COOPERATIVO, DZ BANK, RBS, SOCIÉTÉ GÉNÉRALE, BANCAJA, BANCO PASTOR, BBVA and DANSKE BANK, as Underwriters and Placement Agents, and observing the procedures established hereinafter in the following sections.

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

4.13.4 **Placement and allocation of Series A1, A2(G), B and C Bonds.**

The Underwriters and Placement Agents shall freely proceed to accept or turn down the Series A1, A2(G), B and C Bond subscription proposals received, making sure in any event that there is no discriminatory treatment between similarly characterised proposals. The Underwriters and Placement Agents may nevertheless give priority to proposals of those of their customers as they shall deem fit or appropriate, and indeed subscribe for their own account, for themselves or for companies in their group, for all or part of each of the Series A1, A2(G), B and C Bond Series.

Each Underwriter and Placement Agent agrees to subscribe in its own name, at the close of the Subscription Period, for such amount of Series A1, A2(G), B and C Bonds as may be necessary to complete the figure of their underwriting commitment as determined in the Series A1, A2(G), B and C Bond Management, Underwriting and Placement Agreement.

4.13.5 **Series A1, A2(G), B and C Bond payment method and dates.**

The investors to whom the Series A1, A2(G), B and C Bonds shall have been allocated shall pay the relevant Underwriter and Placement Agent, by 1pm (CET time) on November 29, 2006 (the "**Closing Date**"), for same day value, the relevant issue price for each Bond allocated for subscription.

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

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

# 5 ADMISSION TO TRADING AND DEALING ARRANGEMENTS.

## 5.1 Market where the securities will be traded.

In fulfilment of the provisions of article 2.3 of Royal Decree 926/1998, the Management Company shall, upon the Bonds having been paid up, apply for this Bond Issue to be listed on AIAF Mercado de Renta Fija ("**AIAF**"), which is a qualified official secondary securities market pursuant to transitional provision six of Act 37/1998, November 16, amending the Securities Market Act, and a regulated market, in accordance with the Annotated List of Regulated Markets and Additional Provisions under the Investment Services Directive 93/22, published in the Official Journal of the European Communities on May 12, 2005. The Management Company undertakes that definitive admission to trading will be achieved not later than one month after the Closing Date.

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

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

## 5.2 Paying agents and depository agents.

### 5.2.1 Paying Agent of the Bond Issue.

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

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

The obligations to be taken on by BANCO COOPERATIVO (the "**Paying Agent**") under this Paying Agent Agreement are summarily as follows:

(i) Paying to the Fund by 3pm (CET time) on the Closing Date, by crediting the Treasury Account, for same day value, the aggregate amount of the subscription for the Bond Issue respectively received, as provided for in the Series A1, A2(G), B and C Bond Management, Underwriting and Placement Agreement and in the Series D Bond Subscription Agreement, from the other Underwriters and Placement Agents (plus the face amount of the Bonds placed and subscribed for, as the case may be, on its own account, as Underwriter and Placement Agent) and the Originators.

(ii) Paying each Underwriter and Placement Agent on the Closing Date, as directed by the Management Company, the Series A1, A2(G), B and C Bond underwriting and placement fee amount they shall each have earned, after they have in turn paid it the face amount of the Bonds they shall each have placed and subscribed for, as the case may be, on their own account up to their respective underwriting commitment.

(iii) Handing to the Management Company Bond Issue placement dissemination control information based on the Series A1, A2(G), B and C Bond information provided in that connection by the Underwriters and Placement Agents, using for that purpose the form duly established by the CNMV.

(iv) On each Bond Payment Date, paying interest and, as the case may be, repaying Bond principal through Iberclear, after deducting the total amount of the interim tax withholding for return on investments to be made by the Management Company, on behalf of the Fund, in accordance with applicable tax laws.

(v) On each Interest Rate Fixing Date, notifying the Management Company of the Reference Rate determined to be used as the basis for the Management Company to calculate the Nominal Interest Rate applicable to each Bond Series.

In the event that the rating of BANCO COOPERATIVO's short-term, unsecured and unsubordinated debt should, at any time during the life of the Bond Issue, be downgraded below F1 or P-1 respectively by Fitch and Moody's, the Management Company shall within not more than thirty (30) Business Days from the time of the occurrence of any such circumstances revoke the appointment of BANCO COOPERATIVO as Paying Agent and thereupon designate another institution whose short-term, unsecured and unsubordinated debt is rated at least as high as F1 and P-1 respectively by Fitch and Moody's, to take its place before terminating the Paying Agent Agreement or, as the case may be, under a new paying agent agreement, and subject to prior notice being given to the Rating Agencies. Should BANCO COOPERATIVO be replaced as Paying Agent, the Management Company shall be entitled to change the fee payable to the substitute institution, which may be higher than that established with BANCO COOPERATIVO under the Paying Agent Agreement.

In consideration of the services provided by the Paying Agent, the Fund shall pay it on each Payment Date during the term of the agreement, a fee of EUR one thousand (1,000.00), inclusive of taxes as the case may be. This fee shall be paid provided that the Fund has sufficient liquidity and in the Priority of Payments or, as the case may be, the Liquidation Priority of Payments.

In the event that the Fund should not have sufficient liquidity to pay said full fee, then the amounts accrued and not paid shall be accumulated without any penalty whatsoever to the fee falling due on the following Payment Date, unless that absence of liquidity should continue, in which case the amounts due shall build up until fully paid until the Payment Date on which they are settled.

The Paying Agent Agreement shall be fully terminated in the event that the Rating Agencies should not confirm the provisional ratings assigned to each Series as final ratings by the start of the Subscription Period.

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

The following are the expected expenses deriving from setting up the Fund and issue and admission to trading of the Bond issue:

| | EUR |
|---|---|
| • Initial Management Company fee | 80,000.00 |
| • Notary's, rating and legal advice fees | 351,926.56 |
| • CNMV fees (registering Prospectus and supervising Bond admission to trading) | 48,033.00 |
| • AIAF and Iberclear fees for including the Bonds in the register of book entries | 38,688.90 |
| • Underwriting and placement fees | 593,000.00 |
| • Translation, printing and other expenses | 23,209.19 |
| **Total expenses** | **1,134,857.65** |

## 7 ADDITIONAL INFORMATION.

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

LOVELLS ("**LOVELLS**"), as independent advisers, have provided legal advice for establishing the Fund and issuing the Bonds and reviewed the tax implications thereof.

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

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

Not applicable.

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

DELOITTE have audited the Management Company's and the following Originators' annual accounts for the year 2005:

- Caixa Popular-Caixa Rural
- Caja Rural Aragonesa y de los Pirineos
- Caja Rural de Burgos
- Caja Rural de Córdoba
- Caja Rural del Mediterráneo, Ruralcaja

ERNST & YOUNG have audited the following Originators' annual accounts for the year 2005:

- Caja Rural de Ciudad Real
- Caja Rural de Navarra

KPMG have audited the following Originators' annual accounts for the year 2005:

- Caixa Rural de Balears
- Caja Rural de Gijón
- Caja Rural de Zamora

PRICEWATERHOUSECOOPERS have audited the selected loans on the terms set forth in section 2.2 of the Building Block and the following Originators' annual accounts for the year 2005:

- Caja Rural Central
- Caja Rural de Aragón
- Caja Rural de Teruel
- Caja Rural del Sur

The audit reports on the Originators' year 2005 annual accounts have no provisos.

### 7.4 Information sourced from a third party.

Within its duties to verify the information contained in this Prospectus, the Management Company has received confirmation from CAIXA POPULAR-CAIXA RURAL, CAIXA RURAL DE BALEARS, CAJA RURAL ARAGONESA Y DE LOS PIRINEOS, CAJA RURAL CENTRAL, CAJA RURAL DE ARAGÓN, CAJA RURAL DE BURGOS, CAJA RURAL DE CIUDAD REAL, CAJA RURAL DE CÓRDOBA, CAJA RURAL DE GIJÓN, CAJA RURAL DE NAVARRA, CAJA RURAL DE TERUEL, CAJA RURAL DE ZAMORA, CAJA RURAL DEL MEDITERRÁNEO, RURALCAJA and CAJA RURAL DEL SUR as to the truthfulness of the characteristics of CAIXA POPULAR-CAIXA RURAL, CAIXA RURAL DE BALEARS, CAJA RURAL ARAGONESA Y DE LOS PIRINEOS, CAJA RURAL CENTRAL, CAJA RURAL DE ARAGÓN, CAJA RURAL DE BURGOS, CAJA RURAL DE CIUDAD REAL, CAJA RURAL DE CÓRDOBA, CAJA RURAL DE GIJÓN, CAJA RURAL DE NAVARRA, CAJA RURAL DE TERUEL, CAJA RURAL DE ZAMORA, CAJA RURAL DEL MEDITERRÁNEO, RURALCAJA, and CAJA RURAL DEL SUR as Originators, as to the truthfulness of the information on the Loans given in section 2.2.8 of the Building Block, and of the remaining information on the Originators and the Loans given in this Prospectus.

In the Deed of Constitution of the Fund, CAIXA POPULAR-CAIXA RURAL, CAIXA RURAL DE BALEARS, CAJA RURAL ARAGONESA Y DE LOS PIRINEOS, CAJA RURAL CENTRAL, CAJA RURAL DE ARAGÓN, CAJA RURAL DE BURGOS, CAJA RURAL DE CIUDAD REAL, CAJA RURAL DE CÓRDOBA, CAJA RURAL DE GIJÓN, CAJA RURAL DE NAVARRA, CAJA RURAL DE TERUEL, CAJA RURAL DE ZAMORA, CAJA RURAL DEL MEDITERRÁNEO, RURALCAJA and CAJA RURAL DEL SUR, as Originators, shall reaffirm to the Management Company the fulfilment of those characteristics on the date on which the Fund is established.

The Management Company confirms that the information from CAIXA POPULAR-CAIXA RURAL, CAIXA RURAL DE BALEARS, CAJA RURAL ARAGONESA Y DE LOS PIRINEOS, CAJA RURAL CENTRAL, CAJA RURAL DE ARAGÓN, CAJA RURAL DE BURGOS, CAJA RURAL DE CIUDAD REAL, CAJA RURAL DE CÓRDOBA, CAJA RURAL DE GIJÓN, CAJA RURAL DE NAVARRA, CAJA RURAL DE TERUEL, CAJA RURAL DE ZAMORA, CAJA RURAL DEL MEDITERRÁNEO, RURALCAJA and CAJA RURAL DEL SUR on the Loans has been accurately reproduced and, to the best of its knowledge and ability to determine based on that information provided by CAIXA POPULAR-CAIXA RURAL, CAIXA RURAL DE BALEARS, CAJA RURAL ARAGONESA Y DE LOS PIRINEOS, CAJA RURAL CENTRAL, CAJA RURAL DE ARAGÓN, CAJA RURAL DE BURGOS, CAJA RURAL DE CIUDAD REAL, CAJA RURAL DE CÓRDOBA, CAJA RURAL DE GIJÓN, CAJA RURAL DE NAVARRA, CAJA RURAL DE TERUEL, CAJA RURAL DE ZAMORA, CAJA RURAL DEL MEDITERRÁNEO, RURALCAJA and CAJA RURAL DEL SUR, no fact has been omitted which might result in the information reproduced being inaccurate or deceptive.

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

On November 21, 2006, Fitch Ratings España, S.A. and Moody's investors Services España, S.A. have assigned the following provisional ratings to each Bond Series, and expect to assign the same final ratings by the start of the Bond Subscription Period.

| Bond Series | Fitch Ratings | Moody's Ratings |
|---|---|---|
| Series A1 | AAA | Aaa |
| Series A2(G) | AAA | Aaa |
| Series B | A | A2 |
| Series C | BBB- | Baa3 |
| Series D | CC | Ca |

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

**Rating considerations.**

The ratings assigned to each Bond Series by Fitch measure the Fund's capacity for timely payment of interest and payment of Bond principal throughout the life of the transaction and at all events before the Final Maturity Date, on the terms stipulated in the Prospectus. The structure allows Series B and C interest payment to be deferred in certain circumstances. This implies that those Series might not receive interest on some Payment Dates if the deferment circumstances occur, without that being a default on payment of those Bonds.

The ratings assigned to each Bond Series by Moody's measure the expected loss before the Final Maturity Date. In Moody's opinion, the structure allows prompt payment of interest and payment of principal during the life of the transaction and, in any event, before the Final Maturity Date for Series A1, A2(G), B and C, and interest and principal payment before the Final Maturity Date for Series D.

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

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

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

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

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

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

In carrying on the rating and monitoring process, the Rating Agencies rely on the accuracy and wholeness of the information provided by the Originators, the Management Company, the Lead Manager BANCO COOPERATIVO, the auditors of the selected loans and the legal advisers of the Fund.

# ASSET-BACKED SECURITIES NOTE BUILDING BLOCK

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

## 1. SECURITIES

### 1.1 Minimum denomination of the issue.

The Fund shall be set up with the Loans which CAIXA POPULAR-CAIXA RURAL, CAIXA RURAL DE BALEARS, CAJA RURAL ARAGONESA Y DE LOS PIRINEOS, CAJA RURAL CENTRAL, CAJA RURAL DE ARAGÓN, CAJA RURAL DE BURGOS, CAJA RURAL DE CIUDAD REAL, CAJA RURAL DE CÓRDOBA, CAJA RURAL DE GIJÓN, CAJA RURAL DE NAVARRA, CAJA RURAL DE TERUEL, CAJA RURAL DE ZAMORA, CAJA RURAL DEL MEDITERRÁNEO, RURALCAJA and CAJA RURAL DEL SUR shall assign to the Fund upon being established and their total outstanding principal or capital shall be equal to or slightly above EUR five hundred and ninety-three million (593,000,000.00), the face value amount of Series A1, A2(G), B and C Bonds.

Additionally, the Fund shall issue a Bond Series D having a total face amount of EUR twenty-four million fifty thousand (24,050,000.00), which amount shall be used to set up the Initial Cash Reserve and be credited to the Treasury Account.

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

Not applicable.

## 2. UNDERLYING ASSETS

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

Having regard to the information supplied by the Originators on the Loans, the Management Company confirms that, based on their contractual characteristics, the flows of principal, interest and any other amounts generated by the securitised Loans allow the payments due and payable on the Bonds issued to be satisfied.

Nevertheless, in order to cover for potential defaults on payment by the Obligors of the securitised Loans, a number of credit enhancement transactions have been arranged allowing the amounts payable on the Bonds in each Series to be covered to a different extent and mitigating interest risk due to the different terms of the interest clauses of the Loans and of the Bonds in each Series. In exceptional circumstances, the enhancement transactions could actually fall short. The credit enhancement transactions are described in sections 3.4.2, 3.4.3 and 3.4.4 of this Building Block.

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

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

### 2.2 Assets backing the issue.

The credit rights to be pooled in the Fund, represented by the Management Company, upon being established, shall exclusively consist of credit rights owned by CAIXA POPULAR-CAIXA RURAL, CAIXA RURAL DE BALEARS, CAJA RURAL ARAGONESA Y DE LOS PIRINEOS, CAJA RURAL CENTRAL,

CAJA RURAL DE ARAGÓN, CAJA RURAL DE BURGOS, CAJA RURAL DE CIUDAD REAL, CAJA RURAL DE CÓRDOBA, CAJA RURAL DE GIJÓN, CAJA RURAL DE NAVARRA, CAJA RURAL DE TERUEL, CAJA RURAL DE ZAMORA, CAJA RURAL DEL MEDITERRÁNEO, RURALCAJA and CAJA RURAL DEL SUR derived from Loans granted by CAIXA POPULAR-CAIXA RURAL, CAIXA RURAL DE BALEARS, CAJA RURAL ARAGONESA Y DE LOS PIRINEOS, CAJA RURAL CENTRAL, CAJA RURAL DE ARAGÓN, CAJA RURAL DE BURGOS, CAJA RURAL DE CIUDAD REAL, CAJA RURAL DE CÓRDOBA, CAJA RURAL DE GIJÓN, CAJA RURAL DE NAVARRA, CAJA RURAL DE TERUEL, CAJA RURAL DE ZAMORA, CAJA RURAL DEL MEDITERRÁNEO, RURALCAJA and CAJA RURAL DEL SUR with real estate mortgage security, with security other than a real estate mortgage and without special security granted to sole traders and non-financial small and medium-sized enterprises domiciled in Spain meeting the requirements to be small and medium-sized enterprises, as defined by the European Commission (Recommendation of May 6, 2003 replacing the Recommendation of April 3, 1996).

The portfolio of selected loans from which the Loans to be assigned to the Fund upon being established will be taken comprises 4,971 loans, the outstanding principal as at October 26, 2006 being EUR 699,239,455.73 and the overdue principal being EUR 406,610.24.

The details by Originator of the 4,971 selected loans is as follows:

**Mortgage loan portfolio as of 26.10.2006**
**Classification by Originator**

| Originator | Loans No. | Loans % | Outstanding principal (EUR) | % |
|---|---|---|---|---|
| CAIXA POPULAR-CAIXA RURAL. S.C.C.V. | 23 | 0.46 | 9,278,696.15 | 1.33 |
| CAIXA RURAL DE BALEARS. S.C.C. | 242 | 4.87 | 16,587,294.79 | 2.37 |
| CAJA RURAL ARAGONESA Y DE LOS PIRINEOS. S.C.C. | 1,380 | 27.76 | 108,852,175.14 | 15.57 |
| CAJA RURAL CENTRAL. S.C.C. | 125 | 2.51 | 10,574,675.29 | 1.51 |
| CAJA RURAL DE ARAGON. S.C.C. | 481 | 9.68 | 73,697,976.29 | 10.54 |
| CAJA RURAL DE BURGOS. S.C.C. | 167 | 3.36 | 19,063,643.47 | 2.73 |
| CAJA RURAL DE CIUDAD REAL. S.C.C. | 42 | 0.84 | 31,718,446.79 | 4.54 |
| CAJA RURAL DE CORDOBA. S.C.C. | 140 | 2.82 | 66,374,315.48 | 9.49 |
| CAJA RURAL DE GIJÓN. C.C. | 32 | 0.64 | 6,514,277.42 | 0.93 |
| CAJA RURAL DE NAVARRA. S.C.C. | 346 | 6.96 | 73,596,838.91 | 10.53 |
| CAJA RURAL DE TERUEL. S.C.C. | 470 | 9.45 | 42,805,378.88 | 6.12 |
| CAJA RURAL DE ZAMORA. C.C. | 142 | 2.86 | 24,238,357.95 | 3.47 |
| CAJA RURAL DEL MEDITERRANEO. RURALCAJA. S.C.C. | 423 | 8.51 | 63,679,684.37 | 9.11 |
| CAJA RURAL DEL SUR. S.COOP. DE CREDITO | 958 | 19.27 | 152,257,694.80 | 21.77 |
| **Total** | **4,971** | **100.00** | **699,239,455.73** | **100.00** |

***Audit of the assets securitised through the Fund.***

The selected loans have been audited by PRICEWATERHOUSECOOPERS.

That audit was made using sampling techniques consisting of analysing a number of transactions fewer (sample) than the full selection of loans (population), allowing a conclusion to be arrived at regarding that population. The verification deals with a number of both quantitative and qualitative attributes regarding the sample transactions and specifically regarding: nature of the loan and the obligor, title, identification of the obligor, loan transfer, SME criterion accreditation, loan origination date, loan maturity date, repayment term at source of not less than one year, initial loan amount, current loan balance (outstanding principal), reference rate or benchmark index, interest rate spread, interest rate applied, arrears in payment, insolvency status, and additionally for loans with mortgage security, mortgage loan origination, mortgage security, address of the mortgaged property or properties and appraisal value. Loans in respect of which errors are detected in verifying the sample shall not be assigned to the Fund by the Originators.

The audit results shall be set out in a report prepared by PRICEWATERHOUSECOOPERS, which is one of the documents on display as determined in section 10 of the Registration Document.

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

The securitised assets are governed by Spanish Law.

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

**a) Information as to number and distribution of the obligors of the selected loans.**

The obligors are sole traders and non-financial small and medium-sized enterprises domiciled in Spain meeting the requirements to be small and medium-sized enterprises, as defined by the European Commission (Recommendation of May 6, 2003 replacing the Recommendation of April 3, 1996). The following table gives the concentration of the ten obligors weighing most in the portfolio of selected loans as of October 26, 2006.

| Loan portfolio as of 26.10.2006<br>Classification by obligor | | | | |
|---|---|---|---|---|
| | Loans | % | Outstanding principal (EUR) | % |
| Obligor 1 | 1 | 0.02 | 6,438,065.67 | 0.92 |
| Obligor 2 | 1 | 0.02 | 5,323,324.36 | 0.76 |
| Obligor 3 | 2 | 0.04 | 5,214,294.79 | 0.75 |
| Obligor 4 | 1 | 0.02 | 4,921,021.94 | 0.70 |
| Obligor 5 | 2 | 0.04 | 4,860,593.39 | 0.70 |
| Obligor 6 | 1 | 0.02 | 4,485,297.64 | 0.64 |
| Obligor 7 | 4 | 0.08 | 4,205,955.41 | 0.60 |
| Obligor 8 | 2 | 0.04 | 3,809,511.56 | 0.54 |
| Obligor 9 | 3 | 0.06 | 3,716,159.62 | 0.53 |
| Obligor 10 | 1 | 0.02 | 3,567,651.80 | 0.51 |
| Rest: 4,153 obligors | 4,953 | 99.64 | 652,697,580.55 | 93.34 |
| **Total: 4,163 obligors** | **4,971** | **100.00** | **699,239,455.73** | **100.00** |

The outstanding principal of each obligor is the result of the sum of the outstanding principal of each of the selected loans granted to a same obligor.

**b) Information on the obligors' economic activity by economic activity sectors in accordance with the Spanish Business Activity Code (CNAE).**

The following table shows the distribution of the selected loans based on the corporate obligors' CNAE activity.

| Loan portfolio as of 26.10.2006<br>Classification by economic activity sectors | | | | | |
|---|---|---|---|---|---|
| CNAE | | Loans | % | Outstanding principal (EUR) | % |
| AA | Agriculture, stockbreeding, hunting and forestry. | 1,058 | 21.28 | 162,099,206.97 | 23.18 |
| BB | Fishing. | 8 | 0.16 | 583,536.37 | 0.08 |
| CA | Extracting energy products | 3 | 0.06 | 967,761.82 | 0.14 |
| CB | Extracting other minerals except energy products. | 35 | 0.70 | 2,969,795.42 | 0.42 |
| DA | Food products, drinks and tobacco industry. | 291 | 5.85 | 71,535,695.58 | 10.23 |
| DB | Textile and textile manufacture industry. | 55 | 1.11 | 7,132,240.17 | 1.02 |
| DC | Leather and footwear industry. | 12 | 0.24 | 311,551.81 | 0.04 |
| DD | Wood and cork industry. | 53 | 1.07 | 5,964,697.67 | 0.85 |

| Loan portfolio as of 26.10.2006<br>Classification by economic activity sectors | | | | | |
|---|---|---|---|---|---|
| CNAE | | Loans | % | Outstanding principal (EUR) | % |
| DE | Paper industry; publishing, graphic arts and reproduction of recorded media. | 89 | 1.79 | 11,068,639.94 | 1.58 |
| DG | Chemical industry. | 29 | 0.58 | 3,615,850.51 | 0.52 |
| DH | Manufacture of rubber products and plastic materials industry. | 34 | 0.68 | 2,891,819.13 | 0.41 |
| DI | Other non-metallic mineral products industries. | 65 | 1.31 | 10,923,669.91 | 1.56 |
| DJ | Metallurgy and manufacture of metallic products. | 119 | 2.39 | 18,779,195.37 | 2.69 |
| DK | Building of machinery and mechanical equipment industry. | 66 | 1.33 | 7,347,943.15 | 1.05 |
| DL | Electrical, electronic and optical material and equipment industry. | 21 | 0.42 | 5,416,640.18 | 0.77 |
| DM | Manufacture of transport material. | 27 | 0.54 | 3,941,273.14 | 0.56 |
| DN | Other manufacturing industries. | 87 | 1.75 | 8,745,233.75 | 1.25 |
| EE | Production and distribution of electric power, gas and water. | 20 | 0.40 | 1,158,947.66 | 0.17 |
| FF | Building. | 651 | 13.10 | 69,971,278.55 | 10.01 |
| GG | Retail trade; repair of motor vehicles, motorcycles and mopeds and personal and household items. | 846 | 17.02 | 102,151,575.33 | 14.61 |
| HH | Catering trade. | 239 | 4.81 | 48,050,334.19 | 6.87 |
| II | Transport, storage and communications. | 355 | 7.14 | 23,040,765.68 | 3.30 |
| KK | Real estate and rental activities; business services. | 595 | 11.97 | 90,363,705.75 | 12.92 |
| LL | Government, defence and social security. | 4 | 0.08 | 167,429.15 | 0.02 |
| MM | Education. | 27 | 0.54 | 2,833,291.95 | 0.41 |
| NN | Health and veterinary activities, social services. | 54 | 1.09 | 18,301,682.10 | 2.62 |
| OO | Other social activities and services provided to the Community; personal services. | 128 | 2.57 | 18,905,694.48 | 2.70 |
| **Total** | | **4,971** | **100.00** | **699,239,455.73** | **100.00** |

**c) Information regarding selected loan collaterals.**

The following table gives the distribution of the selected loans having regard to their collaterals.

| Loan portfolio as of 26.10.2006<br>Classification by type of security | | | | |
|---|---|---|---|---|
| | Loans | % | Outstanding Principal (EUR) | % |
| Loans with real estate mortgage security | 2,230 | 44.86 | 502,277,016.87 | 71.83 |
| Loans with security interests | 13 | 0.26 | 1,356,287.55 | 0.19 |
| Loans with third-party personal guarantee | 243 | 4.89 | 37,902,576.80 | 5.42 |
| Loans without security | 2,485 | 49.99 | 157,703,574.51 | 22.55 |
| **Total** | **4,971** | **100.00** | **699,239,455.73** | **100.00** |

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

The following table shows the distribution of the selected loans according to the origination date by six-monthly intervals, and the average, minimum and maximum age.

| Loan portfolio as of 26.10.2006<br>Classification by loan origination date | | | | |
|---|---|---|---|---|
| Date interval | Loans | % | Outstanding principal (EUR) | % |
| 01/07/1992 to 31/12/1992 | 1 | 0.02 | 9,477.26 | 0.00 |
| 01/01/1993 to 30/06/1993 | 1 | 0.02 | 11,935.99 | 0.00 |
| 01/07/1993 to 31/12/1993 | 2 | 0.04 | 322,088.43 | 0.05 |
| 01/01/1994 to 30/06/1994 | 2 | 0.04 | 41,378.87 | 0.01 |
| 01/07/1994 to 31/12/1994 | 5 | 0.10 | 134,496.38 | 0.02 |
| 01/01/1995 to 30/06/1995 | 3 | 0.06 | 637,239.68 | 0.09 |
| 01/07/1995 to 31/12/1995 | 5 | 0.10 | 354,684.87 | 0.05 |
| 01/01/1996 to 30/06/1996 | 9 | 0.18 | 493,638.50 | 0.07 |
| 01/07/1996 to 31/12/1996 | 12 | 0.24 | 1,117,772.88 | 0.16 |
| 01/01/1997 to 30/06/1997 | 33 | 0.66 | 1,711,645.68 | 0.24 |
| 01/07/1997 to 31/12/1997 | 41 | 0.82 | 3,655,795.60 | 0.52 |
| 01/01/1998 to 30/06/1998 | 41 | 0.82 | 2,932,011.42 | 0.42 |
| 01/07/1998 to 31/12/1998 | 51 | 1.03 | 5,458,375.78 | 0.78 |
| 01/01/1999 to 30/06/1999 | 41 | 0.82 | 3,188,485.64 | 0.46 |
| 01/07/1999 to 31/12/1999 | 44 | 0.89 | 3,831,177.02 | 0.55 |
| 01/01/2000 to 30/06/2000 | 50 | 1.01 | 5,738,395.58 | 0.82 |
| 01/07/2000 to 31/12/2000 | 62 | 1.25 | 8,884,560.37 | 1.27 |
| 01/01/2001 to 30/06/2001 | 124 | 2.49 | 12,488,435.41 | 1.79 |
| 01/07/2001 to 31/12/2001 | 121 | 2.43 | 15,125,904.43 | 2.16 |
| 01/01/2002 to 30/06/2002 | 188 | 3.78 | 31,648,922.32 | 4.53 |
| 01/07/2002 to 31/12/2002 | 219 | 4.41 | 36,474,152.01 | 5.22 |
| 01/01/2003 to 30/06/2003 | 410 | 8.25 | 59,850,851.70 | 8.56 |
| 01/07/2003 to 31/12/2003 | 370 | 7.44 | 43,869,166.96 | 6.27 |
| 01/01/2004 to 30/06/2004 | 675 | 13.58 | 77,938,638.32 | 11.15 |
| 01/07/2004 to 31/12/2004 | 627 | 12.61 | 87,266,178.90 | 12.48 |
| 01/01/2005 to 30/06/2005 | 987 | 19.86 | 133,570,446.77 | 19.10 |
| 01/07/2005 to 31/12/2005 | 680 | 13.68 | 131,064,813.71 | 18.74 |
| 01/01/2006 to 30/06/2006 | 167 | 3.36 | 31,418,785.25 | 4.49 |
| **Total** | **4,971** | **100.00** | **699,239,455.73** | **100.00** |
| | **31.34** | **Months** | **Weighted average age** | |
| | **171.95** | **Months** | **Maximum age** | |
| | **6.90** | **Months** | **Minimum age** | |

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

The following table gives the distribution of the outstanding loan principal as at October 26, 2006 in EUR 100,000 intervals, and the average, minimum and maximum amount. No details are given of intervals with no contents.

| Loan portfolio as of 26.10.2006<br>Classification by outstanding principal | | | | |
|---|---|---|---|---|
| Principal interval (EUR) | Loans No. | % | Outstanding principal (EUR) | % |
| 0.00 - 99,999.99 | 3,197 | 64.31 | 105,984,255.47 | 15.16 |
| 100,000.00 - 199,999.99 | 768 | 15.45 | 110,150,307.21 | 15.75 |
| 200,000.00 - 299,999.99 | 415 | 8.35 | 100,370,048.52 | 14.35 |
| 300,000.00 - 399,999.99 | 202 | 4.06 | 69,698,872.40 | 9.97 |
| 400,000.00 - 499,999.99 | 110 | 2.21 | 48,297,447.88 | 6.91 |
| 500,000.00 - 599,999.99 | 85 | 1.71 | 46,527,514.18 | 6.65 |

| Loan portfolio as of 26.10.2006<br>Classification by outstanding principal | | | | |
|---|---|---|---|---|
| Principal interval (EUR) | Loans No. | % | Outstanding principal (EUR) | % |
| 600,000.00 - 699,999.99 | 50 | 1.01 | 32,542,736.53 | 4.65 |
| 700,000.00 - 799,999.99 | 29 | 0.58 | 21,531,943.13 | 3.08 |
| 800,000.00 - 899,999.99 | 24 | 0.48 | 20,191,582.82 | 2.89 |
| 900,000.00 - 999,999.99 | 13 | 0.26 | 12,309,631.28 | 1.76 |
| 1,000,000.00 - 1,099,999.99 | 15 | 0.30 | 15,519,975.58 | 2.22 |
| 1,100,000.00 - 1,199,999.99 | 17 | 0.34 | 19,345,087.52 | 2.77 |
| 1,200,000.00 - 1,299,999.99 | 10 | 0.20 | 12,331,064.00 | 1.76 |
| 1,300,000.00 - 1,399,999.99 | 6 | 0.12 | 8,017,619.24 | 1.15 |
| 1,400,000.00 - 1,499,999.99 | 8 | 0.16 | 11,561,367.88 | 1.65 |
| 1,500,000.00 - 1,599,999.99 | 1 | 0.02 | 1,580,000.00 | 0.23 |
| 1,600,000.00 - 1,699,999.99 | 3 | 0.06 | 4,879,401.76 | 0.70 |
| 1,700,000.00 - 1,799,999.99 | 1 | 0.02 | 1,754,449.99 | 0.25 |
| 1,900,000.00 - 1,999,999.99 | 3 | 0.06 | 5,807,991.58 | 0.83 |
| 2,400,000.00 - 2,499,999.99 | 1 | 0.02 | 2,444,114.21 | 0.35 |
| 2,500,000.00 - 2,599,999.99 | 1 | 0.02 | 2,527,689.54 | 0.36 |
| 2,600,000.00 - 2,699,999.99 | 3 | 0.06 | 8,000,932.57 | 1.14 |
| 2,700,000.00 - 2,799,999.99 | 1 | 0.02 | 2,700,000.00 | 0.39 |
| 3,000,000.00 - 3,099,999.99 | 1 | 0.02 | 3,018,460.13 | 0.43 |
| 3,300,000.00 - 3,399,999.99 | 1 | 0.02 | 3,355,478.40 | 0.48 |
| 3,500,000.00 - 3,599,999.99 | 1 | 0.02 | 3,567,651.80 | 0.51 |
| 4,000,000.00 - 4,099,999.99 | 1 | 0.02 | 4,056,122.50 | 0.58 |
| 4,400,000.00 - 4,499,999.99 | 1 | 0.02 | 4,485,297.64 | 0.64 |
| 4,900,000.00 - 4,999,999.99 | 1 | 0.02 | 4,921,021.94 | 0.70 |
| 5,300,000.00 - 5,399,999.99 | 1 | 0.02 | 5,323,324.36 | 0.76 |
| 6,400,000.00 - 6,499,999.99 | 1 | 0.02 | 6,438,065.67 | 0.92 |
| **Total** | **4,971** | **100.00** | **699,239,455.73** | **100.00** |
| | **Average principal:** | | **140,663.74** | |
| | **Minimum principal:** | | **2,020.47** | |
| | **Maximum principal:** | | **6,438,065.67** | |

**f) Information regarding the benchmark indices applicable for determining the floating interest rates applicable to the selected loans.**

The selected loans are floating-rate loans. The following table gives the distribution of the loans according to benchmark indices applicable to them for determining the nominal interest rate.

| Loan portfolio as of 26.10.2006<br>Classification by Interest rate benchmark index | | | | |
|---|---|---|---|---|
| Benchmark Index | Loans | % | Outstanding principal (EUR) | % |
| 1-year EURIBOR/MIBOR | 3,581 | 72.04 | 577,896,794.68 | 82.65 |
| 6-month EURIBOR/MIBOR | 726 | 14.60 | 62,780,788.16 | 8.98 |
| MORTGAGE MARKET SAVINGS BANKS | 136 | 2.74 | 14,401,062.58 | 2.06 |
| MORTGAGE MARKET ALL INSTITUTIONS | 414 | 8.33 | 37,455,542.30 | 5.36 |
| 3-month EURIBOR/MIBOR | 16 | 0.32 | 4,486,694.96 | 0.64 |
| Spanish Confederation of Savings Banks (CECA) indicator, lending rate | 98 | 1.97 | 2,218,573.05 | 0.32 |
| **Total** | **4,971** | **100.00** | **699,239,455.73** | **100.00** |

* The EURIBOR and MIBOR indices have been grouped because their respective values are similar and because they are financially comparable for the purpose of the financial transaction structure.

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

The following table gives the distribution of the selected loans by 0.25% nominal interest rate intervals applicable as at October 26, 2006, and their weighted average, average, minimum and maximum values. No details are given of intervals with no contents.

| Loan portfolio as of 26.10.2006<br>Classification by applicable nominal interest rate | | | | | |
|---|---|---|---|---|---|
| Interest Rate % Interval | Loans | % | Outstanding principal (EUR) | % | % Interest Rate* |
| 2.50 - 2.74 | 8 | 0.16 | 1,564,947.57 | 0.22 | 2.71 |
| 2.75 - 2.99 | 20 | 0.40 | 7,990,481.83 | 1.14 | 2.88 |
| 3.00 - 3.24 | 78 | 1.57 | 13,224,486.98 | 1.89 | 3.14 |
| 3.25 - 3.49 | 157 | 3.16 | 32,241,683.24 | 4.61 | 3.39 |
| 3.50 - 3.74 | 384 | 7.72 | 50,623,398.36 | 7.24 | 3.60 |
| 3.75 - 3.99 | 591 | 11.89 | 108,222,849.20 | 15.48 | 3.85 |
| 4.00 - 4.24 | 744 | 14.97 | 128,432,104.54 | 18.37 | 4.10 |
| 4.25 - 4.49 | 595 | 11.97 | 112,378,640.75 | 16.07 | 4.34 |
| 4.50 - 4.74 | 534 | 10.74 | 93,286,423.80 | 13.34 | 4.59 |
| 4.75 - 4.99 | 443 | 8.91 | 60,986,569.84 | 8.72 | 4.83 |
| 5.00 - 5.24 | 444 | 8.93 | 54,942,740.66 | 7.86 | 5.08 |
| 5.25 - 5.49 | 251 | 5.05 | 13,085,043.51 | 1.87 | 5.30 |
| 5.50 - 5.74 | 242 | 4.87 | 10,368,513.78 | 1.48 | 5.57 |
| 5.75 - 5.99 | 187 | 3.76 | 5,619,736.52 | 0.80 | 5.82 |
| 6.00 - 6.24 | 114 | 2.29 | 2,978,656.58 | 0.43 | 6.05 |
| 6.25 - 6.49 | 74 | 1.49 | 1,544,967.09 | 0.22 | 6.28 |
| 6.50 - 6.74 | 48 | 0.97 | 900,700.93 | 0.13 | 6.52 |
| 6.75 - 6.99 | 25 | 0.50 | 429,090.83 | 0.06 | 6.76 |
| 7.00 - 7.24 | 12 | 0.24 | 147,385.88 | 0.02 | 7.00 |
| 7.25 - 7.49 | 6 | 0.12 | 87,913.92 | 0.01 | 7.25 |
| 7.50 - 7.74 | 13 | 0.26 | 177,706.34 | 0.03 | 7.50 |
| 8.00 - 8.24 | 1 | 0.02 | 5,413.58 | 0.00 | 8.00 |
| **Total** | **4,971** | **100.00** | **699,239,455.73** | **100.00** | |
| | **Weighted average:** | | | | **4.28 %** |
| | **Simple average:** | | | | **4.54 %** |
| | **Minimum:** | | | | **2.61 %** |
| | **Maximum:** | | | | **8.00 %** |

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

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

Part of the selected loans have had a minimum nominal interest rate floor set for applicable nominal interest rate variability. The minimum nominal interest rates applicable to the selected loans as at October 26, 2006 range between 2.00% and 7.50%.

The following table shows the distribution of loans by 0.50% minimum nominal interest rate intervals applicable for determining the nominal interest rate of the loans. Intervals with no contents are not detailed.

| Loan portfolio as of 26.10.2006<br>Classification by applicable minimum nominal interest rates | | | | | |
|---|---|---|---|---|---|
| Minimum % Interest Rate Interval | Loans | % | Outstanding principal (EUR) | % | Minimum % Int. Rate* |
| 2.00 - 2.49 | 14 | 0.28 | 4,967,857.03 | 0.71 | 2.02 |
| 2.50 - 2.99 | 53 | 1.07 | 16,345,200.45 | 2.34 | 2.60 |
| 3.00 - 3.49 | 306 | 6.16 | 50,849,707.23 | 7.27 | 3.06 |
| 3.50 - 3.99 | 572 | 11.51 | 135,263,993.17 | 19.34 | 3.70 |
| 4.00 - 4.49 | 398 | 8.01 | 34,222,476.69 | 4.89 | 4.06 |
| 4.50 - 4.99 | 246 | 4.95 | 20,985,613.89 | 3.00 | 4.67 |
| 5.00 - 5.49 | 264 | 5.31 | 10,667,763.69 | 1.53 | 5.04 |
| 5.50 - 5.99 | 114 | 2.29 | 3,184,655.45 | 0.46 | 5.67 |
| 6.00 - 6.49 | 21 | 0.42 | 671,782.38 | 0.10 | 6.00 |
| 6.50 - 6.99 | 11 | 0.22 | 212,039.87 | 0.03 | 6.57 |
| 7.00 - 7.49 | 6 | 0.12 | 77,653.47 | 0.01 | 7.00 |
| 7.50 - 7.99 | 9 | 0.18 | 125,323.54 | 0.02 | 7.50 |
| No minimum applicable NIR | 2.957 | 59,49 | 421,665,388.87 | 60.30 | - |
| **Total** | **4,971** | **100.00** | **699,239,455.73** | **100.00** | |

* Minimum interest rate of the interval weighted by the outstanding principal.

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

Part of the selected loans have had a maximum nominal interest rate ceiling set for applicable nominal interest rate variability. The maximum nominal interest rates applicable to the selected loans as at October 26, 2006 range between 9.50% and 50.00%.

The following table shows the distribution of loans by 0.50% maximum nominal interest rate intervals applicable for determining the nominal interest rate. Intervals with no contents are not detailed.

| Loan portfolio as of 26.10.2006<br>Classification by applicable maximum nominal interest rates | | | | | |
|---|---|---|---|---|---|
| Maximum % Interest Rate Interval | Loans | % | Outstanding principal (EUR) | % | Maximum % Int. Rate* |
| 9.50 - 9.99 | 1 | 0.02 | 250,000.00 | 0.04 | 9.50 |
| 10.00 - 10.49 | 87 | 1.75 | 5,873,112.07 | 0.84 | 10.00 |
| 11.00 - 11.49 | 47 | 0.95 | 5,836,815.35 | 0.83 | 11.00 |
| 11.50 - 11.99 | 1 | 0.02 | 86,764.20 | 0.01 | 11.50 |
| 12.00 - 12.49 | 244 | 4.91 | 36,127,865.64 | 5.17 | 12.00 |
| 12.50 - 12.99 | 2 | 0.04 | 95,202.30 | 0.01 | 12.50 |
| 13.00 - 13.49 | 130 | 2.62 | 13,667,170.89 | 1.95 | 13.00 |
| 13.50 - 13.99 | 2 | 0.04 | 101,673.77 | 0.01 | 13.65 |
| 14.00 - 14.49 | 22 | 0.44 | 3,084,734.37 | 0.44 | 14.00 |
| 14.50 - 14.99 | 1 | 0.02 | 63,955.01 | 0.01 | 14.50 |
| 15.00 - 15.49 | 579 | 11.65 | 124,621,120.91 | 17.82 | 15.00 |
| 16.00 - 16.49 | 18 | 0.36 | 2,755,910.18 | 0.39 | 16.00 |
| 17.00 - 17.49 | 12 | 0.24 | 6,677,009.98 | 0.95 | 17.00 |
| 17.50 - 17.99 | 1 | 0.02 | 12,470.77 | 0.00 | 17.75 |
| 18.00 - 18.49 | 353 | 7.10 | 73,273,462.36 | 10.48 | 18.00 |
| 22.00 - 22.49 | 3 | 0.06 | 321,944.54 | 0.05 | 22.00 |
| 25.00 - 25.49 | 1 | 0.02 | 123,041.79 | 0.02 | 25.00 |
| 28.00 - 28.49 | 231 | 4.65 | 15,451,346.34 | 2.21 | 28.00 |
| 29.00 - 29.49 | 17 | 0.34 | 19,875,677.87 | 2.84 | 29.00 |

| Loan portfolio as of 26.10.2006<br>Classification by applicable maximum nominal interest rates | | | | | |
|---|---|---|---|---|---|
| **Maximum % Interest Rate Interval** | **Loans** | **%** | **Outstanding principal (EUR)** | **%** | **Maximum % Int. Rate*** |
| 30.00 - 30.49 | 2,795 | 56.23 | 317,145,093.77 | 45.36 | 30.00 |
| 50.00 - 50.49 | 3 | 0.06 | 85,981.09 | 0.01 | 50.00 |
| No maximum applicable NIR | 421 | 8.47 | 73,709,102.53 | 10.54 | |
| **Total** | **4,971** | **100.00** | **699,239,455.73** | **100.00** | |

*Maximum interest rate of the interval weighted by the outstanding principal.

**j) Information regarding initial repayment term of the selected loans.**

The following table gives the distribution of loans by twelve-monthly initial repayment term intervals between the origination and the final maturity dates of each loan. The initial repayment term of all the loans is in excess of one year.

| Loan portfolio as of 26.10.2006<br>Classification by initial loan repayment term | | | | |
|---|---|---|---|---|
| **Monthly intervals** | **Loans** | **%** | **Outstanding Principal (EUR)** | **%** |
| 12.01 - 24.00 | 3 | 0.06 | 704,459.11 | 0.10 |
| 24.01 - 36.00 | 18 | 0.36 | 1,466,384.77 | 0.21 |
| 36.01 - 48.00 | 181 | 3.64 | 9,053,240.20 | 1.29 |
| 48.01 - 60.00 | 191 | 3.84 | 7,948,717.18 | 1.14 |
| 60.01 - 72.00 | 1,287 | 25.89 | 57,245,185.96 | 8.19 |
| 72.01 - 84.00 | 320 | 6.44 | 16,510,545.04 | 2.36 |
| 84.01 - 96.00 | 528 | 10.62 | 59,585,920.35 | 8.52 |
| 96.01 - 108.00 | 175 | 3.52 | 20,371,330.70 | 2.91 |
| 108.01 - 120.00 | 38 | 0.76 | 9,849,610.65 | 1.41 |
| 120.01 - 132.00 | 424 | 8.53 | 84,120,509.20 | 12.03 |
| 132.01 - 144.00 | 48 | 0.97 | 13,519,971.36 | 1.93 |
| 144.01 - 156.00 | 236 | 4.75 | 58,486,506.47 | 8.36 |
| 156.01 - 168.00 | 43 | 0.87 | 12,113,393.08 | 1.73 |
| 168.01 - 180.00 | 50 | 1.01 | 12,902,751.22 | 1.85 |
| 180.01 - 192.00 | 849 | 17.08 | 177,501,275.55 | 25.38 |
| 192.01 - 204.00 | 72 | 1.45 | 36,213,159.42 | 5.18 |
| 204.01 - 216.00 | 39 | 0.78 | 13,137,079.98 | 1.88 |
| 216.01 - 228.00 | 32 | 0.64 | 8,713,512.09 | 1.25 |
| 228.01 - 240.00 | 20 | 0.40 | 3,334,140.72 | 0.48 |
| 240.01 - 252.00 | 379 | 7.62 | 83,379,856.15 | 11.92 |
| 252.01 - 264.00 | 21 | 0.42 | 9,575,276.72 | 1.37 |
| 264.01 - 276.00 | 4 | 0.08 | 1,057,252.48 | 0.15 |
| 276.01 - 288.00 | 2 | 0.04 | 335,627.20 | 0.05 |
| 288.01 - 300.00 | 4 | 0.08 | 350,294.36 | 0.05 |
| 300.01 - 312.00 | 7 | 0.14 | 1,763,455.77 | 0.25 |
| **Total** | **4,971** | **100.00** | **699,239,455.73** | **100.00** |
| | **Weighted average:** | | **151.76** | **Months** |
| | **Simple average:** | | **116.47** | **Months** |
| | **Minimum:** | | **14.92** | **Months** |
| | **Maximum:** | | **300.23** | **Months** |

**k) Information regarding final maturity date of the selected loans.**

The following table gives the distribution of the selected loans according to final maturity date by annual intervals, and the weighted average residual life and the first and last final maturity dates. No details are given of years with no contents.

**Loan portfolio as of 26.10.2006**
**Classification by final repayment date**

| Final Repayment Year | Loans | % | Outstanding principal (EUR) | % | Residual Life* Months | Date |
|---|---|---|---|---|---|---|
| 2007 | 181 | 3.64 | 5,047,606.87 | 0.72 | 11.00 | 26/09/2007 |
| 2008 | 614 | 12.35 | 22,777,202.90 | 3.26 | 19.65 | 15/06/2008 |
| 2009 | 693 | 13.94 | 32,930,622.64 | 4.71 | 32.70 | 17/07/2009 |
| 2010 | 756 | 15.21 | 52,723,948.87 | 7.54 | 44.26 | 4/07/2010 |
| 2011 | 359 | 7.22 | 33,315,210.67 | 4.76 | 55.46 | 10/06/2011 |
| 2012 | 313 | 6.30 | 39,125,828.60 | 5.60 | 67.74 | 18/06/2012 |
| 2013 | 195 | 3.92 | 29,682,883.20 | 4.25 | 80.02 | 27/06/2013 |
| 2014 | 166 | 3.34 | 40,510,517.87 | 5.79 | 92.88 | 23/07/2014 |
| 2015 | 205 | 4.12 | 55,166,886.76 | 7.89 | 104.68 | 17/07/2015 |
| 2016 | 152 | 3.06 | 34,276,815.87 | 4.90 | 116.00 | 26/06/2016 |
| 2017 | 150 | 3.02 | 41,145,703.19 | 5.88 | 129.18 | 1/08/2017 |
| 2018 | 144 | 2.90 | 40,758,452.05 | 5.83 | 140.65 | 16/07/2018 |
| 2019 | 271 | 5.45 | 66,714,675.01 | 9.54 | 152.49 | 11/07/2019 |
| 2020 | 287 | 5.77 | 76,604,426.34 | 10.96 | 164.21 | 2/07/2020 |
| 2021 | 88 | 1.77 | 31,686,079.23 | 4.53 | 174.79 | 20/05/2021 |
| 2022 | 62 | 1.25 | 13,645,227.26 | 1.95 | 189.22 | 2/08/2022 |
| 2023 | 74 | 1.49 | 20,498,836.35 | 2.93 | 199.31 | 6/06/2023 |
| 2024 | 92 | 1.85 | 22,640,210.25 | 3.24 | 212.93 | 24/07/2024 |
| 2025 | 160 | 3.22 | 37,728,199.05 | 5.40 | 225.10 | 30/07/2025 |
| 2026 | 9 | 0.18 | 2,260,122.75 | 0.32 | 231.86 | 20/02/2026 |
| **Total** | **4,971** | **100.00** | **699,239,455.73** | **100.00** | | |
| | **Weighted average:** | | | | **120.34** | **5/11/2016** |
| | **Simple average:** | | | | **82.08** | **28/08/2013** |
| | **Minimum:** | | | | **4.11** | **28/08/2007** |
| | **Maximum:** | | | | **235.73** | **18/06/2026** |

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

**l) Information regarding geographical distribution by Autonomous Communities.**

The following table gives selected loan distribution by Autonomous Communities according to where the obligors are domiciled.

**Loan portfolio as of 26.10.2006**
**Classification by Autonomous Communities**

| | Loans | % | Outstanding principal (EUR) | % |
|---|---|---|---|---|
| Andalusia | 1,074 | 21.61 | 214,282,611.86 | 30.65 |
| Aragón | 2,057 | 41.38 | 198,584,956.10 | 28.40 |
| Asturies | 34 | 0.68 | 6,835,222.48 | 0.98 |
| Balearic Isles | 242 | 4.87 | 16,587,294.79 | 2.37 |
| Cantabria | 37 | 0.74 | 2,849,201.64 | 0.41 |
| Castile La Mancha | 39 | 0.78 | 24,613,735.76 | 3.52 |
| Castile-León | 267 | 5.37 | 40,554,332.93 | 5.80 |

| Loan portfolio as of 26.10.2006<br>Classification by Autonomous Communities | | | | |
|---|---|---|---|---|
| | Loans | % | Outstanding principal (EUR) | % |
| Catalonia | 233 | 4.69 | 21,033,616.65 | 3.01 |
| Valencian Community | 507 | 10.20 | 76,750,825.97 | 10.98 |
| Extremadura | 2 | 0.04 | 208,971.65 | 0.03 |
| Galicia | 4 | 0.08 | 651,534.02 | 0.09 |
| La Rioja | 89 | 1.79 | 11,253,434.59 | 1.61 |
| Madrid | 27 | 0.54 | 10,418,785.14 | 1.49 |
| Murcia | 47 | 0.95 | 4,305,063.85 | 0.62 |
| Navarre | 243 | 4.89 | 54,501,079.84 | 7.79 |
| Basque Country | 69 | 1.39 | 15,808,788.46 | 2.26 |
| **Total** | **4,971** | **100.00** | **699,239,455.73** | **100.00** |

**m) Information regarding delays, if any, in collecting selected loan principal instalments.**

The following table gives the number of loans, the outstanding principal and the overdue principal on selected loans in regard to which there was any delay in payment of amounts due as at October 26, 2006.

| Arrears in payment of instalments due as of 26.10.2006 | | | | |
|---|---|---|---|---|
| Day Interval | Loans | Outstanding Principal | Overdue Principal | % o/ Total Outstanding Principal |
| 1 to 15 days | 132 | 22,734,484.18 | 153,354.54 | 0.0219 |
| 16 to 30 days | 63 | 7,446,770.87 | 168,330.50 | 0.0241 |
| 31 to 60 days | 39 | 2,738,728.96 | 58,354.59 | 0.0083 |
| 61 to 90 days | 14 | 1,320,228.93 | 26,570.61 | 0.0038 |
| **Total** | **248** | **34,240,212.94** | **406,610.24** | **0.0582** |

In accordance with the Originators' representation in section 2.2.8.2.(11) of the Building Block, none of the Loans that will finally be assigned to the Fund upon being established shall have any payments more than one (1) month overdue on their assignment date.

**n) Loan to value ratio or level of collateralisation.**

The selected loans with real estate mortgage security as of October 26, 2006 are 2,230 and their outstanding principal amounts to EUR 502,277,016.87. Out of the 2,230 loans with real estate security, 2,113 loans, with an outstanding capital of EUR 480,544,018.07 have collaterals registered as senior collateral.

The ratio, expressed as a percentage, of the initial outstanding principal as of October 26, 2006 to the appraisal value of the senior mortgaged properties of the selected mortgage loans was comprised between 0.34% and 152.87%, and the average ratio weighted by the outstanding principal of each mortgage loan is 52.36%.

The following table gives the distribution of the loans with senior-ranked real estate mortgage security by 10.00% intervals of that ratio. No details are given of years with no contents.

| Loan portfolio as of 26.10.2006<br>Classification by loan to value ratio (loans with senior-ranked mortgage security) | | | | | |
|---|---|---|---|---|---|
| Ratio Intervals | Loans | % | Outstanding principal (EUR) | % | (%) Loan to Value* |
| 0.01 - 10.00 | 73 | 3.45 | 6,800,588.06 | 1.42 | 7.16 |
| 10.01 - 20.00 | 184 | 8.71 | 26,633,972.64 | 5.54 | 15.97 |
| 20.01 - 30.00 | 230 | 10.88 | 31,498,665.80 | 6.55 | 25.62 |
| 30.01 - 40.00 | 270 | 12.78 | 56,940,425.50 | 11.85 | 35.33 |

**Loan portfolio as of 26.10.2006**
**Classification by loan to value ratio (loans with senior-ranked mortgage security)**

| Ratio Intervals | Loans | % | Outstanding principal (EUR) | % | (%) Loan to Value* |
|---|---|---|---|---|---|
| 40.01 - 50.00 | 324 | 15.33 | 76,913,444.07 | 16.01 | 45.64 |
| 50.01 - 60.00 | 409 | 19.36 | 107,733,553.05 | 22.42 | 55.25 |
| 60.01 - 70.00 | 375 | 17.75 | 103,041,326.91 | 21.44 | 64.69 |
| 70.01 - 80.00 | 165 | 7.81 | 38,490,712.62 | 8.01 | 74.41 |
| 80.01 - 90.00 | 46 | 2.18 | 22,889,566.47 | 4.76 | 84.21 |
| 90.01 - 100.00 | 26 | 1.23 | 7,715,911.39 | 1.61 | 93.92 |
| 100.01 - 110.00 | 2 | 0.09 | 349,168.59 | 0.07 | 104.61 |
| 110.01 - 120.00 | 7 | 0.33 | 713,368.75 | 0.15 | 114.47 |
| 120.01 - 130.00 | 1 | 0.05 | 637,500.00 | 0.13 | 122.93 |
| 150.01 - 160.00 | 1 | 0.05 | 185,814.22 | 0.04 | 152.87 |
| **Total** | **2,113** | **100.00** | **480,544,018.07** | **100.00** | |

| | |
|---|---|
| **Weighted Average:** | **52.36 %** |
| **Simple Average:** | **47.32 %** |
| **Minimum:** | **0.34 %** |
| **Maximum:** | **152.87 %** |

*Loan to Value Ratio are averages weighted by the initial principal.

There is no overcollateralisation in the Fund since the total Loan principal or capital that the Originators shall assign to the Fund upon being set up shall be equal to or slightly above EUR five hundred and ninety-three million (593,000,000.00), the face value amount of Series A1, A2(G), B and C Bonds.

### 2.2.3 Legal nature of the pool of assets to be securitised.

The selected loans may be classified based on their collaterals into:

(i) Loans with real estate mortgage security, and the additional security, if any, specified in paragraph (ii) below, originated in a public deed (the Mortgage Loans).

The Mortgage Loans were originated in a public deed subject to the Mortgage Act, February 8, 1946, Mortgage Market Regulation Act 2/1981, March 25, and ancillary laws.

The Mortgage Loans shall be assigned to the Fund upon the relevant Originators issuing and the Fund subscribing for Pass-Through Certificates subject to the provisions of Act 2/1981, implemented by Royal Decree 685/1982, March 17, and additional provision five of Act 3/1994 as worded by article 18 of Act 44/2002, on the terms provided for in section 3.3 of the Building Block.

(ii) Loans without mortgage security, exclusively secured by means of security deposits and/or with third-party personal guarantees, originated in a public document (certified document), which are enforceable (Civil Procedure Act article 517) (the Non-Mortgage Loans).

The Non-Mortgage Loans shall be directly assigned to the Fund upon the relevant Originators selling and the Fund acquiring the credit rights derived from the same under the Deed of Constitution, on the terms provided for in section 3.3 of the Building Block.

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

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

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

Final maturity date of the selected loans lies between February 28, 2007 and June 18, 2026.

### 2.2.5 Amount of the assets.

The Fund shall be set up with the Loans which the Originators shall assign to the Fund upon being established and their total principal or capital shall be equal to or slightly above EUR five hundred and ninety-three million (593,000,000.00), the face value amount of Series A1, A2(G), B and C Bonds.

The portfolio of selected loans from which the Loans to be assigned to the Fund upon being established will be taken comprises 4,971 loans, the outstanding principal as at October 26, 2006 being EUR 699,239,455.73 and the overdue principal being EUR 406,610.24.

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

The loan to value ratio or level of collateralisation ratio is given in section 2.2.2.

### 2.2.7 Method of creation of the assets.

The loans selected for assignment to the Fund have been granted by the Originators following their usual credit risk analysis and assessment procedures for lending to sole traders and non-financial small and medium-sized enterprises domiciled in Spain satisfying the requirements for small and medium-sized enterprises as defined by the European Commission (Recommendation of May 6, 2003 replacing the Recommendation of April 3, 1996).

### 2.2.8 Indication of representations and collaterals given to the issuer relating to the assets.

**Representations of the Originators.**

The Originators shall, as holders of the Loans until assigned to the Fund and as issuers of the Pass-Through Certificates, represent as follows to the Fund, the Management Company and the other Underwriters and Placement Agents in the Deed of Constitution.

**1. In relation to each Originator.**

(1) That they are each a credit institution duly incorporated in accordance with the laws in force for the time being, entered in the Companies Register and the Bank of Spain's Register of Credit Institutions, and authorised to grant loans to SMEs and operate in the mortgage market.

(2) That neither at today's date nor at any time since they were respectively incorporated have any of them been decreed to be insolvent, bankrupt or in suspension of payments, nor in any circumstance generating a liability which might result in the credit institution authorisation being revoked.

(3) That they have each obtained all necessary authorisations, including those required of their corporate bodies and, as the case may be, third parties who may be affected by the assignment of the Loans, to assign the Loans to the Fund and issue the Pass-Through Certificates, to validly execute the Fund Deed of Constitution, the agreements relating to the establishment of the Fund and to fulfil the undertakings made.

(4) That they each have audited accounts for the years 2005, 2004 and 2003 with at least a favourable opinion and without any provisos from the respective auditors in the year 2005 annual accounts. The audited annual accounts for the years 2005, 2004 and 2003 have been filed with the Companies Register whereas the audited annual accounts for the year 2005 have been submitted to the CNMV.

(5) That they have signed on October 30, 2006 the Master Co-Operation Agreement with the Industry, Tourism and Commerce Ministry in accordance with schedule II to the Order dated December 28, 2001, in order to determine the credits eligible for assignment to the Fund.

**2. In relation to the Loans assigned by each Originator.**

(1) That the Loans have all been duly originated in a public document, being either a public deed or a loan agreement, and that the Originator keeps a first copy of the public deed or the certified loan agreement at the Management Company's disposal, as the case may be.

(2) That all the Loans exist and are valid and enforceable in accordance with the applicable laws, other than in events in which such enforceability is limited in consequence of a future bankruptcy decree, and that all statutory provisions applicable to them were observed in perfecting the same.

(3) That it holds absolute title to all the Loans, clear of any liens and claims, and there is no obstacle whatsoever for the Loans to be assigned.

(4) That the Loans are a valid, binding payment obligation for the relevant Obligor, enforceable on their own terms.

(5) That the Loans are all denominated in euros and payable exclusively in euros.

(6) That the Loans all have an initial repayment term of not less than one year.

(7) That the Loan Obligors are all non-financial enterprises (legal persons and sole traders) domiciled in Spain and are all small and medium-sized enterprises as defined by the European Commission (Recommendation of May 6, 2003 replacing the Recommendation of April 3, 1996).

(8) That it has strictly adhered to the policies for granting credit in force from time to time in granting all the Loans and in accepting, as the case may be, the subrogation of subsequent borrowers to the initial borrower's position, and a memorandum on policies for granting credits and loans to enterprises currently in force, shall be attached as a schedule to the Deed of Constitution in that respect.

(9) That it is not aware of the existence of any lawsuits whatsoever in relation to the Loans that might be detrimental to their validity and enforceability.

(10) That, on the date on which the Fund is established, none of the Loans shall have any payments that are more than one (1) month overdue.

(11) That, on the date on which the Fund is established, the outstanding capital balance of each Loan is equivalent to the capital figure for which it is assigned to the Fund, and that, in turn, the total Loan capital shall be at least equivalent to the face value of the Series A1, A2(G), B and C Bonds issued.

(12) That the Loans are clearly identified in the Originator's information system as from being granted and are serviced, analysed and monitored by the Originator in accordance with the usual set procedures.

(13) That to the best of its knowledge no Loan Obligor holds any credit right whatsoever against the Originator whereby that obligor might be entitled to a set-off.

(14) That, upon the Fund being established, to the best of the Originator's knowledge, no Loan Obligor is involved in any insolvency proceedings whatsoever.

(15) That the Loan collaterals, if any, are valid and enforceable in accordance with the applicable laws, and to the best of the Originator's knowledge no circumstance exists which might prevent the securities from being enforced.

(16) That, upon the Fund being established, to the best of its knowledge it has received no notice of total prepayment of the Loans.

(17) That none of the Loans has a final maturity date extending beyond June 18, 2026.

(18) That the respective Loan agreements, public deeds or public documents contain no clauses preventing their assignment or requiring any authorisation or notice for such assignment to be made.

(19) That, to the best of its knowledge, the Obligors cannot howsoever object to paying any Loan amount.

(20) That, on the date on which the Fund is established, at least one instalment has been paid on each Loan.

(21) That nobody has a pre-emptive right over the Fund, as holder of the Loans.

(22) That both the grant of the Loans and their assignment to the Fund and all aspects related thereto are ordinary acts in the course of the Originator's business and have been at arm's length.

(23) That after being granted or, as the case may be, subrogated to the Originator, the Loans have been serviced and are still being serviced by the Originator in accordance with its set customary procedures.

(24) That the data and information relating to the loans selected to be assigned to the Fund given in section 2.2 of the Building Block to this Prospectus, fairly present their status on the relevant date and are accurate.

(25) That the capital or principal of all the Loans has been fully drawn down.

(26) That based on its internal records, none of the Loans are in the nature of financing granted to real estate developers for building or renovating homes and/or business or industrial properties designed to be sold, or finance lease transactions.

(27) That none of the Loans assigned to the Fund have been granted to employees of the Originator or, as the case may be, to companies in the Originator's group.

(28) That the Loan payment obligations are all satisfied by directly debiting an account opened at the Originator.

(29) That none of the Loans have clauses allowing deferment of periodic interest payment and principal repayment, other than the principal exclusion period, if any, upon the origination of each Loan.

(30) That the floating-rate Loans do not benefit from a margin lower than the margin applicable on the relevant assignment date (notwithstanding a potential renegotiation thereof as provided for in section 3.7.2.1.6.a) of this Building Block).

**3. In relation to the Pass-Through Certificates issued by each Originator and the relevant Mortgage Loans.**

(1) That the particulars of the Mortgage Loans and the Pass-Through Certificates, represented in a multiple registered certificate, accurately reflect their current status and are true and complete.

(2) That the Pass-Through Certificates are issued in accordance with Act 2/1981, the contents of additional provision five of Act 3/1994, as worded by article 18 of Act 44/2002, and other applicable laws, and therefore satisfy all the requirements established for the issue of pass-through certificates.

(3) That the Mortgage Loans are all secured with a real estate mortgage established as a first-ranked or, as the case may be, second-ranked mortgage on the legal and beneficial ownership of the mortgaged property, and the mortgaged properties are not encumbered with any restrictions on their disposal, conditions subsequent or any other limitation as to title.

(4) That the Mortgage Loans are all originated in a public deed, and the mortgages are all duly established and entered in the relevant Land Registries. The entry of the mortgaged properties is in force and has not been howsoever objected to and is subject to no limitation whatsoever taking precedence over the mortgage, in accordance with the applicable laws.

(5) That the Mortgage Loans do not have any of the characteristics of credits excluded or restricted by article 32 of Royal Decree 685/1982.

(6) That all the mortgaged properties (i) are located in Spain, (ii) have been appraised by institutions duly accredited to do so and approved by the Originators, which appraisal is duly supported with a certificate, and (iii) in the case of real estate comprising building, their construction has already been completed.

(7) That the mortgages are established on properties wholly owned by the respective mortgagor.

(8) That to the best of its knowledge there is no litigation over the ownership of properties mortgaged under the Mortgage Loans which might detract from the mortgages established thereon.

(9) That the properties mortgaged under the Mortgage Loans are not ineligible as assets excluded for standing as security under article 31.1.d) of Royal Decree 685/1982.

(10) That the Mortgage Loans are not perfected in registered, negotiable or bearer securities, other than the Pass-Through Certificates hereby issued for subscription by the Fund.

(11) That the Mortgage Loans are not earmarked for any issue whatsoever of mortgage bonds, mortgage certificates or pass-through certificates, other than the issue of the Pass-Through Certificates, and after their issue the Mortgage Loans shall not be earmarked for any issue whatsoever of mortgage debentures, mortgage bonds, mortgage certificates or other pass-through certificates.

(12) That to the best of its knowledge no circumstance exists which might prevent foreclosure of the mortgage security.

**2.2.9 Substitution of the securitised assets.**

**Set rules for substituting the Pass-Through Certificates or otherwise repayment to the Fund.**

1. In the event of prepayment of the Loans upon the relevant Loan capital being prepaid, there will be no substitution of the affected Loans.

2. In the event that during the full term of the Loans it should be found that any of them fail to conform to the representations given in section 2.2.8 of this Building Block upon the Fund being established, each Originator agrees, subject to the Management Company's consent, to proceed forthwith to remedy and, if that is not possible, substitute or, as the case may be, redeem the affected Loans not substituted, by automatically terminating the assignment of the affected Loans and, as the case may be, cancelling the relevant Pass-Through Certificate, subject to the following rules:

   (i) The party becoming acquainted with the existence of a latent defect, be it an Originator or the Management Company, shall advise the other party of that circumstance in writing. The Originator shall have a period of not more than fifteen (15) Business Days from said notice to remedy that circumstance if it may be so remedied or proceed to a substitution of the affected Loans, notifying the Management Company of the characteristics of the loans intended to be assigned to take their stead, which shall fulfil the representations given in section 2.2.8 above and be of the same kind as to residual term, interest rate, instalment frequency, repayment system, margin over benchmark index, outstanding principal value as the affected Loans and also credit quality in terms of collaterals and, as the case may be, ranking of the mortgages and existing ratio of outstanding principal to the appraisal value of the mortgaged property or properties of the Mortgage Loans to be replaced, in order for the financial balance of the Fund not to be affected by such substitution, nor indeed the rating of the Bonds in connection with the provisions of section 7.5 of the Securities Note. Once the Management Company has checked the appropriateness of the substitute loan or loans, and after advising the Originator expressly of loans suitable for such substitution, such substitution shall be made by terminating the assignment of the affected Loans and, as the case may be, cancelling the relevant Pass-Through Certificate, and simultaneously assigning the new substitute loans and, as the case may be, issuing the new substitute pass-through certificates.

The substitution shall be recorded in a public deed subject to the same formalities established for the assignment of the Loans upon the Fund being established, in accordance with the specific characteristics of the new loans assigned. The Management Company shall provide the CNMV, the undertaking in charge of the Bond accounting record and the Rating Agencies with a copy of the public deed.

(ii) In the event that there should be no substitution of the affected Loans in accordance with rule (i) above, the assignment of the affected Loans not substituted shall forthwith be terminated and, as the case may be, the relevant Pass-Through Certificate will be cancelled. That termination shall take place by a repayment in cash to the Fund by the Originator of the outstanding principal of the affected Loans not substituted, interest accrued and not paid, calculated until the repayment date, and any other amount owing to the Fund under those Loans.

Termination of the assignment of affected Loans not substituted and, as the case may be, cancellation of the relevant Pass-Through Certificate shall be notified to the Rating Agencies.

(iii) If the events of paragraphs (i) and (ii) above should occur, the Originator shall be vested in all the rights attaching to those Loans accruing from the date of substitution or repayment to the Fund or accrued and not due, and overdue amounts on that same date.

3. In particular, the amendment by an Originator during the life of the Loans of their terms without regard to the limits established in the special laws applicable and, in particular, to the terms agreed between the Fund, represented by the Management Company, and the Originators in this Prospectus, in the Deed of Constitution and in the Servicing Agreement, which would therefore be an absolutely exceptional amendment, would constitute a unilateral breach by that Originator of its duties which should not be borne by the Fund or by the Management Company.

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

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

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

The public deeds originating the Mortgage Loans provide, in pursuance of the Originators' lending policies, that until and unless the same are fully repaid the Obligor shall be bound to have taken out insurance in respect of the mortgaged properties covering fire and other damages throughout the term of the agreement, at least meeting the minimum requirements laid down by the mortgage market laws in force for the time being, assigning to the relevant Originator the insured capital and other indemnities payable by the Insurer.

No details are included regarding concentration of the insurers because the current status of the insurance policies taken out by the corporate obligors and their data are not supported or updated in the Originators' computer records. Nevertheless, given that the mortgage loans are part of the selected loans as a whole and the geographic distribution, as detailed in sections 2.2.2.c) and l) of this Building Block, any possible concentration of insurers has not been considered significant for the transaction.

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

Not applicable.

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

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

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

Not applicable.

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

Not applicable.

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

Not applicable.

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

The appraisal values of the properties securing the selected mortgage loans correspond to appraisals made by appraisers for the purpose of granting and arranging the selected mortgage loans.

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

Not applicable.

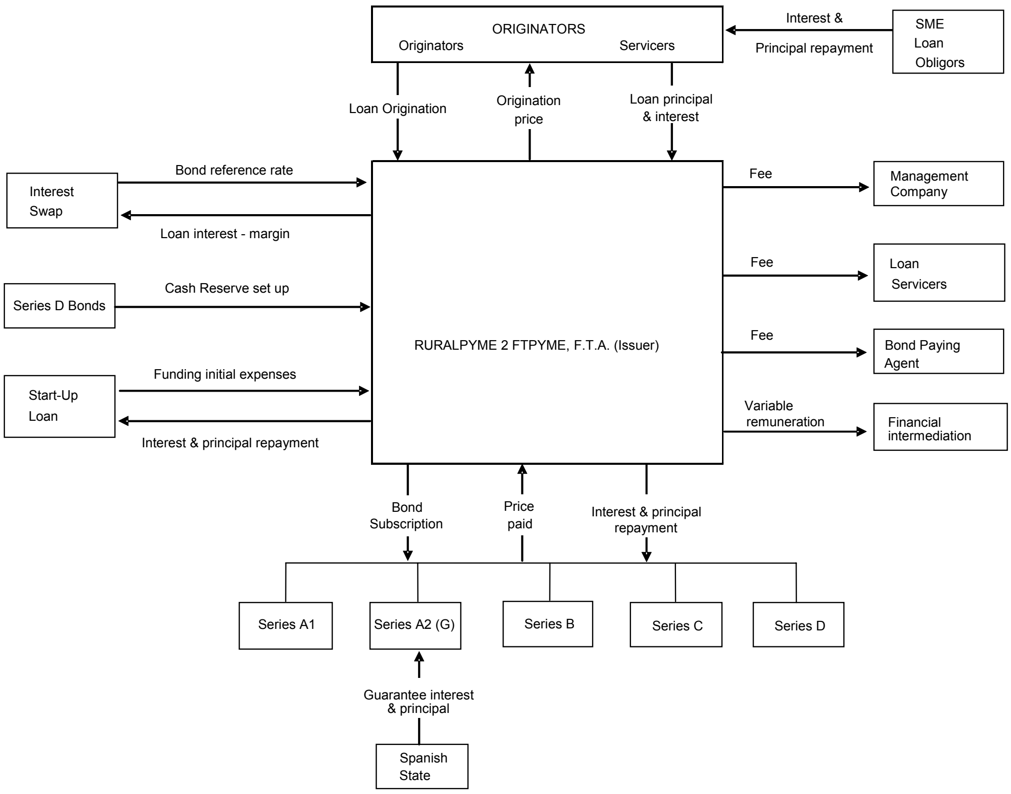
**2.4 Where the issuer proposes to issue further securities backed by the same assets, statement to that effect and description of how the holders of that class will be informed.**

Not applicable.

## 3. STRUCTURE AND CASH FLOW

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

**Transaction structure diagram.**



***Initial balance sheet of the Fund.***

The balance sheet of the Fund on the Closing Date will be as follows:

| ASSETS | | LIABILITIES | |
|---|---|---|---|
| **Fixed Assets** | **594,250,000.00** | **Bond Issue** | **617,050,000.00** |
| Loans | 593,115,142.65 | Series A1 Bonds | 487,000,000.00 |
| (adjustment excess to EUR 115,142.65) | | Series A2(G) Bonds | 53,700,000.00 |
| | | Series B Bonds | 29,100,000.00 |
| | | Series C Bonds | 23,200,000.00 |
| Set-up, issue and admission expenses* | 1,134,857.65 | Series D Bonds | 24,050,000.00 |
| **Current assets** | **27,500,000.00** | **Other long-term liabilities** | **4,700,000.00** |
| Treasury Account* | 27,500,000.00 | Start-Up Loan | 4,700,000.00 |
| Accrued interest receivable** | to be determined | | |
| | | **Short-term creditors** | **to be determined** |
| | | Mortgage Loan interest accrued ** | to be determined |
| **Total assets** | **621,750,000.00** | **Total liabilities** | **621,750,000.00** |

| **MEMORANDUM ACCOUNTS** | |
|---|---|
| Cash Reserve | 24,050,000.00 |
| Interest Swap collections | 0.00 |
| Interest Swap payments | 0.00 |

**(Amounts in EUR)**

* Assuming that all Fund set-up and Bond issue and admission expenses are met on the Closing Date and that they amount to EUR 1,134,857.65 as detailed in section 6 of the Securities Note.

** As set forth in section 3.3.3 of this Building Block.

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

(i) EUROPEA DE TITULIZACIÓN is the Management Company that will establish, manage and legally represent the Fund and has structured the financial terms of the Fund and the Bond Issue.

(ii) CAIXA POPULAR-CAIXA RURAL, CAIXA RURAL DE BALEARS, CAJA RURAL ARAGONESA Y DE LOS PIRINEOS, CAJA RURAL CENTRAL, CAJA RURAL DE ARAGÓN, CAJA RURAL DE BURGOS, CAJA RURAL DE CIUDAD REAL, CAJA RURAL DE CÓRDOBA, CAJA RURAL DE GIJÓN, CAJA RURAL DE NAVARRA, CAJA RURAL DE TERUEL, CAJA RURAL DE ZAMORA, CAJA RURAL DEL MEDITERRÁNEO, RURALCAJA, and CAJA RURAL DEL SUR are the Originators of the Loans to be assigned to the Fund upon being established and shall be the Fund's counterparty in the Series D Bond Subscription, Start-Up Loan, Loan Servicing and Financial Intermediation Agreements.

(iii) BANCO COOPERATIVO shall be one of the Bond Issue Lead Managers and one of the Series A1, A2(G), B and C Bond Underwriters and Placement Agents. It shall also be the Fund's counterparty in the Guaranteed Interest Rate Account (Treasury Account), Interest Swap, Bond Paying Agent, Pass-Through Certificate Custody and Loan Servicing (as potential substitute in certain circumstances for the Servicers) Agreements.

(iv) DZ BANK, RBS and SOCIÉTÉ GÉNÉRALE shall be Bond Issue Lead Managers, Underwriters and Placement Agents and Series A1, A2(G), B and C Bond subscription book runners.

(v) BANCAJA, BANCO PASTOR, BBVA and DANSKE BANK shall be Series A1, A2(G), B and C Underwriters and Placement Agents.

(vi) LOVELLS, as independent advisers, have provided legal advice for establishing the Fund and issuing the Bonds and reviewed the tax implications thereof.

(vii) PRICEWATERHOUSECOOPERS have audited the selected loans of the Originators.

(viii) The Spanish Economy and Finance Ministry shall, in a Ministerial Order, provide the Fund before it is established with a guarantee whereby the Spanish State will secure, waiving the benefit of discussion established in Civil Code article 1830, payment of such economic obligations of the Series A2(G) Bonds as may be enforceable on the Fund.

(ix) Fitch and Moody's are the Rating Agencies that have assigned the rating to each Bond Issue Series.

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

The Management Company represents that the summary descriptions of those agreements, contained in the relevant sections, which it shall enter into, for and on behalf of the Fund, give the most substantial and relevant information on each of the agreements and accurately present their contents.

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

### 3.3.1 Perfecting the assignment of the Loans to the Fund.

The Management Company, for and on behalf of the Fund, and CAIXA POPULAR-CAIXA RURAL, CAIXA RURAL DE BALEARS, CAJA RURAL ARAGONESA Y DE LOS PIRINEOS, CAJA RURAL CENTRAL, CAJA RURAL DE ARAGÓN, CAJA RURAL DE BURGOS, CAJA RURAL DE CIUDAD REAL, CAJA RURAL DE CÓRDOBA, CAJA RURAL DE GIJÓN, CAJA RURAL DE NAVARRA, CAJA RURAL DE TERUEL, CAJA RURAL DE ZAMORA, CAJA RURAL DEL MEDITERRÁNEO, RURALCAJA, and CAJA RURAL DEL SUR as Originators, shall in the Deed of Constitution perfect the agreement assigning the Loans to the Fund, effective from that same date, as follows:

(i) The assignment of the Mortgage Loans shall be perfected by means of the issue by the Originators of and subscription by the Fund for pass-through certificates (the "**Pass-Through Certificates**") as established by Act 2/1981 and by additional provision five of Act 3/1994, as worded by article 18 of Financial System Reform Measures Act 44/2002, November 22 ("**Act 44/2002**").

The Pass-Through Certificates issued by each Originator shall be represented by means of a multiple registered certificate which shall contain the minimum data provided for pass-through certificates in article 64 of Royal Decree 685/1982, March 17, implementing certain aspects of Mortgage Market Regulation Act 2/1981 ("**Royal Decree 685/1982**"), and specifically the registration particulars of the mortgaged properties securing the Mortgage Loans.

The Pass-Through Certificates may be transferred by a written statement on the very certificate and, in general, by any of the means admitted by Law. The transfer of the Pass-Through Certificate and the new holder's address shall be notified by the transferee to the issuer. They may only be acquired or held by institutional investors, and may not be acquired by the unspecialised public.

Both in the event that any Pass-Through Certificate should be substituted, as prescribed in section 2.2.9.2 of this Building Block, and in the event that the Management Company, acting for and on behalf of the Fund, should proceed to foreclose a Mortgage Loan, as prescribed in section 3.7.2.1.7 of this Building Block, and moreover if there should be an Early Liquidation of the Fund, in the events and on the terms of section 4.4.3 of the Registration Document, and said Pass-Through Certificates have to be sold, the Originators agree to split, as the case may be, any multiple certificate into such individual or multiple certificates as may be necessary, or to substitute or exchange the same for the above purposes.

The multiple certificates representing the Pass-Through Certificates and the multiple or individual certificates, if any, into which the same are split shall be deposited at BANCO COOPERATIVO, and relations between the Fund and BANCO COOPERATIVO shall be governed by the Pass-Through Certificate Custody Agreement to be entered into between BANCO COOPERATIVO and the Management Company for and on behalf of the Fund. That deposit shall be made for the benefit of the Fund and therefore BANCO COOPERATIVO shall custody the certificates representing the Pass-Through Certificates deposited, on the Management Company's instructions.

The Originators, as issuers, shall keep a special book in which they shall enter the Pass-Through Certificates issued and the changes of address notified by the Pass-Through Certificate holders, also including therein (i) Mortgage Loan origination and maturity dates, amount and settlement method; and (ii) the registration particulars of the mortgages securing the Mortgage Loans.

Given that subscription for and holding of the Pass-Through Certificates is restricted to institutional or professional investors and that the Fund is an institutional investor and that the Fund has subscribed for the Pass-Through Certificates, for the purposes of the last paragraph of article 64.1.6 of Royal Decree 685/1982, the issue of the Pass-Through Certificates shall not be subject to a marginal note on each entry of the mortgage underlying each of the Mortgage Loans in the Land Registry.

(ii) The Non-Mortgage Loans shall be assigned directly without any underlying security being issued by means of their sale by the Originators and acquisition by the Fund of the credits rights derived therefrom.

The Originators' transfer to the Fund of the Loans shall not be notified to the respective Obligors or third-party guarantors or the insurers with which the Obligors may have taken out the damage insurance contracts attached to the Mortgage Loans and that notice shall not be necessary in order for the transfer to be effective. Where the Loans have security interests other than a mortgage (pledges involving custody by the Originators), the Originators, as custodians and servicers, shall be deemed to have received notice of the transfer in the Deed of Constitution.

However, in the event of insolvency, or indications thereof, of administration by the Bank of Spain, of liquidation or of substitution of any Servicer, or because the Management Company deems it reasonably justified, the Management Company may demand the relevant Servicer to notify Obligors (and third-party guarantors and insurers, if any), of the transfer to the Fund of the outstanding Loans, and the payments derived therefrom will only be effective as a discharge if made into the Treasury Account opened in the name of the Fund. However, both in the event of the Servicer failing to notify Obligors and third-party guarantors and insurers, if any, within five (5) Business Days of receiving the request and in the event of any Servicer becoming insolvent, the Management Company itself shall directly or, as the case may be, through a new Servicer it shall have designated, notify Obligors and third-party guarantors and insurers, if any.

Similarly and in the same events, the Management Company may request the Servicers to do such things and satisfy such formalities as may be necessary, including third-party notices and entries in the relevant accounting records, in order to guarantee maximum enforceability of the assignment of the Loans and collaterals with respect to third parties, all on the terms given in section 3.7.2.1.7 of this Building Block.

### 3.3.2 Loan assignment terms.

1. The Loans will be fully and unconditionally assigned for the entire term remaining from the date on which the Fund is established, until maturity of each Loan.

   In accordance with article 348 of the Commercial Code and 1529 of the Civil Code, each Originator will be liable to the Fund for the existence and lawfulness of the respective Loans, and for the personality with which the assignment is made, but shall not be liable for the solvency of the Obligors.

   The Originators shall not bear the risk of default on the respective Loans and shall therefore have no liability whatsoever for default by the Obligors of principal, interest or any other amount whatsoever they may owe under the Loans, and shall not be answerable either for the enforceability of the securities collateral thereto. They will not be howsoever liable either to directly or indirectly guarantee that the transaction will be properly performed, nor give any guarantees or security, nor indeed agree to repurchase or substitute the Loans, saving as provided for in section 2.2.9 of this Building Block.

2. The assignment of each Loan shall be made for all the outstanding principal pending repayment on the assignment date, which shall be the date of establishment of the Fund, and for all ordinary interest and all other amounts, assets or rights under each Loan assigned.

3. The Fund shall have rights in and to the Loans from the date on which they are assigned and the Fund is established. Specifically, without limitation and for illustrative purposes only, the assignment shall confer on the Fund the following rights in relation to each Loan:

   a) To receive all Loan capital or principal repayment amounts accrued.

   b) To receive all Loan principal interest amounts accrued. Ordinary interest will also include interest accrued and not due on each Loan from the last interest settlement date, on or before the assignment date, and overdue interest, if any, on that same date.

   c) To receive all late-payment interest amounts on the Loans.

   d) To receive any other amounts, assets or rights received as payment of Loan principal, interest or expenses, either in the form of the auction sale price or amount determined by a court decision or notarial procedure in enforcing the mortgage or non-mortgage securities, on the sale or utilisation of properties or assets awarded or, upon foreclosing, in the administration or interim possession of the properties or assets in foreclosure proceedings.

   e) To receive all possible rights or compensations on the Loans accruing for the Originator and derived therefrom, including those derived from the insurance contracts, if any, attached to the Mortgage Loans which are also assigned to the Fund, and those derived from any right collateral to the Loans, including the total or partial prepayment fees.

4. In the event of prepayment of the Loans upon a full or partial repayment of the principal, there will be no direct substitution of the relevant affected Loans.

5. The rights of the Fund resulting from the Loans shall be linked to the payments made by the Obligors and are therefore directly affected by the evolution, late payments, prepayments or any other incident in connection therewith.

6. The Fund shall defray any and all expenses or costs resulting for the Originator derived from recovery actions in the event of a breach by the Obligors of their obligations, including enforcement proceedings against the same.

7. In the event of renegotiation consented to by the Management Company, for and on behalf of the Fund, of the Loans, or their due dates, the change in the terms shall affect the Fund.

8. Until the execution of the Deed of Constitution, the Originators shall be the beneficiaries of the damage insurance contracts taken out by the Obligors in relation to the properties mortgaged as security for the Mortgage Loans, up to the insured amount.

The Originators shall thereupon perfect the assignment attached to the issue of the Pass-Through Certificates of the rights the Originators have as the beneficiaries of those damage insurance contracts taken out by the Obligors. As the holder of the Pass-Through Certificates, the Fund shall be entitled to all the amounts the Originators would have received in this connection.

### 3.3.3 Loan sale or assignment price.

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

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

1. The part of the assignment price consisting of the face value of the capital of the Loans, item (i) of paragraph one, shall be paid on the Closing Date of the Bond Issue, for same day value, upon the subscription for the Bond Issue being paid up, by means of instructions given by the Management Company to the Paying Agent to debit the Treasury Account opened in the Fund's name. The Originators shall receive no interest on the deferment of payment until the Closing Date.

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

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

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

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

The Loan amounts received by the Fund will be paid by each Servicer into the Treasury Account or upon the same being moved, as the case may be, into such account as may be designated by the Management Company, on the day next succeeding the date on which they are received by each Servicer or the following business day if that is not a business day, for same day value. Therefore, the Fund shall be receiving almost daily income into the Treasury Account on the Loan amounts received.

The weighted average interest rate of the loans selected as of October 26, 2006, as detailed in section 2.2.2.g) of this Building Block, is 4.28%, which is above the 4.00% weighted average interest rate of the Bonds that has been presumed for hypothetical purposes in the table contained in section 4.10 of the Securities Note. Nevertheless, the Interest Swap mitigates the interest rate risk occurring in the Fund because the Loans are subject to fixed and floating interest with different benchmark indices and different reset and settlement periods at the floating interest established for the Bonds based on 3-month Euribor and with quarterly accrual and settlement periods and the risk deriving from potential renegotiations of the interest rate of the Loans.

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

**3.4.2 Information on any credit enhancement.**

**3.4.2.1 Description of the credit enhancement.**

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

(i) Cash Reserve set up upon subscription for the Series D Bonds being paid for.

Mitigates the credit risk derived from delinquency and default on the Loans.

(ii) Interest Swap:

Mitigates the interest rate risk occurring in the Fund because the Loans have interest rates with different benchmark indices and reset and settlement periods differing from the floating interest established for the Bonds based on 3-month Euribor with quarterly accrual and settlement periods, and the risk deriving from potential Loan interest rate renegotiations.

(iii) Treasury Account.

Partly mitigates the loss of return on the liquidity of the Fund due to the timing difference between income received daily on the Loans and until interest payment and principal repayment on the Bonds occurs on the next succeeding Payment Date.

(iv) Subordination and deferment in interest payment and principal repayment between the Bonds in the different Series, derived from their place in the application of the Available Funds as well as the rules for Distribution of Available Funds for Amortisation of Series A1, A2(G), B and C in the Priority of Payments, or in the application of the Liquidation Available Funds in the Liquidation Priority of Payments, are a means for distinctly hedging the different Series.

(v) Spanish State Guarantee for the Series A2(G) Bonds:

Guarantees payment of the economic obligations (interest payment and principal repayment) of the Series A2(G) Bonds payable by the Fund.

### 3.4.2.2 Cash Reserve.

The Management Company shall set up on the Closing Date an Initial Cash Reserve out of the payment made for Subscription for the Series D Bonds and shall subsequently, on each Payment Date, keep the Required Cash Reserve amount provisioned in the Fund Priority of Payments.

The characteristics of the Cash Reserve shall be as follows:

**Cash Reserve amount.**

1. The Cash Reserve shall be set up on the Closing Date in an initial amount equal to EUR twenty-four million fifty thousand (24,050,000.00) (the "**Initial Cash Reserve**").

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

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

   (i) EUR twenty-four million fifty thousand (24,050,000.00).

   (ii) The higher of:

      b) 8.10% of the sum of the Outstanding Principal Balance of Series A1, A2(G), B and C Bonds.

      b) EUR twelve million twenty-five thousand (12,025,000.00).

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

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

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

   iii) That two (2) years have not elapsed since the date of establishment of the Fund.

**Yield.**

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

**Application.**

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

### 3.4.2.3 Spanish State Guarantee for the Series A2(G) Bonds.

In a Ministerial Order, the Economy and Finance Ministry shall provide the Fund before it is established with a guarantee whereby the Spanish State will guarantee, waiving the benefit of discussion established in Civil Code article 1830, payment of such economic obligations as may be enforceable on the Fund deriving from the Series A2(G) Bonds for a face amount of EUR fifty-three million seven hundred thousand (53,700,000.00).

3.4.2.3.1 **General characteristics of the State Guarantee.**

- The State Guarantee shall extend exclusively to Series A2(G) Bond principal and interest
- The State Guarantee shall remain in force and be fully effective until total fulfilment of the economic obligations derived from the Bonds in Series A2(G). In any event, the State Guarantee shall expire on April 25, 2030, or the next succeeding Business Day if that is not a Business Day.
- The enforceability of the State Guarantee shall be conditional on (i) this Prospectus being registered at the CNMV, (ii) execution and registration at the CNMV of the Fund Deed of Constitution during the year 2006, (iii) confirmation by the start of the Bond Subscription Period of the provisional ratings assigned by the Rating Agencies to each Bond Series as final ratings, (iv) the Series A1, A2(G), B and C Bond Management, Underwriting and Placement Agreement not being terminated, and (v) submission of the documents mentioned in the following paragraph.

  The Management Company shall send the Directorate-General of the Treasury and Financial Policy: (i) a copy of the Prospectus registered at the CNMV, (ii) a certified copy of the Fund Deed of Constitution entered in the register of the CNMV, (iii) a certificate by the Originators representing that the Loans satisfy the requirements of the Master Co-Operation Agreement attached to the Order of December 28, 2001, as amended by Order ECO/1064/2003, April 29, and that they are loans granted to non-financial small and medium-sized enterprises (natural and legal persons) (SMEs as defined by the European Commission -Recommendation of May 6, 2003 replacing the Recommendation of April 3, 1996-) domiciled in Spain, (iv) a copy of the letters from the Rating Agencies notifying the ratings assigned to each Bond Series, and (v) a certified copy of the notarial certificate recording payment of the Bond subscription executed by the Management Company.
- No fee whatsoever shall accrue upon the State Guarantee being perfected and given.

  The Management Company shall notify the Directorate-General of the Treasury and Financial Policy on each Series A2(G) Bond Payment Date of the outstanding balance of Series A2(G) and, at the year end, in addition to that outstanding balance, an estimate of the financial burden of Series A2(G) for the following year. It shall also send after each Payment Date the information provided for in the Resolution dated 23rd June 2005, on the terms and with the contents therein laid down .

3.4.2.3.2 **Enforcement of the State Guarantee.**

i) The State Guarantee may be partially enforced without any limitation as to number of enforcements.

The State Guarantee shall be enforced in the following events in the amounts determined for each one:

1. On any Payment Date or on the Final Maturity Date or upon the Early Liquidation of the Fund, when the Available Funds or the Liquidation Available Funds, as the case may be, are not sufficient to pay interest due on the guaranteed Series A2(G), after making the payments in the preceding priority of payments in accordance with the application in the Priority of Payments or the Liquidation Priority of Payments.

   In that event, the State Guarantee shall be enforced in an amount equivalent to the difference between the Series A2(G) Bond interest amount payable and the amount applied to payment thereof, as the case may be, of the Available Funds on the relevant Payment Date or the Liquidation Available Funds.

   The amounts received by the Fund upon enforcing the State Guarantee to meet payment of interest due on the guaranteed Series A2(G) shall be allocated to payment of that interest, as appropriate, on the following Payment Date or on the Final Maturity Date or upon the Early Liquidation of the Fund, but shall not be subject to the Priority of Payments or the Liquidation Priority of Payments.
2. On any Payment Date other than the Final Maturity Date or upon the Early Liquidation of the Fund when the Available Funds for Amortisation of Series A1, A2(G), B and C are not sufficient to repay the Outstanding Principal Balance of guaranteed Series A2(G) in the relevant amount in accordance with the rules for Distribution of Available Funds for Amortisation of Series A1, A2(G), B and C because there is an Amortisation Deficiency.

In that event, the State Guarantee shall be enforced in an amount equal to the difference between the Series A2(G) Bond principal amount to be amortised should no such Amortisation Deficiency occur and the amount of the Available Funds for Amortisation of Series A1, A2(G), B and C actually applied to their amortisation on the relevant Payment Date.

The amounts received by the Fund upon enforcing the State Guarantee to meet payment of the guaranteed Series A2(G) amount to be amortised shall be allocated to payment of that amortisation on the following Payment Date, but shall not be subject to the Priority of Payments or the Liquidation Priority of Payments.

3. On the Final Maturity Date or upon the Early Liquidation of the Fund when the Liquidation Available Funds are not sufficient to fully amortise the guaranteed Series A2(G).

   In that event, the State Guarantee shall be enforced in an amount equal to the difference between the Outstanding Principal Balance of Series A2(G) and the amount actually applied of the Liquidation Available Funds to their amortisation.

   The amounts received by the Fund upon enforcing the State Guarantee to meet payment of the guaranteed Series A2(G) Bond amount to be amortised shall be allocated to payment of that amortisation, as appropriate, on the Final Maturity Date or upon the Early Liquidation of the Fund, but shall not be subject to the Priority of Payments or the Liquidation Priority of Payments.

ii) Each enforcement of the State Guarantee shall be effected by a written notice from the Management Company to the Directorate-General of the Treasury and Financial Policy, declaring the occurrence of the events described of shortfall of Available Funds or Available Funds for Amortisation of Series A1, A2(G), B and C or Liquidation Available Funds in accordance with the provisions of the preceding paragraph, specifying the amounts claimed, as the case may be, for each of such items.

iii) Payment of the required amounts under each enforcement of the State Guarantee shall be made, after being checked, by the Directorate-General of the Treasury and Financial Policy within not more than ninety (90) days, reckoned from the date of receipt of the written request from the Management Company, by crediting the Treasury Account.

Having regard to this period for payment to the Fund of the amounts requested upon every enforcement of the State Guarantee to satisfy Series A2(G) interest payable and/or principal repayment in accordance with the provisions of paragraph i) of this section, those amounts might not be paid to the Series A2(G) Bondholders on the relevant Payment Date, and will in any event be paid to them on the Payment Date next succeeding the day on which they are paid to the Fund by the Directorate-General of the Treasury and Financial Policy.

iv) The amounts paid by the State under the State Guarantee shall constitute an obligation for the Fund in favour of the State. The amounts drawn on the State Guarantee, whether drawn for paying interest or for repaying principal on the guaranteed Series A2(G) Bonds, shall be repaid on each of the following Payment Dates, until fully repaid, respectively using the Available Funds and the Available Funds for Amortisation of Series A1, A2(G), B and C, or using the Liquidation Available Funds, in the places in the priority of payments respectively established in the Priority of Payments or the Liquidation Priority of Payments, as the case may be.

In the event that, in accordance with the preceding rules, on a Payment Date, in addition to repaying the amount drawn under the State Guarantee, it should be necessary to draw a new amount for paying interest or repaying principal on the guaranteed Series A2(G) Bonds, the Management Company shall calculate and apply the net amount which, as the case may be, should be requested from or repaid to the State.

### 3.4.3 Details of any subordinated finance.

#### 3.4.3.1 Start-Up Loan.

The Management Company shall, for and on behalf of the Fund, enter with the Originators into a commercial loan agreement amounting to EUR four million seven hundred thousand (4,700,000.00) (the "**Start-Up Loan Agreement**") distributed among the Originators as lenders in proportion to the face value of the Loans assigned by each Originator and pooled in the Fund, other than the fees of the legal advisers and of the Rating Agencies, which shall be distributed in equal shares.

The Start-Up Loan amount shall be delivered on the Closing Date and be allocated to financing the expenses of setting up the Fund and issue and admission of the Bonds, partly financing the assignment of the Loans at the difference between total face capital of the Loans and face amount of the Series A1, A2(G), B and C Bonds and, the balance, to covering the timing difference between Loan interest collection and Bond interest payment on the first Payment Date.

Outstanding Start-Up Loan principal will accrue an annual floating nominal interest, determined quarterly for each Interest Accrual Period, which shall be the result of adding: (i) the Bond Reference Rate determined for each Interest Accrual Period, and (ii) a 1.00% margin. Interest shall be settled and be payable on the date of expiration of each Interest Accrual Period on each Payment Date, and shall be calculated based on: (i) the exact number of days in each Interest Accrual Period and (ii) a three-hundred-and-sixty- (360-) day year. The first interest settlement date shall be April 25, 2007. This interest will be payable only if the Fund should have sufficient liquidity in the Priority of Payments or Liquidation Priority of Payments, as the case may be.

Interest accrued and not paid on a Payment Date shall not be accumulated to the Start-Up Loan principal nor earn late-payment interest.

Start-Up Loan principal shall be repaid in twenty (20) consecutive quarterly instalments in an equal amount on each Payment Date, the first of which shall be the first Payment Date, April 25, 2007, and the following until the Payment Date falling on January 25, 2012, inclusive

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

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

#### 3.4.3.2 Subordination of Series B, C and D Bonds.

Series B Bond interest payment and principal repayment is deferred with respect to Class A (Series A1 and A2(G)) Bonds, as provided in the Priority of Payments and in the Liquidation Priority of Payments of the Fund.

Series C Bond interest payment and principal repayment is deferred with respect to Class A (Series A1 and A2(G)) and Series B Bonds, as provided in the Priority of Payments and in the Liquidation Priority of Payments of the Fund.

Series D Bond interest payment and principal repayment is deferred with respect to Class A (Series A1 and A2(G)), Series B and Series C Bonds, as provided in the Priority of Payments and in the Liquidation Priority of Payments of the Fund.

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

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

#### 3.4.4.1 Treasury Account.

The Management Company, for and on behalf of the Fund, and BANCO COOPERATIVO shall enter into a Guaranteed Interest Rate Account (Treasury Account) Agreement whereby BANCO COOPERATIVO will guarantee a variable yield on the amounts paid by the Fund through its Management Company into a financial account. The Guaranteed Interest Rate Account (Treasury Account) Agreement shall specifically determine that all amounts received by the Fund will be paid into a financial account in euros (the "**Treasury Account**") opened at BANCO COOPERATIVO, in the name of the Fund by the Management Company, which amounts shall mostly consist of the following items:

(i) cash amount received upon subscription for the Bond Issue being paid up;

(ii) Loan principal repaid and interest collected;

(iii) any other Loan amounts payable to the Fund;

(iv) the Cash Reserve amount from time to time;

(v) Start-Up Loan principal drawn down;

(vi) Interest Swap amounts paid to the Fund;

(vii) State Guarantee enforcement amounts, if any, paid to the Fund;

(viii) the amounts of the returns obtained on Treasury Account balances; and

(ix) the amounts of interim withholdings on the return on investments to be effected on each relevant Payment Date on the Bond interest paid by the Fund, until due for payment to the Tax Administration.

BANCO COOPERATIVO shall pay an annual nominal interest rate, variable quarterly and settled quarterly, other than for the first interest accrual period, the duration of and the interest settlement for which shall be based on the duration of that period, applicable for each interest accrual period (differing from the Interest Accrual Period established for the Bonds) to the positive daily balances if any on the Treasury Account, equal to the interest rate resulting from decreasing (i) the Reference Rate determined for each Bond Interest Accrual Period, substantially matching the Treasury Account interest accrual period, (ii) by a 0.06% margin. Interest shall be settled on the date of expiration of each interest accrual period on each of January 17, April 17, July 17 and October 17 or the following Business Day if any of those is not a Business Day, and shall be calculated based on: (i) the exact number of days in each interest accrual period, and (ii) a three-hundred-and-sixty (360-) day year. The first interest accrual period shall comprise the days elapsed between the date of establishment of the Fund and April 17, 2007.

In the event that the rating of BANCO COOPERATIVO's short-term, unsecured and unsubordinated debt should be downgraded below F1 or P-1 respectively by Fitch and Moody's, the Management Company shall within not more than thirty (30) days from the time of that occurrence put in place, after notifying the Rating Agencies, any of the options described hereinafter allowing a suitable level of guarantee to be maintained with respect to the commitments derived from the Guaranteed Interest Rate Account (Treasury Account) Agreement in order for the rating given to the Bonds by the Rating Agencies not to be adversely affected:

a) Obtaining from an institution whose short-term, unsecured and unsubordinated debt is rated at least as high as F1 and P-1 respectively by Fitch and Moody's, and subject at all times to the prior communication to the Rating Agencies, a first demand guarantee securing for the Fund, merely upon the Management Company so requesting, prompt payment by BANCO COOPERATIVO of its obligation to repay the amounts deposited in the Treasury Account, for such time as BANCO COOPERATIVO remains downgraded below F1 or P-1.

b) Transferring the Fund's Treasury Account to an institution whose short-term, unsecured and unsubordinated debt is rated at least as high as F1 and P-1 respectively by Fitch and Moody's, arranging the highest possible yield for its balances, which may differ from that arranged with BANCO COOPERATIVO under the Guaranteed Interest Rate Account (Treasury Account) Agreement.

c) If options a) and b) above are not possible, obtaining from the Originators, BANCO COOPERATIVO or a third party collateral security in favour of the Fund on financial assets with a credit quality of not less than and a liquidity similar to that of Spanish State Government Debt (*Deuda Pública del Estado Español)*, in an amount sufficient to guarantee the commitments established in the Agreement.

d) Moreover, if the above options are not possible on the terms provided for, the Management Company may invest the balances for not more than quarterly periods and due not later than the following Payment Date, in short-term fixed-income assets in euros, rated P-1 by Moody's, issued by institutions whose short-term, unsecured and unsubordinated debt rated is rated at least as high as F1 (for periods of less than 30 days or F1+ for longer periods) and P-1 respectively by Fitch and Moody's, including short-term securities issued by the Spanish State, in which case the yield obtained could also differ from that obtained initially with BANCO COOPERATIVO under this Agreement.

e) If either of events b) or d) should occur, the Management Company may subsequently transfer the balances back to BANCO COOPERATIVO under the Guaranteed Interest Rate Account (Treasury Account) Agreement, in the event that the rating of BANCO COOPERATIVO's short-term, unsecured and unsubordinated debt should subsequently be upgraded back to P-1 and F1 respectively by Moody's and Fitch.

All costs, expenses and taxes incurred in connection with putting in place and arranging the above shall be borne by BANCO COOPERATIVO.

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

Each Servicer shall manage collection of all Loan amounts payable by the Obligors, and any other item including under the damage insurance contracts of the mortgaged properties securing the Mortgage Loans. Each Servicer shall use every effort in order for payments to be made by the Obligors to be collected in accordance with the contractual terms and conditions of the Loans.

The Loan amounts received by each Servicer shall be paid by the Servicer in full into the Fund's Treasury Account or upon the same being moved, as the case may be, into such account as may be designated by the Management Company, on the day next succeeding the date on which they were received by the Servicer, or the following business day if that is not a business day, for same day value. In this connection, business days shall be taken to be all those that are business days in the banking sector in the city of Madrid.

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

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

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

The source and application of the amounts available for the Fund on the Bond Issue Closing Date shall be as follows:

1. **Source:** the Fund shall have the following funds:
   a) Bond subscription payment.
   b) Drawdown of Start-Up Loan principal.

2. **Application:** in turn, the Fund will apply the funds described above to the following payments:
   a) Payment of the price for acquiring the Non-Mortgage Loans and subscribing for the Pass-Through Certificates at their face value.
   b) Payment of the Fund set-up and Bond issue and admission expenses.
   c) Setting up the Initial Cash Reserve.
   d) The remainder upon the Start-Up Loan being drawn to the relevant extent to cover on the first Payment Date the timing difference between Loan interest and Bond interest.

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

On each Payment Date, other than the Final Maturity Date or when Early Liquidation of the Fund occurs, the Management Company shall proceed successively to apply the Available Funds and the Available Funds for Amortisation of Series A1, A2(G), B and C in accordance with the order of priority of payments given hereinafter for each of them (the "**Priority of Payments**").

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

1. **Source.**

The available funds on each Payment Date (the "**Available Funds**") to meet the payment or withholding obligations listed in section 2 below shall be the following amounts credited to the Treasury Account:

a) Loan principal repayment income received during the Determination Period preceding the relevant Payment Date.

b) Loan ordinary and late-payment interest income received during the Determination Period preceding the relevant Payment Date.

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

d) The Cash Reserve amount on the Determination Date preceding the relevant Payment Date.

e) Net amounts, if any, received by the Fund under the Interest Swap Agreement and, in the event of termination of the Agreement, the settlement payment amount payable by the Fund's counterparty (Party B).

f) Any other amounts received by the Fund during the Determination Period preceding the relevant Payment Date, including those resulting from the sale or utilisation of assets or rights awarded to the Fund.

g) The balance upon the Start-Up Loan being drawn down to the relevant extent for covering the timing difference between Loan interest and Bond interest on the first Payment Date.

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

Additionally, and not included among the Available Funds, the Fund shall have the amount drawn upon enforcing the State Guarantee paid to the Fund from the Payment Date preceding the relevant Payment Date, used only for paying Series A2(G) Bond interest in 3rd place in section 2 below.

2. **Application.**

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

1. Payment of the Fund's properly supported taxes and ordinary[(1)] and extraordinary[(2)] expenses, whether or not they were disbursed by the Management Company, including the management fee due to the latter, and all other expenses and service fees, including those derived from the Paying Agent and Pass-Through Certificate Custody Agreements. Only expenses prepaid or disbursed on the Fund's behalf by and Loan amounts reimbursable to the Servicer, provided they are all properly supported, and the Loan servicing fee in the event of a substitution of any servicer by a new servicer other than BANCO COOPERATIVO, shall be made to the Servicer under the Servicing Agreement in this priority.

2. Payment of the net amount, if any, payable by the Fund under the Interest Swap Agreement and, only in the event of termination of that Agreement following a breach by the Fund or because the latter is the party affected by objective circumstances subsequently occurring, payment of the settlement payment amount payable by the Fund.

3. Payment of interest due on the Series A1 and Series A2(G) Bonds and repayment to the State of amounts it shall have paid to the Fund upon the State Guarantee being drawn, for payment of interest on the guaranteed Series A2(G) Bonds.

4. Payment of interest due on the Series B Bonds unless this payment is deferred to 7th place in the priority of payments.

   If the Class A (Series A1 and A2(G)) Bonds have not been or are not to be fully amortised and the amount due to the State upon the State Guarantee being enforced for amortising Series A2(G) has not been and is not to be repaid on the relevant Payment Date, this payment shall be deferred to 7th place if on the relevant Payment Date, upon calculating the application of Available Funds for Series A1, A2(G), B and C Amortisation Withholding in 6th place below, this application to be taken into account in that connection, there is to be an Amortisation Deficiency in an amount in excess of the sum of (i) fifty percent (50%) of the issue face amount of Series B Bonds and (ii) one hundred percent (100%) of the issue face amount of Series C Bonds.

5. Payment of interest due on the Series C Bonds unless this payment is deferred to 8th place in the priority of payments.

   If the Class A (Series A1 and A2(G)) Bonds have not been or are not to be fully amortised and the amount due to the State upon the State Guarantee being enforced for amortising Series A2(G) has not been and is not to be repaid and the Series B Bonds have not been or are not to be fully amortised on the relevant Payment Date, this payment shall be deferred to 8th place if on the relevant Payment Date, upon calculating the application of Available Funds for Series A1, A2(G), B and C Amortisation Withholding in 6th place below, this application to be taken into account in that connection, there is to be an Amortisation Deficiency in an amount in excess of fifty percent (50%) of the issue face amount of Series C Bonds.

6. Series A1, A2(G), B and C Amortisation Withholding in an amount equivalent to the positive difference existing on the Determination Date preceding the relevant Payment Date between (i) the sum of the Outstanding Principal Balance of Series A1, A2(G), B and C, increased by the amount to be repaid to the State upon the State Guarantee being enforced for amortising Series A2(G), and (ii) the Outstanding Balance of Non-Doubtful Loans.

   Depending on the liquidity existing on each Payment Date, the amount actually applied to Series A1, A2(G), B and C Amortisation Withholding shall make up the Available Funds for Amortisation of Series A1, A2(G), B and C to be applied in accordance with the rules for Distribution of Available Funds for Amortisation of Series A1, A2(G), B and C established in section 4.9.3.6 of the Securities Note.

7. Payment of interest due on the Series B Bonds when this payment is deferred from 4th place in the priority of payments as established therein.

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

9. Withholding of an amount sufficient for the Required Cash Reserve amount to be maintained.

10. Payment of interest due on the Series D Bonds.

11. Amortisation of Series D Bonds.

    Partial amortisation of Series D Bonds shall occur on each Payment Date in an amount equal to the positive difference existing between the Outstanding Principal Balance of Series D on the Determination Date preceding the relevant Payment Date and the Required Cash Reserve amount on the relevant Payment Date in accordance with the provisions of section 3.4.2.2 of this Building Block.

12. Payment of the settlement payment amount payable by the Fund under the Interest Swap Agreement other than in the events provided for in 2nd place above.

13. Payment of Start-Up Loan interest due.

14. Repayment of Start-Up Loan principal to the extent repaid.

15. Payment to the Servicers under the Servicing Agreement of the Loan servicing fee.

    In the event that any other institution should replace any Servicer as Servicer, payment of the Loan servicing fee accrued by the other institution, to wit the new servicer, shall take the place of paragraph 1 above, along with the other payments included therein, other than in the event that the new servicer should be BANCO COOPERATIVO, in which case payment of the servicing fee shall remain in the same 15th place.

16. Payment of the Financial Intermediation Margin.

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

(1) The following shall be considered ordinary expenses of the Fund:

a) Any expenses deriving from mandatory administrative verifications, registrations and authorisations.
b) Rating Agency fees for monitoring and maintaining the rating of the Bonds.
c) Expenses relating to keeping the Bond accounting record representing the Bonds by means of book entries, admission to trading in organised secondary markets and maintaining all of the foregoing.
d) Expenses of auditing the annual accounts.
e) Bond amortisation expenses.
f) Expenses deriving from announcements and notices relating to the Fund and/or the Bonds.

(2) The following shall be considered extraordinary expenses of the Fund:

a) Expenses, if any, deriving from preparing and perfecting an amendment of the Deed of Constitution and of the agreements, and from entering into additional agreements.
b) Expenses required to foreclose Mortgage Loans and deriving from any recovery actions required.
c) Extraordinary expenses of audits and legal advice.
d) The remaining amount, if any, of the initial expenses of setting up the Fund and issue and admission of the Bonds in excess of the Start-Up Loan principal.
e) In general, any other extraordinary expenses required borne by the Fund or by the Management Company for and on behalf of the Fund.

**3.4.6.2.2 Available Funds for Amortisation of Series A1, A2(G), B and C: source and application.**

**1. Source.**

On each Payment Date, the Available Funds for Amortisation of Series A1, A2(G), B and C shall be the Series A1, A2(G), B and C Amortisation Withholding amount applied in sixth ($6^{th}$) place of the Available Funds on the relevant Payment Date.

Additionally, and not included among the Available Funds for Amortisation of Series A1, A2(G), B and C, the Fund shall have the amount drawn upon enforcing the State Guarantee paid to the Fund from the Payment Date preceding the relevant Payment Date, used only for repaying Series A2(G) Bond principal.

**2. Distribution of Available Funds for Amortisation of Series A1, A2(G), B and C.**

The rules for Distribution of Available Funds for Amortisation of Series A1, A2(G), B and C are given in section 4.9.3.6 of the Securities Note.

**3.4.6.3 Fund Liquidation Priority of Payments.**

The Management Company shall proceed to liquidate the Fund upon the Fund being liquidated on the Final Maturity Date or when there is an Early Liquidation in accordance with the provisions of sections 4.4.3 and 4.4.4 of the Registration Document, by applying the available funds to the following items (the "**Liquidation Available Funds**"): (i) the Available Funds, and (ii) the amounts obtained by the Fund from time to time upon disposing of the Loans and the remaining assets, in the following order of priority of payments (the "**Liquidation Priority of Payments**"):

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

2. Payment of the Fund's properly supported taxes and ordinary and extraordinary expenses, whether or not they were disbursed by the Management Company, including the management fee due to the latter, and all other expenses and service fees, including those derived from the Paying Agent and Pass-Through Certificate Custody Agreements. Only expenses prepaid or disbursed on the Fund's behalf by and Loan amounts reimbursable to the Servicers, provided they are all properly supported, and the Loan servicing fee in the event of a substitution of any servicer by a new servicer other than BANCO COOPERATIVO, shall be made to the Servicer under the Servicing Agreement in this priority.

3. Payment of amounts, if any, due in connection with the net amount payable by the Fund upon termination of the Interest Swap and, only in the event of termination of that Agreement following a breach by the Fund or because the Fund is the party affected by objective circumstances subsequently occurring, payment of the settlement payment amount payable by the Fund.

4. Payment of interest due on the Series A1 and A2(G) Bonds and repayment to the State of amounts it shall have paid to the Fund upon the State Guarantee being drawn, for payment of interest on the guaranteed Series A2(G) Bonds.

5. Repayment of Series A1 and A2(G) Bond principal until fully repaid and repayment to the State of amounts it shall have paid to the Fund upon the State Guarantee being drawn for repaying Series A2(G) Bond principal, firstly amortising Series A1 Bonds, secondly amortising Series A2(G) and thirdly, in the remaining amount, repaying to the State amounts due upon enforcing the State Guarantee for amortising Series A2(G), in the event that the Pro Rata Amortisation of Class A should apply, in the same application order provided for in section 2.2 of the Distribution of Available Funds for Amortisation of Series A1, A2(G), B and C established in section 4.9.3.6 of the Securities Note.

6. Payment of interest due on the Series B Bonds.

7. Repayment of Series B Bond principal.

8. Payment of interest due on the Series C Bonds.

9. Repayment of Series C Bond principal.

10. In the event of the credit facility being arranged for early amortisation of the Series A1, A2(G), B and C Bonds as provided for in section 4.4.3.(iii) of the Registration Document, payment of financial costs accrued and repayment of principal of the credit facility taken out.

11. Payment of interest due on the Series D Bonds.

12. Repayment of Series D Bond principal.

13. Payment of the settlement payment amount, if any, payable by the Fund under the Interest Swap Agreement other than in the events provided for in 3rd place above.

14. Payment of Start-Up Loan interest due.

15. Repayment of Start-Up Loan principal.

16. Payment to the Servicers under the Servicing Agreement of the Loan servicing fee.

    In the event that any other institution should replace any of the Servicers as Servicer, payment of the Loan servicing fee accrued by the other institution, to wit the new servicer, shall take the place of paragraph 2 above, along with the other payments included therein, other than in the event that the new servicer should be BANCO COOPERATIVO, in which case payment of the servicing fee shall remain in the same 16th place.

17. Payment of the Financial Intermediation Margin.

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

Additionally, and not included among the Liquidation Available Funds, the Fund shall have:

(i) The amount drawn upon enforcing the State Guarantee used only for Series A2(G) Bond interest payment and principal repayment.

(ii) The amount, if any, drawn under the credit facility to be arranged and exclusively used for final amortisation of the Series A1, A2(G), B and C Bonds, in accordance with the provisions of section 4.4.3 of the Registration Document.

(1) Reserve set up as a security means for the purpose of allowing the payments to be made by the Fund resulting from the expenses caused by termination of the Fund as described in section 4.4 of the Registration Document.

**3.4.6.4 Financial Intermediation Margin.**

The Management Company shall, for and on behalf of the Fund, enter with the Originators CAIXA POPULAR-CAIXA RURAL, CAIXA RURAL DE BALEARS, CAJA RURAL ARAGONESA Y DE LOS PIRINEOS, CAJA RURAL CENTRAL, CAJA RURAL DE ARAGÓN, CAJA RURAL DE BURGOS, CAJA RURAL DE CIUDAD REAL, CAJA RURAL DE CÓRDOBA, CAJA RURAL DE GIJÓN, CAJA RURAL DE NAVARRA, CAJA RURAL DE TERUEL, CAJA RURAL DE ZAMORA, CAJA RURAL DEL MEDITERRÁNEO, RURALCAJA, and CAJA RURAL DEL SUR, into a Financial Intermediation Agreement designed to remunerate the Originators for the financial intermediation process carried out, enabling the financial transformation defining the Fund's activity, the assignment to the Fund of the Loans and the rating assigned to each Bond Series.

The Originators shall be entitled to receive from the Fund a variable subordinated remuneration (the "**Financial Intermediation Margin**") which shall be determined and accrue upon the expiration of every quarterly period, comprising, other than for the first period, the three calendar months preceding each Payment Date, in an amount equal to the positive difference, if any, between the income and expenditure, including losses brought forward from previous years, accrued by the Fund with reference to its accounts and before the close of the months of March, June, September and December, these being the last month in each quarterly period. Exceptionally, the first period shall be comprised between the date of establishment of the Fund and March 31, 2007, inclusive, this being the last day of the month preceding the first Payment Date, April 25, 2007. The Financial Intermediation Margin shall accrue for each Originator based on the distribution rules provided for in the Financial Intermediation Agreement.

The Financial Intermediation Margin accrued at the close of the months of March, June, September and December shall be settled on the Payment Date next succeeding the last day of each of said months, provided that the Fund has sufficient liquidity in the Priority of Payments of the Fund or, as the case may be, in the Liquidation Priority of Payments.

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

The Financial Intermediation Agreement shall be fully terminated in the event that the Rating Agencies should not confirm any of the provisional ratings assigned to each Bond Series as final by the start of the Subscription Period.

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

#### 3.4.7.1 Interest Swap.

The Management Company shall, for and on behalf of the Fund, enter with BANCO COOPERATIVO into a floating interest rate swap agreement (the “**Interest Swap Agreement**” or the “**Interest Swap**”) based on the Spanish Banking Association’s standard Master Financial Transaction Agreement (CMOF), the most relevant characteristics of which are described below.

Under the Interest Swap Agreement, the Fund will make payments to BANCO COOPERATIVO calculated on the Loan reference rate, and in consideration BANCO COOPERATIVO will make payments to the Fund calculated on the Reference Rate determined for the Bonds, the foregoing as described hereinafter.

**Party A:** The Fund, represented by the Management Company.

**Party B:** BANCO COOPERATIVO.

**1. Settlement dates.**

The settlement dates shall fall on the Bond Payment Dates, i.e. on January 25, April 25, July 25 and October 25 in every year, or the following Business Day if any of these dates is not a Business Day. The first settlement date shall be April 25, 2007.

The variable amounts payable by Party A and by Party B for each respective settlement period shall be netted and be paid by the paying Party to the receiving Party on the following Payment Date.

**2. Settlement periods.**

**Party A:**

The Party A settlement periods shall be the exact number of days elapsed between two consecutive Determination Dates, not including the beginning but including the ending date. Exceptionally, a) the length of the first Party A settlement period shall be equivalent to the exact number of days elapsed between the day on which the Fund is established (inclusive) and April 18, 2007, the first Determination Date, inclusive, and b) the length of the last Party A settlement period shall be equivalent to the exact number of days elapsed between the Determination Date preceding the date on which the Financial Swap Agreement expires, exclusive, and the due date, inclusive.

**Party B:**

The Party B settlement periods shall be the exact number of days elapsed between two consecutive Payment Dates, including the beginning but not including the ending date. Exceptionally, a) the length of the first Party B settlement period shall be equivalent to the exact number of days elapsed between the Bond Issue Closing Date (inclusive) and April 25, 2007 exclusive, the first Payment Date, and b) the length of the last Party B settlement period shall be equivalent to the exact number of days elapsed between the Payment Date preceding the date on which the Financial Swap Agreement expires, inclusive, and the due date, exclusive.

**3. Nominal Amount.**

This shall be on each settlement date the daily average during the next preceding Party A settlement period of the Outstanding Balance of Non-Doubtful Loans.

**4. Party A amounts payable.**

This shall be on each settlement date the result of applying the Party A Interest Rate, determined for the next preceding Party A settlement period, to the Nominal Amount according to the number of days in the next preceding Party A settlement period, and based on a three-hundred-and-sixty- (360-) day year.

**4.1 Party A Interest Rate.**

For each Party A settlement period this shall be the annual interest rate resulting from dividing (i) the total Loan ordinary interest amount falling due during the then-current Party A settlement period, excluding Doubtful Loan interest on the Determination Date preceding the relevant settlement date, whether or not they were paid by the Obligors, after deducting the interest amount comprising the margin above the reference rate, by (ii) the Swap Nominal Amount, multiplied by the result of dividing 360 by the number of days in the Party A settlement period.

In this connection:

(i) Ordinary interest will be reduced in the interest accrued payable by the Fund in connection with the assignment of the Loans.

(ii) As the case may be, ordinary interest due will also be deemed to comprise the accrued interest received by the Fund both on the sale of Loans and on their substitution or repayment by the Originators in accordance with the rules laid down in section 2.2.9 of the Building Block.

**5. Party B amounts payable.**

This shall be on each settlement date the result of applying the Party B Interest Rate, determined for the Party B settlement period falling due, to the Nominal Amount according to the number of days in the Party B settlement period falling due and based on a three-hundred-and-sixty- (360-) day year.

**5.1 Party B Interest Rate.**

This shall be for each Party B settlement period the Bond Reference Rate determined for the Interest Accrual Period matching the Party B settlement period.

**6. Termination of the Interest Swap Agreement.**

If on a Payment Date the Fund (Party A) should not have sufficient liquidity to make payment of the aggregate net amount, if any, payable to Party B, the portion of this net amount not paid shall be settled on the following Payment Date provided that the Fund has sufficient liquidity in the Priority of Payments. Should such event of non-payment occur on two consecutive Payment Dates, the Interest Swap Agreement may be terminated as Party B shall see fit. If the Interest Swap Agreement should be terminated for this reason, the Fund (Party A) shall take over the obligation to pay the settlement amount established on the terms of the Interest Swap Agreement, the foregoing in the Priority of Payments. Should the settlement amount under the Interest Swap Agreement be a payment obligation for Party B and not for the Fund (Party A), Party B shall take over the obligation to pay the settlement amount provided for in the Interest Swap Agreement.

If on a settlement date Party B should not make payment of the full net amount payable, if any, to the Fund (Party A), under the Interest Swap Agreement, the Management Company, for and on behalf of the Fund, may choose to terminate the Interest Swap Agreement. In the event of termination, Party B shall accept the obligation to pay the settlement amount established on the terms of the Interest Swap Agreement. Should the settlement amount under the Interest Swap Agreement be due by the Fund (Party A) and not by Party B, payment thereof by the Fund (Party A) shall be made in the Priority of Payments.

Subject to the foregoing, other than in an extreme event of permanent financial imbalance of the Fund, the Management Company shall endeavour, for and on behalf of the Fund, to enter into a new swap agreement on terms substantially identical with the Interest Swap Agreement.

**7. Actions in the event of change in the rating of Party B.**

**7.1 Change in the initial rating of Party B.**

Party B shall irrevocably agree that, if at any time throughout the life of the Bond Issue, the rating of the unsecured and unsubordinated debt of Party B should be downgraded below A or A2 for long-term debt or F1 or P-1 for short-term debt respectively by Fitch and Moody's, it shall do any of the following within not more than ten (10) Business Days from the date of the occurrence of any such circumstances, on such terms and conditions as the Management Company shall see fit, after notifying the Rating Agencies, in order for the ratings assigned to each Series by the Rating Agencies to be maintained: (i) that a third-party institution whose unsecured and unsubordinated debt is rated as high as or in excess of A and A2 for its long-term debt and F1 and P-1 for its short-term debt, respectively by Fitch and Moody's, will secure fulfilment of its contractual obligations, (ii) that a third-party institution with the same ratings required for (i) above will take over its contractual position and substitute it before terminating the Interest Swap Agreement in respect of Party B, or, as the case may be, under a new swap agreement; or (iii) that a cash or securities deposit will be made in favour of the Fund at an institution whose short-term debt is rated P-1 by Moody's if the rating of Party B's unsecured and unsubordinated debt should be rated F2 for its short-term debt by Fitch, securing fulfilment of Party B's contractual obligations with reference, inter alia, to the Interest Swap market value covering at least the Interest Swap replacement value in order for there to be no detriment to the rating assigned to the Bonds by the Rating Agencies and, as the case may be and based on the rating assigned by the counterparty to the Interest Swap Agreement, either of options (i) and (ii) above. The market value for Fitch's purposes shall be calculated in line with Fitch's criteria set out in its report "*Counterparty Risk in Structured Finance: Swap Criteria*", dated September 13, 2004, or Fitch document or report hereafter taking its stead, proposing a formula for estimating the Swap market value, within fifteen (15) days after the loss of the A rating by Party B.

All and any costs, expenses and taxes incurred in connection with the compliance with the foregoing obligations shall be borne by Party B.

**7.2 Change in the subsequent rating of Party B.**

1. In the event that, after making the cash or securities deposit provided for in section 7.1.(iii) above, the rating of the unsubordinated and unsecured debt of Party B should be downgraded below BBB+ for long-term debt or F2 for short-term debt, by Fitch, maintenance of that deposit could only continue to be viable in order for there to be no detriment to the rating given to the Bonds by Fitch if there exists a third party checking that those deposits were duly made, to Fitch's satisfaction.
2. In the event that the rating of Party B's unsubordinated and unsecured debt should be downgraded below BBB or A3 for long-term debt respectively by Fitch and Moody's, or below F3 or P-2 for short-term debt respectively by Fitch and Moody's rating scales, options (i) and (ii) provided for in section 7.1 above would be the only ones available to prevent the rating given to the Bonds by the Rating Agencies from being downgraded, making the cash or securities deposit provided for in section 7.1.(iii) above from the date of the occurrence of any such circumstances until either of options (i) or (ii) referred to is put in place within not more than 30 calendar days.

**7.3 Breach of obligations in the event of change in the rating.**

Should Party B's guarantor or Party B proper fail to put in place the measures described in paragraphs 7.1 and 7.2 above, this shall be an early termination event of the Interest Swap Agreement.

In that event, Party B shall accept the obligation to pay the settlement amount provided for in the Interest Swap Agreement. Should the settlement amount under the Interest Swap Agreement be due by the Fund (Party A) and not by Party B, payment thereof by the Fund (Party A) shall be made in the Priority of Payments.

All costs, expenses and taxes incurred in connection with the breach of the above obligations shall be borne by Party B.

**8. Maturity Date**

This shall be the first date on which any of the circumstances listed in (i) to (iv) for termination of the Fund occur in accordance with section 4.4.4 of the Registration Document.

The occurrence, as the case may be, of an early termination of the Interest Swap Agreement will not in itself be an Early Amortisation event of the Bond Issue and an Early Liquidation event of the Fund referred to in sections 4.4.3 and 4.4.4 of the Registration Document, unless in conjunction with other events or circumstances related to the net asset value of the Fund, its financial balance should be materially or permanently altered.

Party B agrees not to take any action to hold Party A liable.

All matters, discrepancies, lawsuits and claims deriving from the Interest Swap Agreement shall be referred for arbitration to the Chamber of Commerce of Madrid.

The Interest Swap Agreement shall be fully terminated in the event that the Rating Agencies should not confirm any of the provisional ratings assigned to each of the Series as final by the start of the Subscription Period.

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

The originators and assignors of the Loans securitised are CAIXA POPULAR-CAIXA RURAL, CAIXA RURAL DE BALEARS, CAJA RURAL ARAGONESA Y DE LOS PIRINEOS, CAJA RURAL CENTRAL, CAJA RURAL DE ARAGÓN, CAJA RURAL DE BURGOS, CAJA RURAL DE CIUDAD REAL, CAJA RURAL DE CÓRDOBA, CAJA RURAL DE GIJÓN, CAJA RURAL DE NAVARRA, CAJA RURAL DE TERUEL, CAJA RURAL DE ZAMORA, CAJA RURAL DEL MEDITERRÁNEO, RURALCAJA, and CAJA RURAL DEL SUR.

**CAIXA POPULAR-CAIXA RURAL:**

Registered office: Avda. Juan de la Cierva, 9, 46980 Paterna-Valencia (Spain).

**CAIXA RURAL DE BALEARS:**

Registered office: Antonio Gaudí, 2, 07013 Palma, Majorca (Spain).

**CAJA RURAL ARAGONESA Y DE LOS PIRINEOS:**

Registered office: Berenguer, 2-4, 22002 Huesca (Spain).

**CAJA RURAL CENTRAL:**

Registered office: Dr. Sarget, 29, 03300 Orihuela -Alicante- (Spain)

**CAJA RURAL DE ARAGÓN:**

Registered office: Coso, 29, 50003 Zaragoza (Spain).

**CAJA RURAL DE BURGOS:**

Registered office: Plaza de Spain, s/n 09005 Burgos (Spain).

**CAJA RURAL DE CIUDAD REAL:**

Registered office: Alarcos, 23, 13001 Ciudad Real (Spain).

**CAJA RURAL DE CÓRDOBA:**

Registered office: Ronda de los Tejares, 36, 14008 Córdoba (Spain).

**CAJA RURAL DE GIJÓN:**

Registered office: Infancia, 10, 33027 Gijón-Asturies (Spain).

**CAJA RURAL DE NAVARRA:**

Registered office: Plaza de los Fueros, 1, 31002 Pamplona (Spain).

**CAJA RURAL DE TERUEL:**

Registered office: Plaza Carlos Castel, 14, 44001 Teruel (Spain).

**CAJA RURAL DE ZAMORA:**

Registered office: Avda. Alfonso IX, 7, 49013 Zamora (Spain).

**CAJA RURAL DEL MEDITERRÁNEO, RURALCAJA:**

Registered office: Paseo de la Alameda, 34, 46023 Valencia (Spain).

**CAJA RURAL DEL SUR:**

Registered office: Murillo, 2, 41001 Seville (Spain).

**Significant business activities of the Originators.**

The following is selected financial information on each Originator’s business for the years 2006 and 2005 and how they compare between them.

The information as at June 30, 2006 and June 30, 2005 was prepared in accordance with applicable International Financial Reporting Standards (IFRS) under Regulation EC 1606/2002 and Bank of Spain Circular 4/2004. The relevant information as at December 31, 2005 was also prepared for comparative purposes only in accordance with IFRS in order for the comparison between both periods to be consistent.

**Significant financial information on CAIXA POPULAR-CAIXA RURAL.**

| | 30.06.2006 (A) | 30.06.2005 (B) | 31.12.2005 (C) | ∆% (A)/(B) |
|---|---|---|---|---|
| **BALANCE SHEET (EUR million)** | | | | |
| Total assets | **675** | 563 | 611 | 19.89 |
| Customer credits (net) | **514** | 409 | 464 | 25.67 |
| Balance-sheet customer resources | **606** | 505 | 550 | 20.00 |
| Other customer resources managed | **41** | 31 | 34 | 32.26 |
| Total customer resources managed | **647** | 536 | 584 | 20.71 |
| Net assets | **46** | 40 | 43 | 15.00 |
| Equity (including retained earnings) | **47** | 39 | 43 | 20.51 |
| **PROFIT & LOSS ACCOUNT (EUR million)** | | | | |
| Intermediation margin | **10** | 8 | 17 | 25.00 |
| Basic margin | **14** | 11 | 23 | 27.27 |
| Ordinary margin | **14** | 11 | 23 | 27.27 |
| Operating margin | **6** | 5 | 10 | 20.00 |
| Pre-tax result | **5** | 4 | 8 | 25.00 |
| Year’s result | **4** | 3 | 6 | 33.33 |

| | | | | |
|---|---|---|---|---|
| **RELEVANT RATIOS (%)** | | | | |
| Operating margin/ATM | **1.98** | 1.87 | 1.81 | 5.88 |
| ROE | **21.52** | 18.88 | 22.52 | 13.98 |
| ROA | **1.30** | 1.3 | 1.4 | 0.00 |
| RORWA | **1.80** | 1.6 | 2 | 12.50 |
| Efficiency ratio | **50.06** | 51.48 | 52.17 | -2.76 |
| Efficiency ratio with depreciation | **54.42** | 56.52 | 56.92 | -3.72 |
| Delinquency rate | **1.20** | 1.1 | 1.3 | 9.09 |
| Coverage rate | **193.3** | 198.3 | 169.5 | -2.52 |
| **CAPITAL RATIOS (BIS REGULATIONS) (%)** | | | | |
| Bank of Spain solvency ratio | **11.00** | 9.15 | 9.24 | 20.22 |
| TIER I | **8.36** | 8.65 | 8.16 | -3.35 |
| BIS Ratio | **11.00** | 9.15 | 9.24 | 20.22 |
| **ADDITIONAL INFORMATION** | | | | |
| Number of shares | **326,229** | 281,339 | 283,231 | 15.96 |
| Number of members | **323** | 305 | 315 | 5.90 |
| Number of employees | **256** | 237 | 241 | 8.02 |
| Number of branches | **52** | 49 | 50 | 6.12 |

### Significant financial information on CAIXA RURAL DE BALEARS.

| | 30.06.2006 (A) | 30.06.2005 (B) | 31.12.2005 (C) | ∆% (A)/(B) |
|---|---|---|---|---|
| **BALANCE SHEET (EUR thousand)** | | | | |
| Total assets | **440,258** | 341,040 | 376,711 | 29.09 |
| Customer credits (net) | **384,453** | 285,029 | 330,644 | 34.88 |
| Balance-sheet customer resources | **396,952** | 307,934 | 335,432 | 28.91 |
| Other customer resources managed | **17,633** | 11,392 | 14,491 | 54.78 |
| Total customer resources managed | **414,585** | 319,326 | 349,923 | 29.83 |
| Net assets | **28,330** | 23,252 | 26,537 | 21.84 |
| Equity (including retained earnings) | **28,079** | 23,037 | 26,286 | 21.89 |
| **PROFIT & LOSS ACCOUNT (EUR thousand)** | | | | |
| Intermediation margin | **4,238** | 3,709 | 7,560 | 14.26 |
| Basic margin | **5,452** | 4,735 | 9,501 | 15.14 |
| Ordinary margin | **5,902** | 4,959 | 10,446 | 19.02 |
| Operating margin | **1,950** | 1,678 | 3,225 | 16.21 |
| Pre-tax result | **1,010** | 1,161 | 2,012 | -13.01 |
| Year’s result | **810** | 909 | 1,710 | -10.89 |
| **RELEVANT RATIOS (%)** | | | | |
| Operating margin/ATM | **1.02** | 1.17 | 1.04 | -12.82 |
| ROE | **2.88** | 3.95 | 6.51 | -26.89 |
| ROA | **0.41** | 0.62 | 0.52 | -33.87 |
| RORWA | **0.32** | 0.41 | 0.72 | -22.02 |
| Efficiency ratio | **62.6** | 61.1 | 64.1 | 2.45 |
| Efficiency ratio with depreciation | **67.4** | 66.9 | 69.6 | 0.75 |
| Delinquency rate | **1.06** | 1.47 | 1.15 | -27.89 |
| Coverage rate | **183.29** | 141.76 | 170.22 | 29.30 |
| **CAPITAL RATIOS (BIS REGULATIONS) (%)** | | | | |
| Bank of Spain solvency ratio | **10.65** | 9.49 | 9.98 | 12.23 |
| TIER I | **10.65** | 8.77 | 10.26 | 21.48 |
| BIS Ratio | **13.06** | 11.11 | 12.18 | 17.47 |
| **ADDITIONAL INFORMATION** | | | | |
| Number of shares | **318,071** | 253,503 | 294,230 | 25.47 |
| Number of members | **12,579** | 11,711 | 11,970 | 7.41 |
| Number of employees | **128** | 115 | 119 | 11.30 |
| Number of branches | **26** | 25 | 25 | 4.00 |

## Significant financial information on CAJA RURAL ARAGONESA Y DE LOS PIRINEOS.

| | 30.06.2006 (A) | 30.06.2005 (B) | 31.12.2005 (C) | ∆% (A)/(B) |
|---|---|---|---|---|
| **BALANCE SHEET (EUR thousand)** | | | | |
| Total assets | 1,938,937 | 1,717,919 | 1,816,865 | 12.87 |
| Customer credits (net) | 1,734,544 | 1,375,327 | 1,520,759 | 26.12 |
| Balance-sheet customer resources | 1,597,562 | 1,430,356 | 1,538,741 | 11.69 |
| Other customer resources managed | 335,919 | 260,837 | 312,896 | 28.79 |
| Total customer resources managed | 1,933,481 | 1,691,193 | 1,851,637 | 14.33 |
| Net assets | 177,310 | 167,070 | 172,308 | 3.14 |
| Equity (including retained earnings) | 173,841 | 164,187 | 169,489 | 5.88 |
| **PROFIT & LOSS ACCOUNT (EUR thousand)** | | | | |
| Intermediation margin | 20,684 | 19,063 | 38,674 | 8.50 |
| Basic margin | 26,790 | 24,679 | 50,202 | 8.55 |
| Ordinary margin | 27,057 | 24,746 | 50,372 | 9.34 |
| Operating margin | 8,238 | 7,053 | 14,238 | 16.80 |
| Pre-tax result | 5,769 | 6,608 | 14,678 | -12.70 |
| Year's result | 4,364 | 5,527 | 11,676 | -21.04 |
| **RELEVANT RATIOS (%)** | | | | |
| Operating margin/ATM | 0.89 | 0.87 | 0.83 | 2.30 |
| ROE | 5.76 | 7.22 | 7.55 | -20.20 |
| ROA | 0.54 | 0.72 | 0.75 | -25.31 |
| RORWA | 0.53 | 0.79 | 0.78 | -33.05 |
| Efficiency ratio | 63.20 | 65.21 | 65.3 | -3.08 |
| Efficiency ratio with depreciation | 69.55 | 71.5 | 71.73 | -2.73 |
| Delinquency rate | 0.79 | 1.87 | 0.84 | -57.75 |
| Coverage rate | 279 | 140 | 276 | 99.29 |
| **CAPITAL RATIOS (BIS REGULATIONS) (%)** | | | | |
| Bank of Spain solvency ratio | 10.08 | 10.61 | 10.31 | -5.00 |
| TIER I | 8.44 | 9.93 | 9.7 | -15.01 |
| BIS Ratio | 10.56 | 12.31 | 11.38 | -14.22 |
| **ADDITIONAL INFORMATION** | | | | |
| Number of shares (million) | 642,866 | 643,293 | 643,061 | -0.07 |
| Number of members | 42,470 | 42,417 | 42,414 | 0.12 |
| Number of employees | 567 | 554 | 535 | 2.35 |
| Number of branches | 178 | 179 | 179 | -0.56 |

## Significant financial information on CAJA RURAL CENTRAL.

| | 30.06.2006 (A) | 30.06.2005 (B) | 31.12.2005 (C) | ∆% (A)/(B) |
|---|---|---|---|---|
| **BALANCE SHEET (EUR thousand)** | | | | |
| Total assets | **858,470** | 684,384 | 747,984 | 25.44 |
| Customer credits (net) | **701,018** | 582,940 | 638,523 | 20.26 |
| Balance-sheet customer resources | **753,141** | 610,314 | 656,841 | 23.40 |
| Other customer resources managed | **57,545** | 34,969 | 52,358 | 64.56 |
| Total customer resources managed | **810,686** | 645,283 | 709,199 | 25.63 |
| Net assets | **55,359** | 45,801 | 50,610 | 20.87 |
| Equity (including retained earnings) | **54,930** | 45,062 | 49,910 | 21.90 |

| PROFIT & LOSS ACCOUNT (EUR thousand) | | | | |
|---|---|---|---|---|
| Intermediation margin | **10,917** | 9,532 | 19,646 | 14.53 |
| Basic margin | **13,046** | 11,791 | 19,595 | 10.64 |
| Ordinary margin | **13,489** | 11,824 | 23,536 | 14.08 |
| Operating margin | **4,250** | 3,527 | 7,599 | 20.50 |
| Pre-tax result | **4,398** | 2,257 | 4,553 | 94.86 |
| Year's result | **3,518** | 1,782 | 3,595 | 97.42 |
| **RELEVANT RATIOS (%)** | | | | |
| Operating margin/ATM | **1.07** | 1.11 | 1.12 | -3.60 |
| ROE | **13.31** | 12.37 | 7.96 | 7.60 |
| ROA | **0.89** | 0.72 | 0.53 | 23.47 |
| RORWA | **0.69** | 0.32 | 0.59 | 116.90 |
| Efficiency ratio | **58.36** | 63.58 | 60.91 | -8.21 |
| Efficiency ratio with depreciation | **68.49** | 70.17 | 67.71 | -2.40 |
| Delinquency rate | **1.01** | 1.45 | 1.02 | -30.41 |
| Coverage rate | **206.82** | 163.21 | 208.05 | 26.72 |
| **CAPITAL RATIOS (BIS REGULATIONS) (%)** | | | | |
| Bank of Spain solvency ratio | **11.5** | 12.31 | 10.22 | -6.61 |
| TIER I | **7.29** | 7.95 | 7.61 | -8.32 |
| BIS Ratio | **11.5** | 10.16 | 11.92 | 13.23 |
| **ADDITIONAL INFORMATION** | | | | |
| Number of shares | **328,360** | 260,204 | 303,381 | 26.19 |
| Number of members | **29,005** | 26,694 | 27,881 | 8.66 |
| Number of employees | **244** | 226 | 238 | 7.96 |
| Number of branches | **68** | 63 | 64 | 7.94 |

## Significant financial information on CAJA RURAL DE ARAGÓN.

| | 30.06.2006 (A) | 30.06.2005 (B) | 31.12.2005 (C) | ∆% (A)/(B) |
|---|---|---|---|---|
| **BALANCE SHEET (EUR million)** | | | | |
| Total assets | **1,900** | 1,466 | 1,669 | 29.60 |
| Customer credits (net) | **1,537** | 1,215 | 1,365 | 26.50 |
| Balance-sheet customer resources | **1,520** | 1,233 | 1,347 | 23.28 |
| Other customer resources managed | **272** | 220 | 248 | 23.64 |
| Total customer resources managed | **2,172** | 1,686 | 1,917 | 28.83 |
| Net assets | **136** | 124 | 131 | 9.68 |
| Equity (including retained earnings) | **134** | 123 | 129 | 8.94 |
| **PROFIT & LOSS ACCOUNT (EUR million)** | | | | |
| Intermediation margin | **15** | 14 | 28 | 9.23 |
| Basic margin | **21** | 19 | 38 | 8.46 |
| Ordinary margin | **22** | 19 | 39 | 14.52 |
| Operating margin | **8** | 6 | 11 | 19.33 |
| Pre-tax result | **5** | 5 | 9 | 11.42 |
| Year's result | **5** | 4 | 9 | 13.21 |

| RELEVANT RATIOS (%) | | | | |
|---|---|---|---|---|
| Operating margin/ATM | **0.89** | 0.94 | 0.69 | -5.32 |
| ROE | **7.09** | 7.02 | 6.76 | 1.00 |
| ROA | **0.57** | 0.63 | 0.59 | -9.52 |
| RORWA | **0.73** | 0.73 | 0.7 | 0.00 |
| Efficiency ratio | **58.95** | 59.6 | 64.21 | -1.09 |
| Efficiency ratio with depreciation | **65.88** | 67.23 | 71.97 | -2.01 |
| Delinquency rate | **0.69** | 0.88 | 0.64 | -21.59 |
| Coverage rate | **287.04** | 234.26 | 319 | 22.53 |
| **CAPITAL RATIOS (BIS REGULATIONS) (%)** | | | | |
| Bank of Spain solvency ratio | **11.24** | 10.53 | 11.17 | 6.74 |
| TIER I | **7.66** | 8.18 | 8.59 | -6.36 |
| BIS Ratio | **11.24** | 10.53 | 11.17 | 6.74 |
| **ADDITIONAL INFORMATION** | | | | |
| Number of shares | **1** | 1 | 1 | 0.00 |
| Number of members | **33,167** | 30,690 | 32,172 | 8.07 |
| Number of employees | **388** | 355 | 363 | 9.30 |
| Number of branches | **144** | 139 | 142 | 3.60 |

**Significant financial information on CAJA RURAL DE BURGOS.**

| | 30.06.2006 (A) | 30.06.2005 (B) | 31.12.2005 (C) | ∆% (A)/(B) |
|---|---|---|---|---|
| **BALANCE SHEET (EUR million)** | | | | |
| Total assets | **765.16** | 652.35 | 670.00 | 17.29 |
| Customer credits (net) | **599.98** | 472.72 | 539.00 | 26.92 |
| Balance-sheet customer resources | **638.68** | 555.35 | 577.00 | 15.00 |
| Other customer resources managed | **110.74** | 62.96 | 106.00 | 75.88 |
| Total customer resources managed | **749.42** | 618.31 | 684.00 | 21.20 |
| Net assets | **58.23** | 56.52 | 57.00 | 3.01 |
| Equity (including retained earnings) | **57.39** | 55.35 | 56.00 | 3.68 |
| **PROFIT & LOSS ACCOUNT (EUR million)** | | | | |
| Intermediation margin | **7.67** | 6.47 | 13.2 | 18.47 |
| Basic margin | **9.40** | 7.93 | 16.2 | 18.52 |
| Ordinary margin | **9.22** | 8.1 | 16.3 | 13.87 |
| Operating margin | **3.39** | 2.57 | 5.2 | 32.22 |
| Pre-tax result | **2.02** | 1.72 | 3.1 | 17.39 |
| Year’s result | **1.36** | 1.26 | 2.3 | 8.44 |
| **RELEVANT RATIOS (%)** | | | | |
| Operating margin/ATM | **4.73** | 4.16 | 2.3 | 13.80 |
| ROE | **3.48** | 2.25 | 5.12 | 54.67 |
| ROA | **0.28** | 0.25 | 0.43 | 12.00 |
| RORWA | **0.23** | 0.27 | 0.45 | -11.70 |
| Efficiency ratio | **74.03** | 75.75 | 57.99 | -2.28 |
| Efficiency ratio with depreciation | **76.87** | 79.33 | 63.32 | -3.09 |
| Delinquency rate | **1.12** | 0.74 | 1.02 | 51.63 |
| Coverage rate | **188.53** | 317.64 | 210.26 | -40.65 |
| **CAPITAL RATIOS (BIS REGULATIONS) (%)** | | | | |
| Bank of Spain solvency ratio | **9.40** | 9.59 | 11.23 | -27.91 |
| TIER I | **6.91** | 7.3 | 7.63 | 28.85 |
| BIS Ratio | **9.40** | 9.59 | 11.23 | -1.98 |

| ADDITIONAL INFORMATION | | | | |
|---|---|---|---|---|
| Number of shares | **307,439** | 306,329 | 306,841 | 0.36 |
| Number of members | **16,657** | 15,781 | 16,471 | 5.55 |
| Number of employees | **180** | 172 | 177 | 4.65 |
| Number of branches | **69** | 69 | 69 | 0.00 |

**Significant financial information on CAJA RURAL DE CIUDAD REAL.**

| | 30.06.2006 (A) | 30.06.2005 (B) | 31.12.2005 (C) | ∆% (A)/(B) |
|---|---|---|---|---|
| **BALANCE SHEET (EUR thousand)** | | | | |
| Total assets | **1,070,418** | 930,371 | 996,425 | **1,070,418** |
| Customer credits (net) | **826,015** | 738,539 | 798,155 | **826,015** |
| Balance-sheet customer resources | **897,889** | 790,234 | 857,288 | **897,889** |
| Other customer resources managed | **263,266** | 205,927 | 236,999 | **263,266** |
| Total customer resources managed | **1,161,154** | 996,161 | 1,094,286 | **1,161,154** |
| Net assets | **101,987** | 90,685 | 96,538 | **101,987** |
| Equity (including retained earnings) | **112,729** | 90,724 | 96,221 | **112,729** |
| **PROFIT & LOSS ACCOUNT (EUR thousand)** | | | | |
| Intermediation margin | **17,040** | 14,716 | 30,320 | 15.79 |
| Basic margin | **22,942** | 19,741 | 40,379 | 16.21 |
| Ordinary margin | **23,638** | 20,327 | 41,532 | 16.29 |
| Operating margin | **11,493** | 9,330 | 18,219 | 23.18 |
| Pre-tax result | **8,303** | 6,298 | 13,025 | 31.84 |
| Year's result | **7,800** | 4,441 | 9,569 | 75.64 |
| **RELEVANT RATIOS (%)** | | | | |
| Operating margin/ATM | **2.35** | 2.17 | 1.96 | 8.29 |
| ROE | **16.56** | 17.84 | 14.28 | -7.17 |
| ROA | **1.66** | 1.56 | 1.4 | 6.41 |
| RORWA | **0.69** | 0.62 | 1.31 | 11.29 |
| Efficiency ratio | **49.45** | 52.1 | 53.95 | -5.09 |
| Efficiency ratio with depreciation | **51.38** | 53.91 | 56.13 | -4.69 |
| Delinquency rate | **0.93** | 1.13 | 0.96 | -17.70 |
| Coverage rate | **386.28** | 303.25 | 374.63 | 27.38 |
| **CAPITAL RATIOS (BIS REGULATIONS) (%)** | | | | |
| Bank of Spain solvency ratio | **12.33** | 11.12 | 11.49 | 10.88 |
| TIER I | **9.94** | 9.77 | 10.25 | 1.74 |
| BIS Ratio | **12.33** | 11.12 | 11.49 | 10.88 |
| **ADDITIONAL INFORMATION** | | | | |
| Number of shares | **36,778** | 36,318 | 36,527 | 1.27 |
| Number of members | **36,778** | 36,318 | 36,527 | 1.27 |
| Number of employees | **364** | 344 | 351 | 5.81 |
| Number of branches | **102** | 102 | 102 | 0.00 |

**Significant financial information on CAJA RURAL DE CÓRDOBA.**

| | 30.06.2006 (A) | 30.06.2005 (B) | 31.12.2005 (C) | ∆% (A)/(B) |
|---|---|---|---|---|
| **BALANCE SHEET (EUR million)** | | | | |
| Total assets | **888.125** | 783.427 | 852.73 | 13.36 |
| Customer credits (net) | **748.629** | 630.305 | 706.596 | 18.77 |
| Balance-sheet customer resources | **761.981** | 686.366 | 759.045 | 11.02 |
| Other customer resources managed | **9.553** | 7.584 | 3.136 | 25.96 |
| Total customer resources managed | **771.534** | 693.95 | 762.181 | 11.18 |
| Net assets | **77.136** | 71.771 | 72.431 | 7.48 |
| Equity (including retained earnings) | **75.837** | 71.771 | 72.431 | 5.67 |
| **PROFIT & LOSS ACCOUNT (EUR million)** | | | | |
| Intermediation margin | **12.421** | 10.802 | 22.206 | 14.99 |
| Basic margin | **14.869** | 12.673 | 26.837 | 17.33 |
| Ordinary margin | **14.856** | 12.757 | 27.018 | 16.45 |
| Operating margin | **6.082** | 4.827 | 10.873 | 26.00 |
| Pre-tax result | **5.417** | 3.613 | 6.215 | 49.93 |
| Year's result | **4.349** | 2.963 | 4.011 | 46.78 |
| **RELEVANT RATIOS (%)** | | | | |
| Operating margin/ATM | **0.70** | 0.63 | 1.4 | 11.11 |
| ROE | **5.88** | 4.39 | 5.7 | 33.94 |
| ROA | **0.50** | 0.39 | 0.52 | 28.21 |
| RORWA | **0.54** | 0.44 | 0.57 | 22.73 |
| Efficiency ratio | **59.19** | 62.06 | 59.63 | -4.62 |
| Efficiency ratio with depreciation | **61.62** | 65.13 | 62.52 | -5.39 |
| Delinquency rate | **1.02** | 1.09 | 0.67 | -6.42 |
| Coverage rate | **228.72** | 222 | 342.65 | 3.03 |
| **CAPITAL RATIOS (BIS REGULATIONS) (%)** | | | | |
| Bank of Spain solvency ratio | **8.71** | 9.62 | 8.8 | -9.46 |
| TIER I | **7.72** | 8.65 | 7.85 | -10.75 |
| BIS Ratio | **10.38** | 11.3 | 10.48 | -8.14 |
| **ADDITIONAL INFORMATION** | | | | |
| Number of shares | **383,459** | 382,372 | 382,995 | 0.28 |
| Number of members | **35,020** | 33,954 | 34,474 | 3.14 |
| Number of employees | **273** | 262 | 261 | 4.20 |
| Number of branches | **99** | 96 | 98 | 3.13 |

**Significant financial information on CAJA RURAL DE GIJÓN.**

| | 30.06.2006 (A) | 30.06.2005 (B) | 31.12.2005 (C) | ∆% (A)/(B) |
|---|---|---|---|---|
| **BALANCE SHEET (EUR thousand)** | | | | |
| Total assets | **199,410** | 180,140 | 193,473 | 10.70 |
| Customer credits (net) | **149,017** | 129,216 | 140,152 | 15.32 |
| Balance-sheet customer resources | **170,537** | 153,619 | 167,094 | 11.01 |
| Other customer resources managed | **41,319** | 23,872 | 29,618 | 73.09 |
| Total customer resources managed | **211,856** | 177,491 | 196,712 | 19.36 |
| Net assets | **22,885** | 21,745 | 22,257 | 5.24 |
| Equity (including retained earnings) | **22,060** | 21,074 | 21,496 | 4.68 |

| PROFIT & LOSS ACCOUNT (EUR thousand) | | | | |
|---|---|---|---|---|
| Intermediation margin | **2,297** | 1,945 | 3,997 | 18.10 |
| Basic margin | **2,778** | 2,332 | 4,746 | 19.13 |
| Ordinary margin | **2,780** | 2,329 | 4,805 | 19.36 |
| Operating margin | **1,126** | 913 | 1,553 | 23.33 |
| Pre-tax result | **822** | 627 | 1,183 | 31.10 |
| Year's result | **568** | 310 | 831 | 83.23 |
| **RELEVANT RATIOS (%)** | | | | |
| Operating margin/ATM | **0.60** | 0.57 | 0.89 | 4.47 |
| ROE | **2.63** | 1.52 | 3.91 | 73.35 |
| ROA | **0.30** | 0.19 | 0.48 | 55.21 |
| RORWA | **0.33** | 0.21 | 0.5 | 57.81 |
| Efficiency ratio | **54.93** | 58.01 | 64.2 | -5.31 |
| Efficiency ratio with depreciation | **59.75** | 61.91 | 68.76 | -3.50 |
| Delinquency rate | **1.54** | 1.15 | 0.81 | 34.06 |
| Coverage rate | **114.61** | 160.17 | 202.6 | -28.45 |
| **CAPITAL RATIOS (BIS REGULATIONS) (%)** | | | | |
| Bank of Spain solvency ratio | 13.0 | 14.0 | 13.0 | -7.14 |
| TIER I | 13.0 | 14.0 | 13.0 | -7.14 |
| BIS Ratio | 14.0 | 15.0 | 14.0 | -6.67 |
| **ADDITIONAL INFORMATION** | | | | |
| Number of shares | **6,007** | 6,017 | 6,028 | -0.17 |
| Number of members | **4,558** | 4,573 | 4,581 | -0.33 |
| Number of employees | **50** | 47 | 50 | 6.38 |
| Number of branches | **8** | 7 | 8 | 14.29 |

### Significant financial information on CAJA RURAL DE NAVARRA.

| | **30.06.2006 (A)** | **30.06.2005 (B)** | **31.12.2005 (C)** | **∆% (A)/(B)** |
|---|---|---|---|---|
| **BALANCE SHEET (EUR thousand)** | | | | |
| Total assets | **4,432,952** | 3,733,512 | 3,915,483 | 18.73 |
| Customer credits (net) | **3,524,899** | 2,710,937 | 3,067,113 | 30.03 |
| Balance-sheet customer resources | **3,469,899** | 2,889,339 | 3,056,826 | 20.09 |
| Other customer resources managed | **777,598** | 587,140 | 688,397 | 32.44 |
| Total customer resources managed | **4,247,497** | 3,476,479 | 3,745,223 | 22.18 |
| Net assets | **422,612** | 368,543 | 405,793 | 14.67 |
| Equity (including retained earnings) | **416,976** | 367,115 | 399,979 | 13.58 |
| **PROFIT & LOSS ACCOUNT (EUR thousand)** | | | | |
| Intermediation margin | **33,485** | 28,901 | 61,982 | 15.86 |
| Basic margin | **47,487** | 39,832 | 86,649 | 19.22 |
| Ordinary margin | **49,832** | 41,108 | 89,351 | 21.22 |
| Operating margin | **21,555** | 11,076 | 35,060 | 94.61 |
| Pre-tax result | **11,676** | 106,839 | 133,936 | -89.07 |
| Year's result | **10,427** | 86,779 | 117,215 | -87.98 |

| RELEVANT RATIOS (%) | | | | |
|---|---|---|---|---|
| Operating margin/ATM | **0.52** | 0.32 | 0.96 | 61.87 |
| ROE | **2.69** | 31.36 | 42 | -91.43 |
| ROA | **0.25** | 2.52 | 3.21 | -90.01 |
| RORWA | **0.29** | 3.06 | 3.73 | -90.58 |
| Efficiency ratio | **50.42** | 65.56 | 53.74 | -23.10 |
| Efficiency ratio with depreciation | **58.12** | 74.09 | 61.85 | -21.56 |
| Delinquency rate | **0.63** | 0.78 | 0.57 | -18.97 |
| Coverage rate | **329.54** | 287.63 | 369.38 | 14.57 |
| **CAPITAL RATIOS (BIS REGULATIONS) (%)** | | | | |
| Bank of Spain solvency ratio | **12.61** | 10.8 | 12.83 | 16.72 |
| TIER I | **10.92** | 10.19 | 12.28 | 7.20 |
| BIS Ratio | **12.65** | 12.69 | 14.67 | -0.31 |
| **ADDITIONAL INFORMATION** | | | | |
| Number of shares | **490,241** | 355,583 | 376,987 | 37.87 |
| Number of members | **86,945** | 77,607 | 81,374 | 12.03 |
| Number of employees | **749** | 697 | 691 | 7.46 |
| Number of branches | **198** | 185 | 192 | 7.03 |

## Significant financial information on CAJA RURAL DE TERUEL.

| | 30.06.2006 (A) | 30.06.2005 (B) | 31.12.2005 (C) | ∆% (A)/(B) |
|---|---|---|---|---|
| **BALANCE SHEET (EUR thousand)** | | | | |
| Total assets | **729,301** | 587,929 | 634,909 | 24.05 |
| Customer credits (net) | **555,263** | 438,535 | 497,400 | 26.62 |
| Balance-sheet customer resources | **544,284** | 449,647 | 495,726 | 21.05 |
| Other customer resources managed | **137,276** | 96,010 | 113,699 | 42.98 |
| Total customer resources managed | **681,559** | 545,657 | 609,425 | 24.91 |
| Net assets | **57,073** | 45,108 | 53,472 | 26.53 |
| Equity (including retained earnings) | **56,960** | 45,035 | 53,299 | 26.48 |
| **PROFIT & LOSS ACCOUNT (EUR thousand)** | | | | |
| Intermediation margin | **6,807** | 6,208 | 12,533 | 9.64 |
| Basic margin | **9,002** | 8,017 | 16,374 | 12.28 |
| Ordinary margin | **11,812** | 8,258 | 17,052 | 43.03 |
| Operating margin | **6,307** | 3,181 | 6,677 | 98.27 |
| Pre-tax result | **5,269** | 1,535 | 4,654 | 243.21 |
| Year's result | **4,360** | 1,165 | 3,637 | 274.19 |
| **RELEVANT RATIOS (%)** | | | | |
| Operating margin/ATM | **1.94** | 1.14 | 1.13 | 69.28 |
| ROE | **19.19** | 6.75 | 10.02 | 184.28 |
| ROA | **1.34** | 0.42 | 0.61 | 219.48 |
| RORWA | **1.47** | 0.48 | 0.71 | 204.77 |
| Efficiency ratio | **43.72** | 57.2 | 56.94 | -23.57 |
| Efficiency ratio with depreciation | **47.42** | 62.46 | 61.99 | -24.09 |
| Delinquency rate | **0.73** | 1.41 | 0.87 | -48.15 |
| Coverage rate | **325.55** | 188.65 | 264.17 | 72.57 |
| **CAPITAL RATIOS (BIS REGULATIONS) (%)** | | | | |
| Bank of Spain solvency ratio | **8.86** | 8.76 | 9.64 | 1.05 |
| TIER I | **8.86** | 9.13 | 9.64 | -2.93 |
| BIS Ratio | **10.72** | 10.99 | 11.7 | -2.45 |

| **ADDITIONAL INFORMATION** | | | | |
|---|---|---|---|---|
| Number of shares | **462,659** | 385,906 | 461,546 | 19.89 |
| Number of members | **15,911** | 15,160 | 15,562 | 4.95 |
| Number of employees | **161** | 148 | 156 | 8.78 |
| Number of branches | **72** | 70 | 71 | 2.86 |

## Significant financial information on CAJA RURAL DE ZAMORA.

| | **30.06.2006** **(A)** | **30.06.2005** **(B)** | **31.12.2005** **(C)** | **∆% (A)/(B)** |
|---|---|---|---|---|
| **BALANCE SHEET (EUR thousand)** | | | | |
| Total assets | **961,373** | 790,625 | 863,919 | 21.60 |
| Customer credits (net) | **791,793** | 647,419 | 716,912 | 22.30 |
| Balance-sheet customer resources | **681,139** | 612,901 | 657,434 | 11.13 |
| Other customer resources managed | **149,431** | 116,708 | 136,332 | 28.04 |
| Total customer resources managed | **830,570** | 729,609 | 793,766 | 13.84 |
| Net assets | **70,817** | 60,127 | 67,560 | 17.78 |
| Equity (including retained earnings) | **65,918** | 54,916 | 65,694 | 20.03 |
| **PROFIT & LOSS ACCOUNT (EUR thousand)** | | | | |
| Intermediation margin | **10,754** | 9,044 | 18,887 | 18.91 |
| Basic margin | **13,356** | 11,224 | 23,076 | 19.00 |
| Ordinary margin | **13,733** | 11,729 | 24,628 | 17.09 |
| Operating margin | **6,518** | 5,235 | 12,086 | 24.51 |
| Pre-tax result | **4,512** | 4,295 | 10,503 | 5.05 |
| Year's result | **3,329** | 3,576 | 8,159 | -6.91 |
| **RELEVANT RATIOS (%)** | | | | |
| Operating margin/ATM | **1.46** | 1.37 | 1.52 | 6.57 |
| ROE | **10.46** | 13.97 | 15 | -25.14 |
| ROA | **0.72** | 0.94 | 1.02 | -99.23 |
| RORWA | **1.03** | 1.27 | 1.39 | -18.59 |
| Efficiency ratio | **50.78** | 54.86 | 51.34 | -7.44 |
| Efficiency ratio with depreciation | **53.86** | 58.68 | 54.92 | -8.21 |
| Delinquency rate | **1.06** | 1.03 | 0.92 | 2.91 |
| Coverage rate | **206.40** | 242.3 | 236.5 | -14.82 |
| **CAPITAL RATIOS (BIS REGULATIONS) (%)** | | | | |
| Bank of Spain solvency ratio | **9.75** | 8.73 | 9.24 | 11.68 |
| TIER I | **9.38** | 8.32 | 8.76 | 12.69 |
| BIS Ratio | **11.54** | 10.43 | 11.06 | 10.64 |
| **ADDITIONAL INFORMATION** | | | | |
| Number of shares | **462,659** | 385,906 | 461,546 | 19.89 |
| Number of members | **15,911** | 15,160 | 15,562 | 4.95 |
| Number of employees | **161** | 148 | 156 | 8.78 |
| Number of branches | **72** | 70 | 71 | 2.86 |

## Significant financial information on CAJA RURAL DEL MEDITERRÁNEO, RURALCAJA.

| | 30.06.2006 (A) | 30.06.2005 (B) | 31.12.2005 (C) | ∆% (A)/(B) |
|---|---|---|---|---|
| **BALANCE SHEET (EUR million)** | | | | |
| Total assets | **7,243** | 5,547 | 6,558 | 30.58 |
| Customer credits (net) | **6,130** | 5,005 | 5,584 | 22.48 |
| Balance-sheet customer resources | **5,864** | 4,800 | 5,230 | 22.17 |
| Other customer resources managed | **775** | 203 | 729 | 281.77 |
| Total customer resources managed | **6,639** | 5,003 | 5,959 | 32.70 |
| Net assets | **410** | 373 | 391 | 9.92 |
| Equity (including retained earnings) | **406** | 369 | 387 | 10.03 |
| **PROFIT & LOSS ACCOUNT (EUR million)** | | | | |
| Intermediation margin | **78** | 70 | 143 | 11.43 |
| Basic margin | **92** | 83 | 171 | 10.84 |
| Ordinary margin | **93** | 85 | 175 | 9.41 |
| Operating margin | **35** | 31 | 61 | 12.90 |
| Pre-tax result | **28** | 24 | 48 | 16.67 |
| Year's result | **20** | 17 | 34 | 17.65 |
| **RELEVANT RATIOS (%)** | | | | |
| Operating margin/ATM | **1.04** | 1.2 | 1.11 | -13.33 |
| ROE | **10.16** | 9.18 | 9.33 | 10.68 |
| ROA | **0.59** | 0.65 | 0.62 | -9.23 |
| RORWA | **0.77** | 0.77 | 0.75 | 0.00 |
| Efficiency ratio | **61.44** | 62.44 | 63.08 | -1.60 |
| Efficiency ratio with depreciation | **65.79** | 67.07 | 67.63 | -1.91 |
| Delinquency rate | **0.62** | 0.76 | 0.69 | -18.42 |
| Coverage rate | **294.64** | 256.1 | 277 | 15.05 |
| **CAPITAL RATIOS (BIS REGULATIONS) (%)** | | | | |
| Bank of Spain solvency ratio | **11.28** | 9.36 | 11.51 | 20.51 |
| TIER I | **6.8** | 7.35 | 7.63 | -7.48 |
| TIER II | **4.48** | 11.23 | 13.42 | 122.89 |
| **ADDITIONAL INFORMATION** | | | | |
| Number of shares | **992,175** | 980,563 | 983,606 | 1.18 |
| Number of members | **164,801** | 157,169 | 159,677 | 4.86 |
| Number of employees | **1760** | 1698 | 1713 | 3.65 |
| Number of branches | **448** | 437 | 439 | 2.52 |

## Significant financial information on CAJA RURAL DEL SUR.

| | 30.06.2006 (A) | 30.06.2005 (B) | 31.12.2005 (C) | ∆% (A)/(B) |
|---|---|---|---|---|
| **BALANCE SHEET (EUR million)** | | | | |
| Total assets | **4,063** | 3,396 | 3,744 | 19.64 |
| Customer credits (net) | **3,495** | 2,743 | 3,137 | 27.42 |
| Balance-sheet customer resources | **3,381** | 2,754 | 3,111 | 22.77 |
| Other customer resources managed | **104** | 68 | 85 | 52.94 |
| Total customer resources managed | **3,485** | 2,822 | 3,196 | 23.49 |
| Net assets | **356** | 331 | 343 | 7.55 |
| Equity (including retained earnings) | **342** | 312 | 327 | 9.62 |

| | | | | |
|---|---|---|---|---|
| **PROFIT & LOSS ACCOUNT (EUR million)** | | | | |
| Intermediation margin | **53** | 48 | 93 | 10.42 |
| Basic margin | **63** | 57 | 118 | 10.53 |
| Ordinary margin | **64** | 58 | 119 | 10.34 |
| Operating margin | **25** | 23 | 46 | 8.70 |
| Pre-tax result | **23** | 19 | 40 | 21.05 |
| Year's result | **17** | 14 | 29 | 21.43 |
| **RELEVANT RATIOS (%)** | | | | |
| Operating margin/ATM | **1.3** | 1.46 | 1.38 | -10.96 |
| ROE | **6.84** | 6.17 | 7.26 | 10.86 |
| ROA | **0.86** | 0.89 | 0.88 | -3.37 |
| RORWA | N/A | N/A | N/A | N/A |
| Efficiency ratio | **58.65** | 58.74 | 59.08 | -0.15 |
| Efficiency ratio with depreciation | **62.11** | 61.67 | 62.69 | 0.71 |
| Delinquency rate | **0.85** | 1.25 | 0.79 | -32.00 |
| Coverage rate | **231.49** | 166.44 | 254.98 | 39.08 |
| **CAPITAL RATIOS (BIS REGULATIONS) (%)** | | | | |
| Bank of Spain solvency ratio | **13.27** | 13.6 | 11.84 | -2.43 |
| TIER I | **10.59** | 11.75 | 11.79 | -9.87 |
| BIS Ratio | **12.37** | 13.58 | 13.6 | -8.91 |
| **ADDITIONAL INFORMATION** | | | | |
| Number of shares | **1,285,259** | 1,284,913 | 1,285,239 | 0.03 |
| Number of members | **89,060** | 88,851 | 89,130 | 0.24 |
| Number of employees | **936** | 905 | 900 | 3.43 |
| Number of branches | **283** | 278 | 282 | 1.80 |

### 3.6 Return on and/or repayment of the securities linked to others which are not assets of the issuer.

Not applicable.

### 3.7 Administrator, calculation agent or equivalent.

#### 3.7.1 Management, administration and representation of the Fund and of the holders of the securities.

The Management Company, EUROPEA DE TITULIZACIÓN, shall be responsible for the management and legal representation of the Fund, on the terms set in Royal Decree 926/1998, Act 19/1992, failing a provision in Royal Decree 926/1998 and to the extent applicable, and other applicable laws, and on the terms of the Deed of Constitution. The registered office and significant business activities of EUROPEA DE TITULIZACIÓN are respectively given in sections 5.2 and 6 of the Registration Document.

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

It is also the Management Company's duty, as the manager of third-party portfolios, to represent and enforce the interests of the holders of the Bonds issued by the Fund and of all its other ordinary creditors. Consequently, the Management Company shall make its actions conditional on their protection and observe the provisions established for that purpose from time to time. Bondholders and all other ordinary creditors of the Fund shall have no recourse against the Fund Management Company, other than for a breach of its duties or failure to observe the provisions of the Deed of Constitution and the Prospectus.

**3.7.1.2 Administration and representation of the Fund.**

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

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

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

(iii) Complying with its formal, documentary and reporting duties to the CNMV, the Rating Agencies and any other supervisory body.

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

(v) Providing Bondholders, the CNMV and the Rating Agencies with all such information and notices as may be prescribed by the laws in force for the time being and specifically as established in the Deed of Constitution and in this Prospectus.

(vi) Complying with the calculation duties provided for and taking the actions laid down in this Prospectus and in the various Fund transaction agreements or in such others as the Management Company may enter into in due course for and on behalf of the Fund.

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

(viii) Exercising the rights attaching to the ownership of the Non-Mortgage Loans and of the Pass-Through Certificates acquired by the Fund and, in general, carrying out all such acts of administration and disposition as may be required for properly managing and legally representing the Fund.

(ix) Checking that the Loan income amount actually received by the Fund matches the amounts that must be received by the Fund, on the terms of issue of the Non-Mortgage Loans and the Pass-Through Certificates and on the terms of their underlying Loans, and that the Loan amounts receivable are provided by each Servicer to the Fund within the time-periods and on the terms provided for under the Servicing Agreement.

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

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

(xii) Determining the interest rate applicable to each of the relevant borrowing, lending and hedge transactions and calculating and settling the interest and fee amounts receivable and payable by the Fund under the same, and the fees payable for the various financial services arranged for.

(xiii) Taking the actions for which provision is made in relation to the debt ratings or the financial position of the Fund counterparties in the financial and service provision agreements listed in section 3.2 of this Building Block.

(xiv) Watching that the amounts credited to the Treasury Account return the yield set in the respective Agreement.

(xv) Calculating the Available Funds, the Available Funds for Amortisation of Series A1, A2(G), B and C, the Liquidation Available Funds and the payment or withholding obligations to be complied with, and applying the same in the Priority of Payments or the Liquidation Priority of Payments, as the case may be.

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

(xvii) Determining the amount payable by the State for amounts due to the guaranteed Series A2(G) Bondholders and, if necessary, enforcing the State Guarantee.

**3.7.1.3 Resignation and substitution of the Management Company.**

The Management Company shall be substituted in managing and representing the Fund, in accordance with articles 18 and 19 of Royal Decree 926/1998 set forth hereinafter and with subsequent rules statutorily established in that connection.

*Resignation.*

(i) The Management Company may resign its management and legal representation function with respect to all or part of the funds managed whenever it deems this fit, applying to be substituted in a letter addressed to the CNMV, including a designation of the substitute management company. That letter shall enclose a letter from the new management company, declaring its willingness to take over that function and applying for the appropriate authorisation.

(ii) The CNMV's substitution authorisation shall be subject to meeting of the following requirements:

(a) The substituted Management Company's delivery of the accounting records and data files to the new management company. That delivery will only be taken to have been made when the new management company is able to fully take over its function and that circumstance is notified to the CNMV.

(b) The rating accorded to the securities should not fall as a result of the proposed substitution.

(iii) The Management Company may in no event resign its duties until and unless all requirements and formalities have been complied with in order for its substitute to take over its duties.

(iv) The substitution expenses originated shall be borne by the resigning Management Company and may in no event be passed on the to Fund.

(v) The new management company's servicing fee may not be in excess of the resigning Management Company's servicing fee.

(vi) The substitution shall be published within fifteen days by means of a notice inserted in two nationwide newspapers and in the bulletin of the organised secondary market where the Bonds issued by the Fund are listed. Furthermore, the Management Company shall notify the Rating Agencies of that substitution.

*Forced substitution.*

(i) In the event that the Management Company should be adjudged insolvent, it shall find a substitute management company, in accordance with the provisions of the foregoing section.

(ii) In the event for which provision is made in the preceding section, if four months should have elapsed from the occurrence determining the substitution and no new management company should have been found willing to take over management, there shall be an early liquidation of the Fund and an amortisation of the Bonds issued by the same and of the loans, in accordance with the provisions of this Prospectus.

The Management Company agrees to execute such public and private documents as may be necessary for it to be substituted by another management company, in accordance with the system for which provision is made in the preceding paragraphs of this section. The substitute management company shall be substituted in the Management Company's rights and duties under this Prospectus. Furthermore, the Management Company shall hand to the substitute management company such accounting records and data files as it may have to hand in connection with the Fund.

**3.7.1.4 Subcontracting.**

The Management Company shall be entitled to subcontract or subdelegate to solvent and reputable third parties the provision of any of the services it has to provide as the manager and authorised representative of the Fund, as established in this Prospectus, provided that the subcontractor or delegated party waives the right to take any action holding the Fund liable. In any event, subcontracting or delegating any service (i) may not result in an additional cost or expense for the Fund, (ii) shall have to be legally possible, (iii) shall not result in the rating accorded to each of the Bond Series being adversely reviewed, and (iv) shall be notified to the CNMV and, where statutorily required, first be authorised by the CNMV. Notwithstanding any subcontracting or subdelegation, the Management Company shall not be exonerated or released, under that subcontract or subdelegation, from any of the liabilities undertaken in this Prospectus which may legally be attributed or ascribed to it.

**3.7.1.5 Management Company's remuneration.**

In consideration of the functions to be discharged by the Management Company, the Fund will pay it a management fee consisting of:

(i) An initial fee amounting to EUR eighty thousand (80,000.00) which shall accrue upon the Fund being established and be payable on the Closing Date.

(ii) Periodic fee: equal to 0.02% per annum, accruing on the exact number of days elapsed in each Interest Accrual Period, from the date of establishment of the Fund until it terminates, and payable quarterly in arrears on each Payment Date, subject to the Priority of Payments or, as the case may be, the Liquidation Priority of Payments, calculated on the sum of the Outstanding Principal Balance of the Series A1, A2(G), B and C on the Payment Date preceding the relevant Payment Date. The periodic fee for the first Payment Date shall accrue from the date of establishment of the Fund and shall be calculated on the face amount of the Series A1, A2(G), B and C Bonds.

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

$$C = B \times \frac{0.02}{100} \times \frac{d}{360}$$

*where :*

*C = Fee payable on a given Payment Date.*
*B = Sum of the Outstanding Principal Balance of Series A1, A2(G), B and C on the preceding Payment Date.*
*d = Number of days elapsed during the relevant Interest Accrual Period.*

In any event, the periodic fee amount on each Payment Date may not be lower than EUR four thousand two hundred and fifty (4,250.00). In the event that, during the term of the Fund, the National General Retail Price Index published by the Spanish National Institute of Statistics for each calendar year should experience a positive variation, the minimum annual amount shall be cumulatively reviewed in the same proportion, from the year 2008, inclusive, and effective as of January 1 of each year.

If on a Payment Date the Fund should not have sufficient liquidity to settle the above-mentioned fee, the amount due shall accrue interest equal to the Bond Reference Rate, payable on the following Payment Date, in the Priority of Payments or, as the case may be, the Liquidation Priority of Payments.

### 3.7.2 Servicing and custody of the securitised assets.

CAIXA POPULAR-CAIXA RURAL, CAIXA RURAL DE BALEARS, CAJA RURAL ARAGONESA Y DE LOS PIRINEOS, CAJA RURAL CENTRAL, CAJA RURAL DE ARAGÓN, CAJA RURAL DE BURGOS, CAJA RURAL DE CIUDAD REAL, CAJA RURAL DE CÓRDOBA, CAJA RURAL DE GIJÓN, CAJA RURAL DE NAVARRA, CAJA RURAL DE TERUEL, CAJA RURAL DE ZAMORA, CAJA RURAL DEL MEDITERRÁNEO, RURALCAJA, and CAJA RURAL DEL SUR, Originators of the Loans to be assigned to the Fund, as established in article 2.2.b) of Royal Decree 926/1998 and, with respect to the Pass-Through Certificates, article 61.3 of Royal Decree 685/1982, shall each agree to service and manage the Loans, and relations between the Originators (hereinafter in regard to that Agreement the "**Servicer(s)**"), BANCO COOPERATIVO as possible substitute in certain circumstances for the Servicers, and the Fund, represented by the Management Company, shall be governed by the Loan Servicing Agreement (the "**Servicing Agreement**") in relation to custody, servicing and management of the Loans assigned to the Fund.

The registered office and significant business activities of CAIXA POPULAR-CAIXA RURAL, CAIXA RURAL DE BALEARS, CAJA RURAL ARAGONESA Y DE LOS PIRINEOS, CAJA RURAL CENTRAL, CAJA RURAL DE ARAGÓN, CAJA RURAL DE BURGOS, CAJA RURAL DE CIUDAD REAL, CAJA RURAL DE CÓRDOBA, CAJA RURAL DE GIJÓN, CAJA RURAL DE NAVARRA, CAJA RURAL DE TERUEL, CAJA RURAL DE ZAMORA, CAJA RURAL DEL MEDITERRÁNEO, RURALCAJA, and CAJA RURAL DEL SUR, are respectively given in section 5.2 of the Registration Document and in section 3.5 of this Building Block. The registered office of BANCO COOPERATIVO is given in section 5.2 of the Registration Document.

The Servicers and BANCO COOPERATIVO, as possible substitute in certain circumstances for any of the Servicers, shall accept the appointment received from the Management Company and thereby agree as follows:

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

(ii) To continue servicing the Loans, devoting the same time and efforts to them as they would devote and use to service their own loans and in any event on the terms for which provision is made in the Servicing Agreement.

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

(iv) To full faithfully observe the instructions issued by the Management Company.

(v) To pay the Fund damages resulting from a breach of the obligations undertaken, although the Servicers shall not be liable for actions put in place on the Management Company's instructions.

In any event, the Servicers waive the privileges and authorities conferred on them by law as the managers of collections for the Fund and as Servicers of the Loans, and custodians of the relevant public deeds, and in particular those for which provision is made in articles 1730 and 1780 of the Civil Code and 276 of the Commercial Code.

#### 3.7.2.1 Ordinary system and procedures for servicing and managing the Loans.

**1. Custody of deeds, documents and files.**

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

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

**2. Collection management.**

Each Servicer shall continue managing collection of all amounts payable to the Obligors derived from the Loans assigned to the Fund and any other item including under the insurance contracts of the mortgaged properties securing the Mortgage Loans. Each Servicer shall use all reasonable efforts for payments to be made by the Obligors to be collected in accordance with the contractual terms and conditions of the Loans.

The Loan amounts received by each Servicer shall be paid in full into the Fund's Treasury Account or upon the same being moved, as the case may be, into such account as may be designated by the Management Company, on the day next succeeding the date on which they are received by each Servicer, or the following business day, for same day value, if that is not a business day, in accordance with the set terms and conditions. In this connection, business days shall be taken to be all those that are business days in the banking sector in the city of Madrid.

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

**3. Fixing the interest rate.**

Because the Loans are floating-rate Loans, each Servicer shall continue fixing the interest rates applicable in each interest period as established in the relevant Loan deeds, submitting such communications and notices as may be established therein.

**4. Information.**

Each Servicer shall regularly communicate to the Management Company the information relating to the individual characteristics of each Loan, to fulfilment by the Obligors of their obligations under the Loans, to delinquency status and ensuing changes in the characteristics of the Loans, and to actions to demand payment in the event of late payment and court actions and real estate auctions, the foregoing using the procedures and timing established in the Servicing Agreement.

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

**5. Loan subrogation.**

The Servicers shall be authorised to permit substitutions in the position of the Obligor under the Loan agreements, exclusively where the characteristics of the new Obligor are similar to those of the former Obligor and those characteristics observe the lending policies, and further provided that the expenses derived from that change are fully borne by the Obligors. The Management Company may fully or partially limit this authority of the Servicer or set conditions therefor, in the event that those substitutions might adversely affect the ratings accorded to the Bonds by the Rating Agencies.

In relation to the Mortgage Loans, the mortgage Obligor may apply for subrogation to the Servicer in connection with the Mortgage Loans pursuant to Act 2/1994. Subrogation of a new creditor under the Mortgage Loan and the ensuing payment of the amount due shall, as the case may be, result in prepayment of the Mortgage Loan and early amortisation of the respective Pass-Through Certificate.

**6. Authorities and actions in relation to Loan renegotiation procedures.**

The Servicer may not voluntarily cancel the Loans or their collaterals for any reason other than payment of the Loan, relinquish or settle in regard thereto, forgive the Loans in full or in part or extend the same, or in general do anything that may diminish the status, legal effectiveness or economic value of the Loans or of the collaterals, without prejudice to its heeding requests by Obligors using the same efforts and procedure as if they were own loans.

Notwithstanding the above, the Management Company, as manager of third-party portfolios and having regard to Obligors' requests to the Servicer directly or under Act 2/1994, may instruct or previously authorise the Servicer to agree with the Obligor, subject to the terms and conditions for which provision is made in this section, for a novation changing the relevant Loan, either by an interest rate renegotiation or by an extension of the maturity period, and provided that, in the case of Mortgage Loans, those novations are not detrimental to the ranking of the mortgage.

Subject to the provisions hereinafter, any novation changing a Loan subscribed by the Servicer shall be made exclusively with the prior consent of the Management Company, on behalf of the Fund, and the Servicer agrees to seek such consent from the Management Company as soon as it is aware that an Obligor has requested a change. The Management Company may nevertheless initially authorise the Servicers to entertain and accept Loan interest rate renegotiations and extended terms without requiring the prior consent of the Management Company, subject to the following generic enabling requirements.

**a) Renegotiating the interest rate.**

Loan interest rate may be renegotiated subject to the following rules and limits:

1. The Servicers may under no circumstance entertain on their own account and without being so requested by the Obligor, interest rate renegotiations which may result in a decrease in the interest rate applicable to a Loan. The Servicers shall not encourage interest rate renegotiation and shall act in relation to such renegotiation bearing in mind the Fund's interests at all times.

2. The Servicers may, subject to the provisions of paragraph 3 below, renegotiate the Loan interest rate clause on terms that are considered at arm's length and no different from those applied by the respective Servicer in renegotiating or granting its floating-rate credits and loans. In this connection, arm's length floating interest rate shall be deemed to be the interest rate offered by the respective Servicer on the Spanish market for loans or credits granted to sole traders or SMEs with amounts and other terms substantially similar to the renegotiated Loan.

3. Renegotiating of the interest rate of a Loan shall in no event be to a fixed rate, nor (i) result in its being changed to a floating interest rate with a benchmark index for determination other than the Euribor index or with a reset frequency differing from that of the Loan upon the Fund being established, nor (ii) may it be carried out if previously or as a result of renegotiating the average margin or spread weighted by the outstanding principal of the Loans on their respective benchmark indices serviced by each Servicer is less than 90 basic percentage points.

The Management Company may, on the Fund's behalf, at any time during the term of the Servicing Agreement, cancel, suspend or modify the Servicer's authorisation to renegotiate the interest rate.

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

The final maturity or final amortisation date of the Loans may be deferred ("**extending the term**") subject to the following rules and limitations:

(i) The Servicers may in no case entertain on their own account, i.e. without being so requested by the Obligor, a change in the final maturity date of the Loan which may result in an extension of that date. The Servicers, without encouraging an extension of the term, shall act in relation to such extension bearing in mind at all times the Fund's interests.

(ii) For each Servicer, the aggregate of the initial capital or principal of the Loans with respect to which the maturity date is extended may not exceed 10.00% of the face amount of the total initial capital or principal of the Loans assigned by the Servicer.

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

a) That the frequency of Loan capital or principal repayment and interest instalments is at all events maintained or increased, maintaining the same repayment system.

b) That the new final maturity or final amortisation date does not extend beyond June 18, 2026.

c) That there shall have been no more than one (1) delay in payment of amounts that are not more than fifteen (15) days overdue during the last twelve (12) months preceding the effective date of the extended term.

(iv) The Management Company may at any time during the term of the Servicing Agreement, on behalf of the Fund, cancel or suspend or change the authority for a Servicer to extend the term.

If there should be any renegotiation of the interest rate of a Loan or its due dates, the respective Servicer shall forthwith notify the Management Company of the terms resulting from each renegotiation. Such notice shall be made through the software or data file provided for the terms of the Loans to be updated.

In the event of a renegotiation of the interest rate of the Loans or their due dates, consented to by the Management Company, for and on behalf of the Fund, the change in the terms shall affect the Fund.

The contractual documents supporting the novation of the renegotiated Loans will be kept by the respective Servicer, in accordance with the provisions of paragraph 2 of this section.

**7. Action against Obligors in the event of default on the Loan payment.**

***Actions in the event of late payment.***

Each Servicer shall use the same efforts and the same procedure for claiming overdue amounts on the Loans applied to the rest of its portfolio loans.

In the event of default by the Obligor of the payment obligations, the Servicer shall put in place the actions described in the Servicing Agreement, taking for that purpose the steps it would ordinarily take if they were its own portfolio loans and in accordance with standard banking usage and practice for collecting overdue amounts, and shall be bound to advance such expenses as may be necessary for those actions to be taken, without prejudice to its right to be reimbursed by the Fund. These actions include all such legal and other actions as the Servicer may deem necessary to claim and collect the amounts due by the Obligors.

***Legal actions.***

Each Servicer, using its fiduciary title to the Loans or using the power referred to in the following paragraph shall take all relevant actions against Obligors failing to meet their payment obligations derived from the Loans and against guarantors, as the case may be. Such an action shall be brought using the appropriate court enforcement procedures prescribed in articles 517 et seq. of the Civil Procedure Act.

For the above purposes, and for the purposes prescribed by Civil Procedure Act articles 581.2 and 686.2 and in the event that this should be necessary, the Management Company shall confer in the Deed of Constitution as full and extensive a power of attorney as may be required at Law on each Servicer in order that the Servicer may, acting through any of its attorneys-in-fact duly empowered for such purposes, on the Management Company's instructions, for and on behalf of the latter, or in its own name but for the Management Company as authorised representative of the Fund, demand the Obligor of any of the Loans in or out of court to pay the debt and bring a legal action against the same, in addition to other powers required to discharge their duties as Servicer. These powers may be extended and amended in another deed if need be.

Each Servicer shall generally commence the relevant legal proceedings if, for a period of six (6) months, a Loan Obligor in default of payment obligations should fail to resume payments or the Servicer, with the Management Company's consent, should fail to obtain a payment commitment satisfactory to the Fund's interests, and shall in any event forthwith proceed to apply for such foreclosure if the Management Company, acting for the Fund, and after analysing the specific circumstances of the case, should deem this necessary.

In the event that the proceedings commenced by the Servicer should be stopped without there being proper reasons therefor, the Management Company may, as the case may be, on behalf of the Fund, take over from the latter and continue with the legal proceedings.

In addition to the Servicer's legal actions against Obligors as provided for above in this section, the Management Company, for the Fund, may also take action against Obligors who are in breach of their Loan payment obligations and against guarantors, if any. That action shall be brought observing the formalities for the relevant legal procedure in accordance with the provisions of the Civil Procedure Act, satisfying, as the case may be, the requirements as to right of action allowing that to be done.

If this should be legally required, and for the purposes prescribed in the Civil Procedure Act, the Originators shall confer in the Deed of Constitution as full and extensive an irrevocable power of attorney as may be required at Law in order for the Management Company, acting for and on behalf of the Fund, to demand through a notary public any Loan Obligor and third-party guarantors, if any, to pay the debt.

1. In regard to the Mortgage Loans, in the event of default by any Obligor, the Management Company, acting for and on behalf of the Fund, shall have the following remedies provided for mortgage certificates in article 66 of Royal Decree 685/1982, which also apply to the pass-through certificates:

    (i) To demand the Servicer to apply for foreclosure.

    (ii) To take part on an equal standing with the Originator, as issuer of the Pass-Through Certificates, in the foreclosure the latter shall have instituted against the Obligor, intervening to that end in any foreclosure proceedings commenced by the former.

    (iii) If the Servicer should fail to take that action within sixty (60) calendar days of a notice served through a Notary demanding payment of the debt, the Management Company, for and on behalf of the Fund, shall be secondarily entitled to bring the foreclosure action on the Mortgage Loan for both principal and interest.

    (iv) In the event that the proceedings instituted by the Servicer should come to a standstill, the Fund, duly represented by the Management Company, may be subrogated in the position of the former and continue the foreclosure proceedings, without the above period having to elapse.

    In the events provided in paragraphs (iii) and (iv), the Management Company, for and on behalf of the Fund, may apply to the Judge or Notary with jurisdiction to commence or continue with the respective foreclosure proceedings, attaching to the application the original Pass-Through Certificate, the notice served though a Notary Public provided for in section (iii) above and an office certificate as to the registration and subsistence of the mortgage. The Servicer shall be bound to issue a certification of the balance outstanding on the Mortgage Loan.

    The Management Company, for and on behalf of the Fund as holder of the Pass-Through Certificates, may also take part with equal rights with the Servicer in the foreclosure proceedings and may in this sense, on the terms for which provision is made in the Civil Procedure Act, request the award of the mortgaged property as payment of the Mortgage Loan. The Management Company shall proceed, directly or through the Servicer, to sell the property awarded within the shortest possible space of time and at arm's length.

2. In the event of default by the Obligor (or third-party guarantors, if any) of Non-Mortgage Loan payment obligations by the Obligor, the Management Company, acting for the Fund shall have an executive action against those Obligors (and third-party guarantors, if any), taking the steps provided for such proceedings in the Civil Procedure Act (articles 517.4 and 517.5).

3. In the event of default by the Obligor (or third-party guarantors, if any) of payment obligations of Loans secured with pledges, the Management Company, acting for the Fund, shall avail of an action to enforce those pledges, after entering, as the case may be, the assignment of the respective Loan in the relevant register. In particular, in the case of Loans secured with a money pledge, and subject to delivery, as the case may be, of the bank-book, passbook, receipt or public deed supporting the pledged credit right or entry o recording therein or in the relevant originals, protocols or records concerning transfer of the pledge, the enforcement means provided for in the agreement proper, in the Civil Procedure Act and in the Civil Code (article 1872).

The description of the above actions and procedures shall not imply a waiver by the Servicer or the Management Company of any other legal or other actions or procedures whatsoever available against the Obligors or any guarantors or other third parties, if any, to recover the amounts due or keep in place or enforce the Loan security arrangements.

Each Servicer agrees to promptly advise of payment demands, legal actions and all and any other circumstances affecting collection of overdue amounts on the Loans. Furthermore, the Servicer will provide the Management Company with all such documents as the latter may request in relation to said Loans and in particular the documents required for the Management Company to take legal actions, as the case may be.

**8. Damage insurance for properties mortgaged under the Mortgage Loans.**

The Servicers shall not take or fail to take any action resulting in cancellation of any property fire and damage insurance policy covering the properties mortgaged under the Mortgage Loans or reducing the amount payable in any claim thereunder. The Servicers shall use all reasonable efforts and in any event use the rights conferred under the insurance policies or the Mortgage Loans in order for those policies to be kept in force and fully effective in relation to each Mortgage Loan and the respective property to which the Mortgage Loan refers.

Whenever the respective Servicer receives notice of non-payment of policy premiums by any Obligor the Servicer may demand the Obligor to pay the same and indeed take out fire and damage insurance on the Obligor’s behalf where it is able to do so under the Mortgage Loan deed, advancing payment of the premiums, without prejudice to its right to be reimbursed by the Obligor for amounts so paid or ultimately by the Fund.

In the event of a claim, each Servicer shall coordinate actions for collecting compensations derived from the property damage insurance policies on the terms and conditions of the Mortgage Loans and the actual policies, paying the amounts received, if any, to the Fund.

**9. Set-off.**

In the exceptional event that any of the Obligors under the Loans should have a liquid credit right, due and payable vis-à-vis a Servicer, and because the assignment is made without the Obligor being aware, any of the Loans should be fully or partially set-off against that credit, the Servicer shall proceed to pay to the Fund the amount set off plus accrued interest which would have been payable to the Fund until the date on which the payment is made, calculated on the terms applicable to the relevant Loan.

**10. Subcontracting.**

The Servicer may subcontract any of the services it may have agreed to provide under the Servicing Agreement other than those that may not be so delegated in accordance with the laws in force for the time being. That subcontracting may in no event result in an additional cost or expense for the Fund or the Management Company, and may not result in the rating assigned to each Bond Series by the Rating Agencies being adversely reviewed. Notwithstanding any subcontracting or subdelegation, the Servicer shall not be excused or released under that subcontract or subdelegation from any of the liabilities undertaken in the Servicing Agreement which may legally be attributed or ascribed to it.

**11. Auction of real estate and assets.**

The Servicer agrees to notify the Management Company of the places, dates, terms and valuation of the real estate mortgaged as security for the Mortgage Loans and of the assets attached as security for the Loans, auctions scheduled, and proposed action and bid, in suitable advance in order that the Management Company may put in place such actions as it shall see fit and submit instructions on the subject to the Servicer in suitable time.

The Servicer agrees to attend auctions of real estate and assets, but shall thereat abide at all times by the instructions it shall have received from the Management Company, and shall therefore only tender a bid or apply for the award of the real estate or the asset to the Fund, fulfilling the instructions received from the Management Company.

In the event of real estate or other assets being awarded to the Fund, the Management Company shall proceed, directly or through the Servicer, to sell the same within the shortest possible space of time and at arm's length and the Servicer shall actively assist in expediting their disposal.

**3.7.2.2 Term and substitution.**

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

In the event of insolvency of a Servicer, receivership by the Bank of Spain, breach by a Servicer of any of the obligations imposed in the Servicing Agreement on the Servicer, the Management Company shall be entitled to demand the Servicer to perform its obligations under the Servicing Agreement or, as the case may be and where this is legally possible and after first notifying the Rating Agencies, terminate the Servicing Agreement without prejudice to the Servicer's contractual liability, if any, consequent upon that breach. Similarly, both upon a breach by and in the event of the Servicer's credit rating falling or there being a change in its financial position which may be detrimental to or place the financial structure of the Fund at risk, or be detrimental to the ratings assigned to the Bonds by the Rating Agencies, the Management Company shall be entitled, where this is legally possible, to terminate the Servicing Agreement with the Servicer.

In the event of termination of the Agreement with a Servicer, the Management Company shall previously designate a new Servicer for the Loans, provided that the new Servicer accepts the obligations contained in the Servicing Agreement. In that event, the new Servicer or as the case may be BANCO COOPERATIVO as the new Servicer shall, upon a written request from the Management Company and where that is legally possible, take over the servicing and management function of the Loans serviced by the Servicer, on terms and conditions identical to those contained in the Servicing Agreement. In that connection, the parties agree to enter into such documents as might be necessary.

The Management Company shall instruct Servicers of the requirement to notify the respective Obligors (and, if any, third-party guarantors and the insurers with which the Obligors may have taken out the damage insurance contracts attaching to the Mortgage Loans) of the assignment of outstanding Loans whenever the Management Company deems it appropriate and in any event upon any Servicer being substituted or in the event of a decree of insolvency, or indications thereof, of administration by the Bank of Spain, liquidation of any Servicer or because the Management Company deems it reasonably justified, using for such notice of assignment such means of satisfactory communication as the Management Company shall deem swiftest and most effective.

For all the purposes set out in the preceding paragraph, the Management Company shall be entitled to request and the Servicers shall be bound to supply all such information as the Management Company shall deem necessary or expedient.

The Servicers shall notify Obligors (and, if any, third-party guarantors and the insurers with which the Obligors may have taken out the damage insurance contracts attaching to the Mortgage Loans) of the assignment of the outstanding Loans they shall each service forthwith upon receiving the Management Company's instructions and shall in any event prove to the Management Company within not more than five (5) Business Days of those instructions being sent that Obligors were actually notified, enclosing an acknowledgement of receipt of such notices.

In any event, from the date on which the Servicers receive the relevant instructions from the Management Company, they shall forthwith transfer to the Fund's Treasury Account any Loan amount to which the Fund is entitled and which may at that time be in their possession and shall continue to transfer daily any Loan amount they shall receive to which the Fund is entitled.

However, the Servicers shall empower the Management Company as extensively as may be required at Law in order that the Management Company may notify Obligors (and, if any, third-party guarantors and the insurers with which the Obligors may have taken out the damage insurance contracts attaching to the Mortgage Loans) of the assignment of the outstanding Loans they each service whenever the Management Company deems it appropriate. In any event, the Management Company shall forthwith give Obligors (and, if any, third-party guarantors and the insurers with which the Obligors may have taken out the damage insurance contracts attaching to the Mortgage Loans) satisfactory notice, either directly or as the case may be through a new Servicer it shall have designated, of the assignment upon any Servicer being substituted or in the event of a decree of insolvency, or indications thereof, of administration by the Bank of Spain, liquidation of any Servicer or because the Management Company deems it reasonably justified, if that Servicer fails to prove to the Management Company within five (5) Business Days as set out above notice by that Servicer on the Obligors (and, if any, third-party guarantors and the insurers with which the Obligors may have taken out the damage insurance contracts attaching to the Mortgage Loans) of the outstanding Loans serviced by the same.

In the above connection, the Servicers shall agree to forthwith notify the Management Company of the occurrence of a decree of insolvency, administration by the Bank of Spain or the passing of a resolution to put in place their liquidation.

The Servicers shall bear the expense of notifying Obligors (and, if any, third-party guarantors and the insurers with which the Obligors may have taken out the damage insurance contracts attaching to the Mortgage Loans) of the outstanding Loans serviced by each of them, even in the event of such notice being given by the Management Company, and shall agree to assist the Management Company in notifying those Obligors.

Upon the early termination of the Servicing Agreement, the outgoing Servicer shall provide BANCO COOPERATIVO or the new Servicer, as the case may be, on demand by the Management Company and as determined thereby, with the necessary documents and data files it may have in order for the new Servicer to carry on the relevant activities.

The Servicing Agreement shall be fully terminated in the event that the Rating Agencies should not confirm the provisional ratings assigned to each Series as final ratings by the start of the Subscription Period.

**3.7.2.3 Liability of the Servicers and indemnity.**

The Servicers shall at no time have any liability whatsoever in relation to the obligations of the Management Company as manager of the Fund and manager of Bondholders' interests, nor in relation to the obligations of the Obligors derived from the Loans, without prejudice to the liabilities undertaken thereby as Originators of the Loans acquired by the Fund.

Each Servicer takes on the obligation to indemnify the Fund or its Management Company for any damage, loss or expense resulting for the same on account of any breach by the Servicer of its obligations to service, manage and report on the Loans established under the Servicing Agreement or in the event of breach as established in paragraph 3 of section 2.2.9 of this Building Block.

The Management Company shall, for and on behalf of the Fund, have an action against the Servicer where the breach of the obligation to pay any and all principal repayment and interest and other amounts paid by the Obligors under the Loans corresponding to the Fund does not result from default by the Obligors and is attributable to the Servicer.

Upon the Loans terminating, the Fund shall, through its Management Company, retain a right of action against the Servicer until fulfilment of its obligations.

Neither Bondholders nor any other creditor of the Fund shall have any direct right of action whatsoever against the Servicer; that action shall lie with the Management Company, as the representative of the Fund, who shall have that action on the terms described in this section.

**3.7.2.4 Servicer's remuneration.**

In consideration of the servicing and management of the Loans, each Servicer shall be entitled to receive in arrears on each Payment Date during the term of the Servicing Agreement, a subordinated servicing fee equal to 0.01% per annum, inclusive of VAT if there is no exemption, which shall accrue on the exact number of days elapsed in each Determination Period preceding the Payment Date and on the mean daily Outstanding Balance of the Loans serviced during that Determination Period. If any Servicer should be replaced in that servicing task, the Management Company will be entitled to change the above percentage fee for the new Servicer, which may be in excess of the fee previously established. The servicing fee will be paid on the relevant Payment Date provided that the Fund has sufficient liquidity in the Priority of Payments or, as the case may be, in the Liquidation Priority of Payments.

If the Fund should, through its Management Company, due to a shortage of liquidity in the Fund Priority of Payments, fail to pay on a Payment Date the full fee due to the Servicer, the overdue amounts shall accumulate without any penalty whatsoever on the fee payable on the following Payment Dates, until fully paid.

Furthermore, on each Payment Date, the Servicer shall be entitled to reimbursement of all Loan servicing and management expenses of an exceptional nature incurred, such as in connection with legal and/or recovery actions, including procedural expenses and costs, or managing and overseeing the sale of assets or properties awarded to the Fund, after first justifying the same. Those expenses will be paid whenever the Fund has sufficient liquidity and in the Priority of Payments or, as the case may be, in the Liquidation Priority of Payments.

**3.7.3 Pass-Through Certificate Custody.**

The Management Company shall, for and on behalf of the Fund, enter with BANCO COOPERATIVO (in this connection the "**Custodian**") into a Pass-Through Certificate Custody Agreement. That deposit shall be established for the benefit of the Fund and BANCO COOPERATIVO shall therefore safe-keep the Pass-Through Certificates deposited as directed by the Management Company.

In consideration of the services to be provided by the Custodian, the Fund shall pay a fee of 0.01 per thousand, inclusive of tax, if any, on the mean daily outstanding balance of the Pass-Through Certificates and on the exact number of days elapsed during each Determination Period, and during the term of the agreement, payable on each Bond Payment Date for periods in arrears, provided that the Fund has sufficient liquidity in the Priority of Payments or, as the case may be, in the Liquidation Priority of Payments.

If the Fund, through its Management Company, should not have sufficient liquidity in the Fund Priority of Payments and fail on a Payment Date to pay the full fee due, the unpaid amounts shall accumulate without any penalty whatsoever on the fee payable on the following Payment Dates, whereupon it shall be paid.

The Pass-Through Certificate Custody Agreement shall be fully terminated in the event that the Rating Agencies should not confirm the provisional ratings assigned to each Bond Series as final by the start of the Subscription Period.

**3.8 Name, address and brief description of any swap, credit, liquidity or account counterparties.**

BANCO COOPERATIVO is the Fund's counterparty in the transactions listed below. The details relating to BANCO COOPERATIVO are given in section 5.2 of the Registration Document.

(i) Treasury Account:
Guaranteed Interest Rate Account (Treasury Account) Agreement
Description in section 3.4.4.1 of this Building Block.

(ii) Interest Swap:
Interest Swap Agreement
Description in section 3.4.7.1 of this Building Block.

CAIXA POPULAR-CAIXA RURAL, CAIXA RURAL DE BALEARS, CAJA RURAL ARAGONESA Y DE LOS PIRINEOS, CAJA RURAL CENTRAL, CAJA RURAL DE ARAGÓN, CAJA RURAL DE BURGOS, CAJA RURAL DE CIUDAD REAL, CAJA RURAL DE CÓRDOBA, CAJA RURAL DE GIJÓN, CAJA RURAL DE NAVARRA, CAJA RURAL DE TERUEL, CAJA RURAL DE ZAMORA, CAJA RURAL DEL MEDITERRÁNEO, RURALCAJA, and CAJA RURAL DEL SUR are the Fund’s counterparties in the transaction referred to below. The details of those institutions and their activities are respectively given in section 5.2 of the Registration Document and in section 3.5 of this Building Block.

(i) Start-Up Loan:
Start-Up Loan Agreement
Description in section 3.4.3.1 of this Building Block.

## 4. POST-ISSUANCE REPORTING

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

As part of its Fund management and administration duty, the Management Company agrees to submit as promptly as possible or by the deadlines given, the information described hereinafter and such additional information as may be reasonably required of it.

### 4.1.1 Ordinary information.

The Management Company agrees to give the notices detailed below, observing the recurrence provided in each case.

**a) Notices to Bondholders referred to each Payment Date.**

1. Within the period comprised between the Interest Rate Fixing Date and not more than two (2) Business Days after each Payment Date, it shall proceed to notify Bondholders of the Nominal Interest Rate resulting for each Bond Series, and for the Interest Accrual Period after that Payment Date.

2. Quarterly, at least one (1) calendar day in advance of each Payment Date, it shall proceed to notify Bondholders of the following information:

   i) Interest resulting from the Bonds in each Series, along with the amortisation of the Bonds.

   ii) Furthermore, and if appropriate, interest and amortisation amounts accrued thereby and not settled due to a shortfall of Available Funds, in accordance with the rules of the Fund Priority of Payments.

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

   iv) Obligors’ Loan principal prepayment rate during the calendar quarter preceding the Payment Date.

   v) The average residual life of the Bonds in each Series estimated assuming that Loan principal prepayment rates shall be maintained and making all other assumptions as provided in section 4.10 of the Securities Note.

The foregoing notices shall be made in accordance with the provisions of section 4.1.3 below and will also be notified to the CNMV, the Paying Agent, AIAF and Iberclear, not less than one (1) Business Day before each Payment Date.

**b) Information referred to each Payment Date:**

In relation to the Loans:

1. Outstanding Balance.
2. Interest and principal amount of instalments in arrears.
3. Interest rate and benchmark indices of the Loans.
4. Dates of maturity of the Loans.

In relation to the economic and financial position of the Fund:

1. Report on the source and subsequent application of the Available Funds and the Available Funds for Amortisation of Series A1, A2(G), B and C in accordance with the Priority of Payments of the Fund.

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

Annual Accounts (balance sheet, profit & loss account and management report) and audit report within four (4) months of the close of each fiscal year, which shall also be filed with the CNMV.

**4.1.2 Extraordinary notices.**

The following shall be the subject of an extraordinary notice:

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

2. Other:

   Any relevant event occurring in relation to the Loans, the Bonds, the Fund and the Management Company proper, which may materially influence trading of the Bonds and, in general, any relevant change in the Fund's assets or liabilities, change in the Deed of Constitution, or in the event of termination of the establishment of the Fund or a decision in due course to proceed to an Early Liquidation of the Fund and an Early Amortisation of the Bond Issue in any of the events provided in this Prospectus. In the latter event, the Management Company shall send to the CNMV the notarial certificate of termination of the Fund and the liquidation procedure followed will be as referred to in section 4.4.4 of the Registration Document.

**4.1.3 Procedure to notify Bondholders.**

Notices to Bondholders to be made by the Management Company in accordance with the above, in regard to the Fund, shall be given as follows:

1. Ordinary notices.

   Ordinary notices shall be given by a publication in the daily bulletin of AIAF Mercado de Renta Fija or any other replacement or similarly characterised bulletin, or by a publication in an extensively circulated business and financial or general newspaper in Spain. The Management Company or the Paying Agent may additionally disseminate that information or other information of interest to Bondholders through dissemination channels and systems typical of financial markets, such as Reuters, Bridge Telerate, Bloomberg or any other similarly characterised means.

2. Extraordinary notices.

   Extraordinary notices shall be given by publication in an extensively circulated business and financial or general newspaper in Spain, and those notices shall be deemed to be given on the date of that publication, any Business Day or other calendar day (as established in this Prospectus) being valid for such notices.

   Exceptionally, the final margins applicable for determining the Nominal Interest Rate for each Series and the Nominal Interest Rate determined for the Bonds in each Series for the first Interest Accrual Period shall be notified in writing by the Management Company by the start of the Subscription Period to the Underwriters and Placement Agents in order to be reported to investors interested in subscribing for the Bonds. The Management Company will also notify this to the CNMV, the Paying Agent, AIAF and Iberclear.

3. Notices and other information.

   The Management Company may provide Bondholders with notices and other information of interest to them through its own Internet pages or other similarly characterised teletransmission means.

**4.1.4 Information to the CNMV.**

The Management Company shall proceed to advise the CNMV of the periodic and extraordinary notices and information given in accordance with the provisions of the preceding sections, and of such other information as the CNMV may require of it or by the laws in force from time to time, irrespective of the above.

**4.1.5 Information to the Rating Agencies.**

The Management Company shall provide the Rating Agencies with periodic information as to the position of the Fund and the performance of the Loans in order that they may monitor the rating of the Bonds and extraordinary notices. The Management Company shall also provide that information when it is reasonably required to do so and, in any event, whenever there is a significant change in the conditions of the Fund, in the agreements entered into by the Fund through its Management Company or in the interested parties.

**Mario Masiá Vicente, for and on behalf of EUROPEA DE TITULIZACIÓN, S.A., SOCIEDAD GESTORA DE FONDOS DE TITULIZACIÓN and as General Manager signs this Prospectus at Madrid, on November 21, 2006.**

## GLOSSARY OF DEFINITIONS

**"Act 19/1992"** shall mean Investment Trusts and Companies System and Mortgage Securitisation Funds Act 19/1992, July 7.

**"Act 2/1981"** shall mean Mortgage Market Regulation Act 2/1981, March 25.

**"Act 2/1994"** shall mean Loan Subrogation and Amendment Act 2/1994, March 30.

**"Act 3/1994"** shall mean Act 3/1994, April 14, adapting Spanish laws in the matter of credit institutions to the Second Banking Coordination Directive and introducing other changes in relation to the financial system.

**"Act 44/2002"** shall mean Financial System Reform Measures Act 44/2002, November 22.

**"AIAF"** shall mean AIAF Fixed-Income Market (*AIAF Mercado de Renta Fija*).

**"Amortisation Deficiency"** shall mean, on a Payment Date, the positive difference, if any, between (i) the Series A1, A2(G), B and C Amortisation Withholding amount, and (ii) the amount actually applied to the Available Funds for Amortisation of Series A1, A2(G), B and C.

**"Available Funds for Amortisation of Series A1, A2(G), B and C"** shall mean the amount to be allocated to Bond amortisation on each Payment Date and shall be the Series A1, A2(G), B and C Amortisation Withholding amount applied in 6$^{th}$ place of the Available Funds on the relevant Payment Date.

**"Available Funds"** shall mean, in relation to the Priority of Payments and on each Payment Date, the amounts to be allocated to meeting the Fund's payment or withholding obligations, which shall have been paid into the Treasury Account, as established in section 3.4.6.2.1 of the Building Block.

**"BANCAJA"** shall mean CAJA DE AHORROS DE VALENCIA, CASTELLÓN Y ALICANTE, BANCAJA.

**"BANCO COOPERATIVO"** shall mean BANCO COOPERATIVO ESPAÑOL S.A.

**"BANCO PASTOR"** shall mean **BANCO PASTOR, S.A.**.

**"BBVA"** shall mean BANCO BILBAO VIZCAYA ARGENTARIA, S.A.

**"Bond Issue"** shall mean the issue of asset-backed bonds issued by the Fund having a face value of EUR six hundred and seventeen million fifty thousand (617,050,000.00) consisting of six thousand four hundred and eleven (6,411) Bonds comprised of five Series (Series A1, Series A2(G), Series B, Series C and Series D).

**"Bond Paying Agent Agreement"** shall mean the Bond paying agent agreement entered into by the Management Company, for and on behalf of the Fund, and BANCO COOPERATIVO, as Paying Agent.

**"Bonds"** shall mean the Class A Bonds (consisting of Series A1 and A2(G)), the Series B Bonds, the Series C Bonds and the Series D Bonds issued by the Fund.

**"Business Day"** shall mean any day other than a public holiday in the city of Madrid or non-business day in the TARGET (Trans European Automated Real-Time Gross Settlement Express Transfer System).

**"Cash Reserve"** shall mean the Initial Cash Reserve set up on the Closing Date and subsequently provisioned on each Payment Date up to the Required Cash Reserve amount.

**"CET"** shall mean "Central European Time".

**"Class A Bonds"** shall mean the Series A1 and A2(G) Bonds issued by the Fund having a total face amount of EUR five hundred and forty million seven hundred thousand (540,700,000.00).

**"Class A"** shall mean the Class A (Series A1 and A2(G)) Bonds issued by the Fund.

**"Closing Date"** shall mean November 29, 2006, the date on which the cash amount of the subscription for the Bonds shall be paid up.

**"CNMV"** shall mean National Securities Market Commission (*Comisión Nacional del Mercado de Valores*).

**"Conditions for Pro Rata Amortisation"** shall mean the conditions set down in section 4.9.3.1.5 of the Securities Note for amortisation of Series A1 and/or A2(G) and/or B and/or C Bonds.

**"CPR"** shall mean the effective constant annual early amortisation or prepayment rate at which average lives and durations of the Bonds are estimated in this Prospectus.

**"DANSKE BANK"** shall mean DANSKE BANK S/A.

**"Deed of Constitution"** shall mean the public deed recording the establishment of the Fund, assignment by the Originators to the Fund of Non-Mortgage Loans and Mortgage Loans by means of the issue of the Pass-Through Certificates and issue by the Fund of the Asset-Backed Bonds.

**"Delinquent Loans"** shall mean Loans that are delinquent on a given date with an arrears in excess of three (3) months in payment of overdue amounts, excluding Doubtful Loans.

**"Determination Dates"** shall mean the dates falling on the fifth ($5^{th}$) Business Day preceding each Payment Date.

**"Determination Period"** shall mean the exact number of days elapsed between every two consecutive Determination Dates, each Determination Period excluding the beginning Determination Date and including the ending Determination Date. Exceptionally, (i) the duration of the first Determination Period shall be equal to the days elapsed between date of establishment of the Fund, inclusive, and the first Determination Date, April 18, 2007, inclusive, and (ii) the duration of the last Determination Period shall be equal to the days elapsed a) until the Final Maturity Date or the date on which Early Liquidation of the Fund concludes, as provided for in section 4.4.4.3 of the Registration Document, on which the assets remaining in the Fund have all been liquidated and the Liquidation Available Funds have all been distributed in the Liquidation Priority of Payments of the Fund, b) from the Determination Date preceding the Payment Date preceding the date referred to in a), not including the first date but including the last date.

**"Distribution of Available Funds for Amortisation of Series A1, A2(G), B and C"** shall mean the rules for applying the Available Funds for Amortisation of Series A1, A2(G), B and C on each Payment Date established in section 4.9.3.6 of the Securities Note.

**"Doubtful Loans"** shall mean Loans that are delinquent on a given date with a period of arrears equal to or greater than eighteen (18) months in payment of overdue amounts or classified as bad debts by the Management Company because there are reasonable doubts as to their full repayment, based on indications or information obtained from the Servicer.

**"DZ BANK"** shall mean DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main.

**"Early Amortisation"** shall mean Bond amortisation on a date preceding the Final Maturity Date in the Early Liquidation Events of the Fund and subject to the requirements established in section 4.4.3 of the Registration Document.

**"Early Liquidation Events"** shall mean the events contained in section 4.4.3 of the Registration Document where the Management Company, following notice duly served on the CNMV, is entitled to proceed to an Early Liquidation of the Fund on a Payment Date.

**"Early Liquidation of the Fund"** shall mean the liquidation of the Fund and thereby an early amortisation of the Bond Issue on a date preceding the Final Maturity Date, in the events and subject to the procedure established in section 4.4.3 of the Registration Document.

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

**"Final Maturity Date"** shall mean the final Bond amortisation date, i.e. April 25, 2030 or the following Business Day if that is not a Business Day.

**"Financial Intermediation Agreement"** shall mean the financial intermediation agreement entered into between the Management Company, for and on behalf of the Fund, and the Originators.

**"Financial Intermediation Margin"** shall mean, under the Financial Intermediation Agreement, the variable subordinated remuneration for the Originators which shall accrue upon the expiration of every quarterly period, comprising, other than for the first period, the three calendar months preceding each Payment Date, in an amount equal to the positive difference, if any, between the income and expenditure, including losses brought forward from previous years, accrued by the Fund with reference to its accounts and before the close of the months of March, June, September and December, these being the last month in each quarterly period.

**"Fitch"** shall mean both Fitch Ratings España, S.A. and Fitch Ratings Limited, the holding company to which Fitch Ratings España, S.A. is affiliated.

**"Fund"** shall mean RURALPYME 2 FTPYME FONDO DE TITULIZACIÓN DE ACTIVOS.

**"Guaranteed Interest Rate Account (Treasury Account) Agreement"** shall mean the guaranteed interest rate account (Treasury Account) agreement entered into by the Management Company, for and on behalf of the Fund, and BANCO COOPERATIVO.

**"Iberclear"** shall mean Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.

**"Initial Cash Reserve"** shall mean the Cash Reserve set up on the Closing Date upon the subscription for Series D being paid up amounting to EUR twenty-four million fifty thousand (24,050,000.00).

**"Interest Accrual Period"** shall mean the days elapsed between every two consecutive Payment Dates, including the beginning Payment Date, but not including the ending Payment Date. The first Interest Accrual Period shall begin on the Closing Date, inclusive, and end on the first Payment Date, exclusive.

**"Interest Rate Fixing Date"** shall mean the second Business Day preceding each Payment Date.

**"Interest Swap Agreement"** shall mean the floating interest rate financial swap agreement based on the standard Master Financial Transaction Agreement (CMOF) entered into between the Management Company, acting for and on behalf of the Fund, and BANCO COOPERATIVO.

**"IRR"** shall mean internal rate of return as defined in section 4.10.1 of the Securities Note.

**"Lead Managers"** shall mean the Bond Issue lead managers BANCO COOPERATIVO, DZ BANK, RBS and SOCIÉTÉ GÉNÉRALE.

**"Liquidation Available Funds"** shall mean, in relation to the Liquidation Priority of Payments, on the Final Maturity Date or when there is an Early Liquidation, the amounts to be allocated to meeting the Fund's payment or withholding obligations, as follows: (i) the Available Funds, and (ii) the amounts obtained by the Fund from time to time upon disposing of the Pass-Through Certificates and the assets remaining. Additionally, and not included among the Liquidation Available Funds, the Fund shall have: (i) the amount drawn upon enforcing the State Guarantee used only for Series A2(G) Bond interest payment and principal repayment, and (ii) the amount, if any, drawn under the credit facility to be arranged and exclusively used for final amortisation of the Series A1, A2(G), B and C Bonds, in accordance with the provisions of section 4.4.3 of the Registration Document.

**"Liquidation Priority of Payments"** shall mean the priority of the Fund's payment or withholding obligations for applying the Liquidation Available Funds on the Final Maturity Date or when there is an Early Liquidation of the Fund, as established in section 3.4.6.3 of the Building Block.

**"Loan Servicing Agreement"** shall mean the Loan custody, management and servicing agreement entered into between the Management Company, acting for and on behalf of the Fund, and CAIXA POPULAR-CAIXA RURAL, CAIXA RURAL DE BALEARS, CAJA RURAL ARAGONESA Y DE LOS PIRINEOS, CAJA RURAL CENTRAL, CAJA RURAL DE ARAGÓN, CAJA RURAL DE BURGOS, CAJA RURAL DE CIUDAD REAL, CAJA RURAL DE CÓRDOBA, CAJA RURAL DE GIJÓN, CAJA RURAL DE NAVARRA, CAJA RURAL DE TERUEL, CAJA RURAL DE ZAMORA, CAJA RURAL DEL MEDITERRÁNEO, RURALCAJA, and CAJA RURAL DEL SUR, as Servicers and BANCO COOPERATIVO as possible substitute in certain circumstances for the Servicers.

**"Loans"** shall mean the loans owned by CAIXA POPULAR-CAIXA RURAL, CAIXA RURAL DE BALEARS, CAJA RURAL ARAGONESA Y DE LOS PIRINEOS, CAJA RURAL CENTRAL, CAJA RURAL DE ARAGÓN, CAJA RURAL DE BURGOS, CAJA RURAL DE CIUDAD REAL, CAJA RURAL DE CÓRDOBA, CAJA RURAL DE GIJÓN, CAJA RURAL DE NAVARRA, CAJA RURAL DE TERUEL, CAJA RURAL DE ZAMORA, CAJA RURAL DEL MEDITERRÁNEO, RURALCAJA, and CAJA RURAL DEL SUR, granted to sole traders and non-financial small and medium-sized enterprises domiciled in Spain meeting the requirements to be small and medium-sized enterprises, as defined by the European Commission (Recommendation of May 6, 2003 replacing the Recommendation of April 3, 1996).

In this Prospectus the term "Loans" shall be used to refer collectively to the Non-Mortgage Loans and the Mortgage Loans or the Pass-Through Certificates perfecting their assignment.

**"Management Company"** shall mean EUROPEA DE TITULIZACIÓN, S.A., SOCIEDAD GESTORA DE FONDOS DE TITULIZACIÓN.

**"Moody's"** shall mean both Moody's Investors Service España, S.A. and Moody's Investors Service Ltd., the holding company to which Moody's Investors Service España, S.A. is affiliated.

**"Mortgage Loans"** shall mean the Loans with real estate mortgage security assigned by the Originators to the Fund by means of the issue by the Originators of and subscription by the Fund for the Pass-Through Certificates.

**"Nominal Interest Rate"** shall mean the nominal interest rate, variable quarterly and payable quarterly, applicable to each Series and determined for each Interest Accrual Period, which shall be the result of adding (i) the Reference Rate and (ii) a margin for each Series as detailed in section 4.8.1.2 of the Securities Note.

**"Non-Delinquent Loans"** shall mean Loans that are not deemed to be Delinquent Loans on a given date, also excluding Doubtful Loans.

**"Non-Doubtful Loans"** shall mean Loans that are not deemed to be Doubtful Loans on a given date.

**"Non-Mortgage Loans"** shall mean Loans without special security secured by pledging money and/or with third-party personal guarantees, assigned by the Originators to the Fund upon being sold by the relevant Originators and acquired by the Fund.

**"Obligors"** shall mean the borrowers (sole traders and non-financial small and medium-sized enterprises domiciled in Spain) of the Loans.

**"Originator(s)"** shall mean CAIXA POPULAR-CAIXA RURAL, CAIXA RURAL DE BALEARS, CAJA RURAL ARAGONESA Y DE LOS PIRINEOS, CAJA RURAL CENTRAL, CAJA RURAL DE ARAGÓN, CAJA RURAL DE BURGOS, CAJA RURAL DE CIUDAD REAL, CAJA RURAL DE CÓRDOBA, CAJA RURAL DE GIJÓN, CAJA RURAL DE NAVARRA, CAJA RURAL DE TERUEL, CAJA RURAL DE ZAMORA, CAJA RURAL DEL MEDITERRÁNEO, RURALCAJA, and CAJA RURAL DEL SUR, issuers of the Pass-Through Certificates perfecting the assignment of the Mortgage Loans and originators of the Non-Mortgage Loans.

**"Outstanding Balance of Delinquent Loans"** shall mean the sum of the Outstanding Balance of each and every one of the Delinquent Loans on a given date.

**"Outstanding Balance of Doubtful Loans"** shall mean the sum of the Outstanding Balance of each and every one of the Doubtful Loans on a given date.

**"Outstanding Balance of the Loans"** shall mean the sum of outstanding capital or principal and overdue capital or principal not paid into the Fund for each and every one of the Loans.

**"Outstanding Principal Balance of Class A"** shall mean the sum of the Outstanding Principal Balance of Series A1 and A2(G) Bonds making up Class A.

**"Outstanding Principal Balance of the Series"** shall mean the sum of the outstanding principal to be repaid (outstanding balance) on a given date on all the Bonds making up the Series.

**"Pass-Through Certificates"** shall mean the pass-through certificates issued by CAIXA POPULAR-CAIXA RURAL, CAIXA RURAL DE BALEARS, CAJA RURAL ARAGONESA Y DE LOS PIRINEOS, CAJA RURAL CENTRAL, CAJA RURAL DE ARAGÓN, CAJA RURAL DE BURGOS, CAJA RURAL DE CIUDAD REAL, CAJA RURAL DE CÓRDOBA, CAJA RURAL DE GIJÓN, CAJA RURAL DE NAVARRA, CAJA RURAL DE TERUEL, CAJA RURAL DE ZAMORA, CAJA RURAL DEL MEDITERRÁNEO, RURALCAJA, and CAJA RURAL DEL SUR in accordance with article 18 of Act 44/2002, and subscribed for by the Fund.

**"Pass-Through Certificate Custody Agreement"** shall mean the Pass-Through Certificate custody agreement entered into between the Management Company, for and on behalf of the Fund, and BANCO COOPERATIVO as Servicer.

**"Paying Agent"** shall mean the institution servicing the Bonds. The Paying Agent shall be BANCO COOPERATIVO.

**"Payment Date"** shall mean January 25, April 25, July 25 and October 25 in each year or the following Business Day if any of those is not a Business Day. The first Payment Date shall be April 25, 2007.

**"Priority of Payments"** shall mean the priority for applying the Fund's payment or withholding obligations both for applying the Available Funds and for distribution of Available Funds for Amortisation of Series A1, A2(G), B and C, as established in section 3.4.6.2 of the Building Block, from the first Payment Date, inclusive, until the last Payment Date or date of liquidation of the Fund, exclusive.

**"Rating Agencies"** shall mean Fitch Ratings España, S.A. and Moody's Investors Service España, S.A.

**"RBS"** shall mean THE ROYAL BANK OF SCOTLAND PLC.

**"Reference Rate"** shall mean, other than for the first Interest Accrual Period, three- (3-) month Euribor fixed at 11am (CET time) on the Interest Rate Fixing Date, or, if this Euribor rate should not be available or be impossible to obtain, the substitute rates for which provision is made in section 4.8.1.3 of the Securities Note. The Reference Rate for the first Interest Accrual Period shall mean the rate resulting from a straight-line interpolation, taking into account the number of days in the first Interest Accrual Period, between four- (4-) month Euribor and five- (5-) month Euribor, fixed at 11am (CET time) on the second Business Day preceding the Closing Date, or, upon the failure or impossibility to obtain these Euribor rates, the substitute rates for which provision is made in section 4.8.1.3 of the Securities Note.

**"Required Cash Reserve"** shall mean, on each Payment Date, the lower of the following amounts: (i) EUR twenty-four million fifty thousand (24,050,000.00) and (ii) the higher of a) 8.10% of the sum of the Outstanding Principal Balance of Series A1, A2(G), B and C Bonds and b) a sum of EUR twelve million twenty-five thousand (12,025,000.00). However, the Required Cash Reserve shall not be reduced on the relevant Payment Date and shall remain at the Required Cash Reserve amount on the preceding Payment Date whenever any of the circumstances provided for in section 3.4.2.2 of the Building Block concur on the Payment Date.

**"Royal Decree 116/1992"** shall mean Book Entries and Stock Exchange Transaction Clearing and Settlement Royal Decree 116/1992, February 14.

**"Royal Decree 1310/2005"** shall mean Royal Decree 1310/2005, November 4, partly implementing Securities Market Act 24/1988, July 28, in regard to admission to trading of securities in official secondary markets, public offerings for sale or subscription and the prospectus required for that purpose.

**"Royal Decree 685/1982"** shall mean Royal Decree 685/1982, March 17, implementing certain aspects of Mortgage Market Regulation Act 2/1981, and Royal Decree 1289/1991, August 2, amending certain of the previous Royal Decree's articles.

**"Royal Decree 926/1998"** shall mean Royal Decree 926/1998, May 14, regulating asset securitisation funds and securitisation fund management companies.

**"Royal Decree Law 5/2005"** shall mean Royal Decree-Law 5/2005, March 11, on urgent measures for boosting productivity and improving public contracting.

**"Securities Market Act"** shall mean Securities Market Act 24/1988, July 28, amended by Act 37/1998, November 16, and Act 44/2002, November 22, and Royal Decree Law 5/2005, March 11, among other amendments.

**"Series A1 Bonds"** shall mean the Series A1 Bonds issued by the Fund having a total face amount of EUR four hundred and eighty-seven million (487,000,000.00) comprising four thousand eight hundred and seventy (4,870) Bonds having a unit face value of EUR one hundred thousand (100,000).

**"Series A1, A2(G), B and C Amortisation Withholding"** shall mean on each Payment Date the positive difference if any on the Determination Date preceding the relevant Payment Date between (i) the sum of the Outstanding Principal Balance of Series A1, A2(G), B and C and (ii) the Outstanding Balance of Non-Doubtful Loans.

**"Series A1, A2(G), B and C Bond Management, Underwriting and Placement Agreement"** shall mean the Bond Issue management and Series A1, A2(G), B and C underwriting and placement agreement entered into between the Management Company, for and on behalf of the Fund, and BANCO COOPERATIVO, DZ BANK, RBS and SOCIÉTÉ GÉNÉRALE, as Lead Managers and Underwriters and Placement Agents, and BANCAJA, BANCO PASTOR, BBVA and DANSKE BANK as Underwriters and Placement Agents.

**"Series A1"** shall mean the Series A1 Bonds issued by the Fund.

**"Series A2(G) Bonds"** shall mean the Series A2(G) Bonds issued by the Fund having a total face amount of EUR fifty-three million seven hundred thousand (53,700,000.00) comprising five hundred and thirty-seven (537) Bonds having a unit face value of EUR one hundred thousand (100,000).

**"Series A2(G)"** shall mean the Series A2(G) Bonds issued by the Fund.

**"Series B Bonds"** shall mean the Series B Bonds issued by the Fund having a total face amount of EUR twenty-nine million one hundred thousand (29,100,000.00) comprising two hundred and ninety-one (291) Bonds having a unit face value of EUR one hundred thousand (100,000).

**"Series B"** shall mean the Series B Bonds issued by the Fund.

**"Series C Bonds"** shall mean the Series C Bonds issued by the Fund having a total face amount of EUR twenty-three million two hundred thousand (23,200,000.00) comprising two hundred and thirty-two (232) Bonds having a unit face value of EUR one hundred thousand (100,000).

**"Series C"** shall mean the Series C Bonds issued by the Fund.

**"Series D Bond Subscription Agreement"** shall mean the Series D Bond subscription agreement entered into between the Management Company, for and on behalf of the Fund, and CAIXA POPULAR-CAIXA RURAL, CAIXA RURAL DE BALEARS, CAJA RURAL ARAGONESA Y DE LOS PIRINEOS, CAJA RURAL CENTRAL, CAJA RURAL DE ARAGÓN, CAJA RURAL DE BURGOS, CAJA RURAL DE CIUDAD REAL, CAJA RURAL DE CÓRDOBA, CAJA RURAL DE GIJÓN, CAJA RURAL DE NAVARRA, CAJA RURAL DE TERUEL, CAJA RURAL DE ZAMORA, CAJA RURAL DEL MEDITERRÁNEO, RURALCAJA, and CAJA RURAL DEL SUR.

**"Series D Bonds"** shall mean the Series D Bonds issued by the Fund having a total face amount of EUR twenty-four million fifty thousand (24,050,000.00) comprising four hundred and eighty-one (481) Bonds having a unit face value of EUR fifty thousand (50,000).

**"Series D"** shall mean the Series D Bonds issued by the Fund.

**"Servicer(s)"** shall mean each institution in charge of custody and servicing of the Loans under the Loan Servicing Agreement, i.e. CAIXA POPULAR-CAIXA RURAL, CAIXA RURAL DE BALEARS, CAJA RURAL ARAGONESA Y DE LOS PIRINEOS, CAJA RURAL CENTRAL, CAJA RURAL DE ARAGÓN, CAJA RURAL DE BURGOS, CAJA RURAL DE CIUDAD REAL, CAJA RURAL DE CÓRDOBA, CAJA RURAL DE GIJÓN, CAJA RURAL DE NAVARRA, CAJA RURAL DE TERUEL, CAJA RURAL DE ZAMORA, CAJA RURAL DEL MEDITERRÁNEO, RURALCAJA, and CAJA RURAL DEL SUR, and BANCO COOPERATIVO, as the case may be, as potential substitute for the foregoing in certain circumstances.

**"Servicing Agreement"** shall mean the Loan Servicing Agreement.

**"SOCIÉTÉ GÉNÉRALE"** shall mean SOCIÉTÉ GÉNÉRALE, SUCURSAL EN ESPAÑA.

**"Start-Up Loan Agreement"** shall mean the commercial start-up loan agreement entered into by the Management Company, for and on behalf of the Fund, and CAIXA POPULAR-CAIXA RURAL, CAIXA RURAL DE BALEARS, CAJA RURAL ARAGONESA Y DE LOS PIRINEOS, CAJA RURAL CENTRAL, CAJA RURAL DE ARAGÓN, CAJA RURAL DE BURGOS, CAJA RURAL DE CIUDAD REAL, CAJA RURAL DE CÓRDOBA, CAJA RURAL DE GIJÓN, CAJA RURAL DE NAVARRA, CAJA RURAL DE TERUEL, CAJA RURAL DE ZAMORA, CAJA RURAL DEL MEDITERRÁNEO, RURALCAJA, and CAJA RURAL DEL SUR, for a sum of EUR four million seven hundred thousand (4,700,000.00).

**"Start-Up Loan"** shall mean the loan granted by the Originators to the Fund, in accordance with the provisions of the Start-Up Loan Agreement.

**"State Guarantee"** shall mean the guarantee which the Spanish Economy and Finance Ministry shall give to the Fund amounting to (i) EUR fifty-three million seven hundred thousand (53,700,000.00), equivalent to the sum of the face amount of the Series A2(G) Bonds, and (ii) the financial charges corresponding to that amount in said Series. That guarantee secures, waiving the benefit of discussion established in Civil Code article 1830, payment of the economic obligations payable by the Fund, derived from the Series A2(G) Bonds.

**"Subscription Period"** shall mean the Bond subscription period comprised between 1pm (CET time) and 2pm (CET time) on November 27, 2006.

**"Treasury Account"** shall mean the financial account in euros opened at BANCO COOPERATIVO in the Fund's name, in accordance with the provisions of the Guaranteed Interest Rate Account (Treasury Account) Agreement, through which the Fund will make and receive payments.

**"Underwriters and Placement Agents"** shall mean BANCO COOPERATIVO, DZ BANK, RBS, SOCIÉTÉ GÉNÉRALE, BANCAJA, BANCO PASTOR, BBVA and DANSKE BANK, Series A1, A2(G), B and C Bond underwriters and placement agents.