PROSPECTUS **December 2007**

RURALPYME 3
FONDO DE TITULIZACIÓN DE ACTIVOS

ISSUE OF ASSET-BACKED BONDS
EUR 830,000,000

Series A	**EUR 720,800,000**	**Aaa**
Series B	**EUR 44,800,000**	**A1**
Series C	**EUR 8,000,000**	**Baa2**
Series D	**EUR 26,400,000**	**Ba3**
Series E	**EUR 30,000,000**	**C**

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 ASTURIAS, S.C.C.
CAJA RURAL DE CÓRDOBA, S.C.C.
CAJA RURAL DE EXTREMADURA, S.C.C.
CAJA RURAL DE GIJÓN, C.C.
CAJA RURAL DE GRANADA, S.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 SUR, S.C.C.

Lead Manager and Subscriber

BANCO COOPERATIVO ESPAÑOL

Paying Agent

Banco Cooperativo

Fund established and managed by

edt Europea de Titulización
Sociedad Gestora de Fondos de Titulización

Prospectus entered in the Registers of the Comisión Nacional del Mercado de Valores
on December 18, 2007

TABLE OF CONTENTS

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 or its authorisation to act as an asset securitisation fund management company is revoked by the CNMV, 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. Those actions shall be resolved in the relevant ordinary declaratory proceedings depending on the amount claimed.

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 ASTURIAS, S.C.C., CAJA RURAL DE CÓRDOBA, S.C.C., CAJA RURAL DE EXTREMADURA, S.C.C., CAJA RURAL DE GIJÓN, C.C., CAJA RURAL DE GRANADA, S.C.C., CAJA RURAL DE NAVARRA, S.C.C., CAJA RURAL DE TERUEL, S.C.C., CAJA RURAL DE ZAMORA, C.C., and CAJA RURAL DEL SUR, S.C.C. (the "**Originators**") and the Management Company may be declared insolvent.

In accordance with Additional Provision Two of the Bankruptcy Act, whereby the insolvency specialities of Additional Provision Five of Act 3/1994 remain in force, if there is no fraudulent origination, then in the event of insolvency of any of the Originators, 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 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 Originators' assignment of the Loan receivables to the Fund shall not be notified to Obligors or third-party guarantors or the insurers with which the Obligors may have taken out the damage insurance contracts, if any, of the properties mortgaged by 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 actual Servicer, 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 mortgaged property insurers, if any), of the transfer to the Fund of the outstanding Loan receivables, 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 mortgaged property 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 mortgaged property 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 Loan receivables and collaterals with respect to third parties, all 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 insolvency 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 might 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 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 Series A Bonds. Series C Bond interest payment and principal repayment is in turn deferred with respect to Series A and Series B Bonds. Series D Bond interest payment and principal repayment is in turn deferred with respect to Series A, Series B and Series C Bonds. Series E Bond interest payment and principal repayment is in turn deferred with respect to Series A, Series B, Series C and Series D Bonds. However, there is no certainty that these subordination rules will protect Series A, B, C, D and E Bondholders from the risk of loss.

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, C and D 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 rating agency Moody's Investors Service España S.A.

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

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

h) Fulfilment of formal obligations by investors not resident in Spain.

In accordance with Spanish laws for the time being in force, returns on the Bonds obtained by an investor who is not a resident of Spain shall be either (i) exempt from a withholding on account of Non-Resident Income Tax (in the case of investors acting through a permanent establishment), or (ii) exempt on the same terms established for returns on public debt (in the case of investors acting in Spain without a permanent establishment and provided that they are not obtained through countries or territories statutorily considered to be tax havens).

Notwithstanding the above, in order for the above withholding exclusion to be effective, it is necessary for those investors to satisfy certain formal obligations, currently provided for in the Order of December 22, 1999 and in Royal Decree 2281/1998, October 23, amended by Royal Decree 1778/2004, though specific laws may be passed for securitisation funds in the future.

Where pursuant to the abovementioned laws the exemption right is not satisfactorily established (that is to say, proof is not produced that the non-resident investor is not acting through a tax haven or the Fund is not provided, through the Paying Agent, with the relevant certificates of the Bond clearing institution and custodian), returns on the Bonds shall be subject to a withholding that is currently set at 18%.

The tax implications described above are based on the laws in force at the time of issue and do not purport to be comprehensive. Consequently, they should not be considered in lieu of the requisite tax advice suited to each investor's particular situation.

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 they carry out both the assignment of the Non-Mortgage Loan Receivables and the issue of Pass-Through Certificates. 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 Non-Mortgage Loan receivables or the Pass-Through Certificates, other than the undertakings contained in section 2.2.9 of the Building Block regarding substitution or redemption of Non-Mortgage Loan receivables 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. No 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.

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

c) Loan prepayment risk.

There will be a prepayment of the Loan receivables 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 upon partial Bond amortisation, 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.

d) Interest risk.

The weighted average interest rate of the loans selected at November 7, 2007, as detailed in section 2.2.2.h) of the Building Block, is 5.35%, which is slightly below the 5.43% 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 for the first Interest Accrual Period. This state of affairs shall gradually be corrected as the Loans (mostly annual and six-monthly reset periods) have their respective interest rates reset to include Euribor rate rises throughout 2007.

The Interest Swap however mitigates the interest rate risk occurring in the Fund because interest on the Loans floats with different benchmark indices and different reset and settlement periods with respect to 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 Loan interest rate renegotiations.

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 3 FONDO DE TITULIZACIÓN DE ACTIVOS (the "**Fund**" and/or the "**Issuer**"), takes responsibility for the contents of this Registration Document.

Mr Mario Masiá Vicente, 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 is expressly acting for establishing the Fund pursuant to authorities conferred by the Board of Directors' Executive Committee on October 23, 2007.

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 contents.

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, 2012, 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 3 FONDO DE TITULIZACIÓN DE ACTIVOS" and the following short names may also be used without distinction to identify the Fund:

- RURALPYME 3 FTA
- RURALPYME 3 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 has been entered in the Official Registers of the CNMV.

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 Originators' presence, proceed to execute on December 19, 2007 a public deed whereby RURALPYME 3 FONDO DE TITULIZACIÓN DE ACTIVOS will be established, the Originators will assign Non-Mortgage Loan receivables and Mortgage Loan receivables to the Fund, the latter by issuing 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, notwithstanding the need to complete the respective details and amounts of the Loans to be assigned under the Deed of Constitution.

The Deed of Constitution may not be altered other than in exceptional events, provided that there are no circumstances preventing that in accordance with the laws and regulations in force from time to time. 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 Agency, and provided that such changes are not detrimental to the ratings assigned to the Bonds by the Rating Agency. The amendment of the Deed of Constitution as provided for in this paragraph shall be notified by the Management Company to the CNMV and the Rating Agency. 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 24, 2041 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 early liquidation ("**Early Liquidation**") of the Fund and thereby 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 Series A, B, C and D Bonds yet to be repaid may be honoured and settled in full in the Liquidation Priority of Payments.

Series A, B, C and D Bond payment obligations on the Early Liquidation date 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 its authorisation to act as an asset securitisation fund management company is revoked by the CNMV, and 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 Early Liquidation of the Fund.

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

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

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

(i) Notwithstanding the provisions of paragraph (iv) below, proceed to sell the Non-Mortgage Loan receivables and the Pass-Through Certificates remaining in the Fund at a reasonable market price, initially not less than the sum of the principal still outstanding plus interest accrued and not paid on the relevant Loans.

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

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

(iv) Finally, both due to the preceding actions falling short and the existence of Non-Mortgage Loan receivables, Pass-Through Certificates or other remaining assets of the Fund, the Management Company shall proceed to sell them and shall therefore invite a bid from at least five (5) entities who may, in its view, give a reasonable market value. The Management Company shall be bound to accept the best bid received 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.

For (i) and (iv) above, each Originator shall have a pre-emptive right and will therefore have priority over third parties to acquire the Non-Mortgage Loan receivables originated by each Originator, the Pass-Through Certificates issued thereby or other remaining Loan assets still on the assets of the Fund, and shall, for (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 Non-Mortgage Loan receivables, Pass-Through Certificates and remaining Loan assets and of third-party bids received, and each Originator may use that right for all of the 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 A, B, C and D Bonds then outstanding, which shall be fully applied to Early Amortisation of these Series.

4.4.4 Termination of the Fund.

The Fund shall terminate in any case, after observing the relevant legal procedure, 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 final liquidation of the Fund on the Final Maturity Date on April 24, 2041 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 Agency should not confirm any of the assigned provisional ratings as final ratings by 1pm (CET) on December 20, 2007. In this event, the Management Company shall terminate the establishment of the Fund, the assignment of the loan receivables 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, and the Start-Up Loan agreement shall not be terminated but shall rather be cancelled after those amounts are settled, principal repayment being subordinated to fulfilment of all other obligations undertaken by the Management Company, acting for and on behalf of the Fund.

In the event that there should be any remainder upon the Fund being liquidated and after making all payments to the various creditors by distributing the Liquidation Available Funds in the 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 Non-Mortgage Loan receivables, Pass-Through Certificates 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 being the authorised representative of 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 accordance with the legal system provided 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) Act 3/1994, (iv) Royal Decree 1310/2005, (v) Regulation 809/2004, 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, article 5.10 of Act 19/1992, article 7.1.h) of the Corporation Tax Act, article 20.One.18 of the Value Added Tax Act, article 59.k of the Corporation Tax Regulations, article 45.I.B).15 of the Capital Transfer and Documents Under Seal Tax Act, additional provision five of Act 3/1994, and Act 35/2006, 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 shall pay Corporation Tax, the taxable income being determined in accordance with the provisions of Title IV of the Corporation Tax Act, applying the general rate in force from time to time, which currently stands at 32.5%, effective from January 1, 2007, and will be reduced to 30% for tax periods starting on January 1, 2008, and subject to common rules regarding tax credit, set-off of losses and other substantial constituent elements of the tax.

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

(v) The management and custody services provided by the Management Company to the Fund shall be exempt from Value Added Tax.

(vi) Transfer of the Loan receivables to the Fund is a transaction exempt from and subject to Value Added Tax.

(vii) The reporting duties established by Additional Provision Two of Act 13/1985 shall apply to the Fund.

The procedure to satisfy those reporting duties was implemented by Royal Decree 2281/1998 and, from January 1, 2008, by Royal Decree 1065/2007, July 27, repealing Royal Decree 2281/1998.

(viii) Interest Swap Agreement payments received by the Fund shall pay tax based on the Corporation Tax rules and shall not be subject to a withholding on account.

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 loan receivables owned by the Originators (the "**Loans**") granted to non-financial small and medium-sized enterprises (sole traders and legal persons) domiciled in Spain (the "**Obligors**"), and to issue asset-backed bonds, subscription of which shall be underwritten.

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 Loan receivables 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 currently worded, on the terms provided for in section 3.3 of the Building Block.

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

The Non-Mortgage Loan receivables shall be directly assigned to the Fund in the Deed of Constitution 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 the assignment of their receivables.

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 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 be the authorised representative of 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 ASTURIAS, S.C.C., CAJA RURAL DE CÓRDOBA, S.C.C., CAJA RURAL DE EXTREMADURA, S.C.C., CAJA RURAL DE GIJÓN, C.C., CAJA RURAL DE GRANADA, S.C.C., CAJA RURAL DE NAVARRA, S.C.C., CAJA RURAL DE TERUEL, S.C.C., CAJA RURAL DE ZAMORA, C.C., and CAJA RURAL DEL SUR, S.C.C., are the institutions (i) originating the Non-Mortgage Loan receivables and (ii) issuing the Pass-Through Certificates backed by Mortgage Loan receivables, which shall be assigned to and subscribed for by the Fund upon being established. In addition, those institutions shall be the Fund's counterparty under the 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 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 rating agencies.

- CAJA RURAL ARAGONESA Y DE LOS PIRINEOS, S.C.C. ("**MULTICAJA**" or "**CAJA RURAL ARAGONESA Y DE LOS PIRINEOS**") 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 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 rating agencies.

- CAJA RURAL DE ARAGÓN, S.C.C. ("**CAJALÓN**" or "**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 rating agencies.

- CAJA RURAL DE ASTURIAS, S.C.C. ("**CAJA RURAL DE ASTURIAS**") is a credit co-operative incorporated in Spain and entered in the Companies Register of Oviedo, Volume 1021, Folio 83, Sheet 625.

  VAT Reg. No.: F-33007337 Business Activity Code No.: 65123

  Registered office: Melquíades Alvarez, 7, 33002 Oviedo.

  CAJA RURAL DE ASTURIAS has no ratings assigned by 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 rating agencies.

- CAJA RURAL DE EXTREMADURA, S.C.C. ("**CAJA RURAL DE EXTREMADURA**") is a credit co-operative incorporated in Spain and entered in the Companies Register of Badajoz, Volume 106, Folio 1, Sheet BA-6.141, Entry 1.

  VAT Reg. No.: F-06002661 Business Activity Code No.: 65123

  Registered office: Avenida de Santa Marina, 15, 06005 Badajoz (Spain).

  CAJA RURAL DE EXTREMADURA has no ratings assigned by 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 rating agencies.

- CAJA RURAL DE GRANADA, S.C.C. ("**CAJA RURAL DE GRANADA**") is a credit co-operative incorporated in Spain and entered in the Companies Register of Granada, Volume 966, Folio 66, Sheet GR-7,223, entry 264.

  VAT Reg. No.: F-18009274 Business Activity Code No.: 65123

  Registered office: Av. Don Bosco, 2, 18006 Granada (Spain).

  Ratings for the short- and long-term unsecured and unsubordinated debt obligations of CAJA RURAL DE GRANADA assigned by rating agencies:

	Moody's Ratings
Short-term	P-2 (May 2007)
Long-term	A3 (May 2007)

- 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 rating agencies:

	Moody's Ratings	**Fitch Ratings**
Short-term	P-1 (November 2007)	F2 (June 2007)
Long-term	A2 (November 2007)	A- (December 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 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 rating agencies.

- 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).

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

	Fitch Ratings
Short-term	F2 (June 2007)
Long-term	A- (November 2006)

- BANCO COOPERATIVO ESPAÑOL, S.A. ("**BANCO COOPERATIVO**") shall be the Lead Manager and the Subscriber of the Bond Issue.

  Out of the functions and activities that Lead Managers may discharge in accordance with articles 35.1 and 35.3 of Royal Decree 1310/2005, BANCO COOPERATIVO will carry out the actions and activities provided for in respect of the Lead Manager in the Securities Note.

  It will also be the Fund's counterparty under the Guaranteed Interest Rate Account (Treasury Account), Interest Swap, Bond Paying Agent, Loan Servicing (as potential substitute in certain circumstances for the Servicers) and Pass-Through Certificate Custody 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 rating agencies:

	Fitch Ratings	**Moody's Ratings**
Short-term	F1 (June 2007)	P-1 (April 2007)
Long-term	A (December 2006)	A2 (April 2007)

- MOODY'S INVESTORS SERVICE ESPAÑA, S.A. is the rating agency (the "**Rating Agency**") 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 J & A Garrigues, S.L. ("**GARRIGUES**") has provided legal advice for establishing the Fund and issuing the Bonds and reviewed the tax implications thereof.

  VAT Reg. Number: B-81709081

  Registered Office: Hermosilla, 3, 28001 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.

The Originators have a joint 31.58% 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 ASTURIAS, C.C.	3.38
CAJA RURAL DE CORDOBA, S.C.C.	1.39
CAJA RURAL DE EXTREMADURA, S.C.C.	1.30
CAJA RURAL DE GIJÓN, C.C..	0.34
CAJA RURAL DE GRANADA, S.C.C.	4.01
CAJA RURAL DE NAVARRA, S.C.C.	4.67
CAJA RURAL DE TERUEL, S.C.C.	0.84
CAJA RURAL DE ZAMORA, C.C.	1.3
CAJA RURAL DEL SUR, S. C. C.	6.19
	31.58

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 managing and being the authorised representative 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, 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, 2006, 2005 and 2004 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 2006, 2005 and 2004 have no provisos.

6.3 Principal activities.

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

EUROPEA DE TITULIZACIÓN managed 79 securitisation funds at November 30, 2007, 22 being mortgage securitisation funds and 57 being asset securitisation funds.

The following table itemises the 79 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 November 30, 2007.

Securitisation Fund	Establishment	Initial Bond Issue	Issue Balance 30.11.2007	Bonds	Issue Balance 31.12.2006	Bonds	Bond Issue Balance 31.12.2005
		EUR	EUR	Δ%	EUR	Δ%	EUR
TOTAL		**93,398,796,652.96**	**68,075,787,119.31**	**63.6%**	**41,622,450,971.95**	**28.11%**	**32,490,363,122.22**
Mortgage (FTH)		**15,117,046,652.96**	**8,107,398,812.21**	**20.3%**	**6,739,243,850.52**	**4.08%**	**6,475,261,178.18**
Bankinter 15 FTH	08.10.2007	1,525,500,000.00	1,525,500,000.00				
Bankinter 14 FTH	19.03.2007	964,000,000.00	927,556,811.46				
Bankinter 12 FTH	06.03.2006	1,200,000,000.00	1,014,533,670.56	-15.5%	1,200,000,000.00		
Valencia Hipotecario 2 FTH	07.12.2005	950,000,000.00	714,150,188.05	-14.0%	830,584,559.95	-12.6%	950,000,000.00
Bankinter 11 FTH	28.11.2005	900,000,000.00	739,129,526.88	-17.9%	900,000,000.00	0.0%	900,000,000.00
Bankinter 7 FTH	18.02.2004	490,000,000.00	279,340,450.76	-10.1%	310,601,446.96	-12.9%	356,717,443.60
Bankinter 5 FTH	16.12.2002	710,000,000.00	338,235,796.10	-14.2%	394,326,433.24	-15.3%	465,770,758.79
BZ Hipotecario 4 FTH	27.11.2002	313,400,000.00	109,224,548.96	-18.2%	133,590,667.48	-21.8%	170,910,609.60
Rural Hipotecario IV FTH	14.11.2002	520,000,000.00	213,157,220.89	-15.8%	253,138,797.81	-18.7%	311,312,202.68
Bancaja 4 FTH	05.11.2002	1,000,000,000.00	368,214,509.45	-13.7%	426,542,491.90	-19.6%	530,288,384.35
Bankinter 4 FTH	24.09.2002	1,025,000,000.00	505,642,125.86	-15.0%	594,725,493.56	-14.5%	695,988,565.76
Rural Hipotecario III FTH	14.05.2002	325,000,000.00	130,917,167.56	-13.4%	151,223,912.92	-17.3%	182,884,293.55
Bankinter 3 FTH	22.10.2001	1,322,500,000.00	533,845,866.60	-16.1%	636,195,596.86	-15.4%	752,104,867.20
BZ Hipotecario 3 FTH	23.07.2001	310,000,000.00	84,455,223.08	-19.4%	104,762,637.42	-20.2%	131,343,594.55
Rural Hipotecario II FTH	29.05.2001	235,000,000.00	70,792,127.80	-18.8%	87,231,827.20	-19.8%	108,722,959.00
BZ Hipotecario 2 FTH	28.04.2000	285,000,000.00	47,380,418.96	-22.3%	61,003,530.94	-23.1%	79,335,648.86
Rural Hipotecario I FTH	22.02.2000	200,000,000.00	41,327,704.16	-21.9%	52,894,964.42	-23.0%	68,686,186.28
Bankinter 2 FTH	25.10.1999	320,000,000.00	93,704,625.41	-17.4%	113,458,270.94	-17.1%	136,877,163.99
Bankinter 1 FTH	12.05.1999	600,000,000.00	118,501,046.04	-20.8%	149,656,739.58	-20.6%	188,428,409.46
BZ Hipotecario 1 FTH	16.04.1999	350,000,000.00	52,445,464.46	-18.1%	64,073,530.22	-24.7%	85,068,186.20
Hipotecario 2 FTH	04.12.1998	1,051,771,182.67	165,880,884.18	-24.1%	218,421,786.82	-23.4%	285,097,903.72
Bancaja 2 FTH	23.10.1998	240,404,841.75	33,463,434.99	-25.8%	45,073,251.00	-24.8%	59,937,667.99
Bancaja 1 FTH	18.07.1997	120,202,420.88	0.00	-100.0%	11,737,911.30	-25.6%	15,786,332.60
BBV-MBS I FTH	30.11.1995	90,151,815.66	liquidated				
Hipotecario 1 FTH	20.09.1993	69,116,392.00	liquidated				
Asset (FTA)		**70,287,350,000.00**	**59,968,388,307.10**	**71.9%**	**34,883,207,121.43**	**34.1%**	**26,015,101,944.04**
BBVA RMBS 4 FTA	19/11/2007	4,900,000,000.00	4,900,000,000.00				
Bankinter 3 FTPYME FTA	12/11/2007	617,400,000.00	617,400,000.00				
BBVA Empresas 1 FTA	05/11/2007	1,450,000,000.00	1,450,000,000.00				

Securitisation Fund	Establishment	Initial Bond Issue EUR	Issue Balance 30.11.2007 EUR	Bonds Δ%	Issue Balance 31.12.2006 EUR	Bonds Δ%	Bond Issue Balance 31.12.2005 EUR
FTPYME Bancaja 6 FTA	26/09/2007	1,027,000,000.00	1,027,000,000.00				
BBVA RMBS 3 FTA	23/07/2007	3,000,000,000.00	2,933,975,280.00				
PYME Valencia 1 FTA	20/07/2007	865,300,000.00	827,744,692.00				
Bancaja 11 FTA	16/07/2007	2,022,900,000.00	1,977,845,666.00				
BBVA Leasing 1 FTA	25/06/2007	2,500,000,000.00	2,500,000,000.00				
BBVA-6 FTPYME FTA	11/06/2007	1,500,000,000.00	1,418,679,085.43				
BBVA Finanzia Autos 1 FTA	30/04/2007	800,000,000.00	800,000,000.00				
MBS Bancaja 4 FTA	27/04/2007	1,873,100,000.00	1,727,599,220.00				
Rural Hipotecario IX FTA	28/03/2007	1,515,000,000.00	1,401,597,880.00				
BBVA RMBS 2 FTA	26/03/2007	5,000,000,000.00	4,719,212,585.00				
BBVA RMBS 1 FTA	19.02.2007	2,500,000,000.00	2,332,435,920.00				
Bancaja 10 FTA	26.01.2007	2,631,000,000.00	2,381,068,878.00				
BBVA Consumo 2 FTA	27.11.2006	1,500,000,000.00	1,500,000,000.00	0.0%	1,500,000,000.00		
Ruralpyme 2 FTPYME FTA	24.11.2006	617,050,000.00	500,199,171.30	-18.9%	617,050,000.00		
Bankinter 13 FTA	20.11.2006	1,570,000,000.00	1,570,000,000.00	0.0%	1,570,000,000.00		
Valencia Hipotecario 3 FTA	15.11.2006	911,000,000.00	804,599,288.61	-11.7%	911,000,000.00		
BBVA-5 FTPYME FTA	23.10.2006	1,900,000,000.00	1,468,502,296.16	-22.7%	1,900,000,000.00		
PYME Bancaja 5 FTA	02.10.2006	1,178,800,000.00	732,026,693.30	-37.9%	1,178,800,000.00		
Bankinter 2 PYME FTA	26.06.2006	800,000,000.00	602,635,264.80	-24.7%	800,000,000.00		
Consumo Bancaja 1 FTA	26.06.2006	612,900,000.00	612,900,000.00	0.0%	612,900,000.00		
Rural Hipotecario VIII FTA	26.05.2006	1,311,700,000.00	1,082,823,864.72	-17.4%	1,311,700,000.00		
BBVA Consumo 1 FTA	08.05.2006	1,500,000,000.00	1,500,000,000.00	0.0%	1,500,000,000.00		
MBS BANCAJA 3 FTA	03.04.2006	810,000,000.00	601,654,541.60	-14.4%	703,043,514.80		
Bancaja 9 FTA	02.02.2006	2,022,600,000.00	1,523,166,590.00	-12.7%	1,744,997,380.00		
BBVA Autos 2 FTA	12.12.2005	1,000,000,000.00	1,000,000,000.00	0.0%	1,000,000,000.00	0.0%	1,000,000,000.00
Edt FTPYME Pastor 3 FTA	05.12.2005	520,000,000.00	232,785,467.78	-38.9%	380,805,675.83	-26.8%	520,000,000.00
Rural Hipotecario Global I FTA	18.11.2005	1,078,000,000.00	795,789,260.08	-14.6%	932,164,120.79	-13.5%	1,078,000,000.00
FTPYME Bancaja 4 FTA	07.11.2005	1,524,000,000.00	614,803,420.00	-37.7%	986,887,779.41	-35.2%	1,524,000,000.00
BBVA 4 PYME FTA	26.09.2005	1,250,000,000.00	550,956,981.29	-55.9%	1,250,000,000.00	0.0%	1,250,000,000.00
Bankinter 10 FTA	27.06.2005	1,740,000,000.00	1,321,296,089.30	-9.9%	1,466,558,997.10	-15.7%	1,740,000,000.00
MBS Bancaja 2 FTA	27.06.2005	809,200,000.00	476,949,943.28	-18.5%	585,069,193.36	-21.5%	745,472,663.52
BBVA Hipotecario 3 FTA	13.06.2005	1,450,000,000.00	835,495,733.83	-19.9%	1,042,844,698.00	-21.1%	1,321,621,631.30
Rural Hipotecario VII FTA	29.04.2005	1,100,000,000.00	760,938,998.23	-10.9%	853,742,668.37	-14.8%	1,002,428,919.05
Bancaja 8 FTA	22.04.2005	1,680,100,000.00	1,026,987,917.65	-18.1%	1,253,797,200.56	-18.6%	1,539,361,229.38
Bankinter 9 FTA	14.02.2005	1,035,000,000.00	750,388,699.40	-12.8%	860,813,028.16	-16.8%	1,035,000,000.00
BBVA-3 FTPYME FTA	29.11.2004	1,000,000,000.00	413,334,243.11	-29.9%	589,349,210.82	-41.1%	1,000,000,000.00
Ruralpyme 1 FTPYME FTA	23.11.2004	214,000,000.00	106,820,816.00	-19.6%	132,892,833.40	-23.2%	173,024,296.72
BBVA Autos 1 FTA	25.10.2004	1,000,000,000.00	634,242,970.00	-29.3%	897,434,960.00	-10.3%	1,000,000,000.00
FTPYME Bancaja 3 FTA	11.10.2004	900,000,000.00	266,634,743.80	-28.9%	375,133,008.09	-58.3%	900,000,000.00
Bancaja 7 FTA	12.07.2004	1,900,000,000.00	990,445,484.28	-16.8%	1,190,508,554.06	-32.0%	1,750,000,000.00
Rural Hipotecario VI FTA	07.07.2004	950,000,000.00	554,652,864.75	-14.8%	651,118,829.40	-16.7%	781,477,860.25
MBS Bancaja 1 FTA	17.05.2004	690,000,000.00	291,929,875.34	-20.9%	369,020,564.16	-46.5%	690,000,000.00
Valencia H 1 FTA	23.04.2004	472,000,000.00	268,739,092.92	-15.2%	316,993,112.58	-14.6%	371,107,375.09
Bankinter 8 FTA	03.03.2004	1,070,000,000.00	644,951,800.16	-10.2%	718,061,846.93	-14.3%	837,970,768.01
Bancaja 6 FTA	03.12.2003	2,080,000,000.00	870,772,845.80	-19.2%	1,077,852,239.88	-21.3%	1,369,610,139.04
Rural Hipotecario V FTA	28.10.2003	695,000,000.00	367,582,759.56	-11.6%	415,711,778.28	-16.8%	499,528,194.12
Bankinter 6 FTA	25.09.2003	1,350,000,000.00	783,705,979.58	-13.4%	904,534,542.77	-13.3%	1,043,250,162.72
FTPYME Bancaja 2 FTA	19.09.2003	500,000,000.00	135,575,823.37	-28.7%	190,138,306.78	-29.7%	270,480,639.80
Bancaja 5 FTA	14.04.2003	1,000,000,000.00	396,415,664.95	-17.2%	478,827,993.55	-20.7%	604,031,954.00
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	252,024,264.00	-1.4%	255,514,370.40	-2.1%	260,899,034.40
BBVA-2 FTPYME ICO	01.12.2000	900,000,000.00	97,443,577.80	-44.3%	175,048,960.77	-42.9%	306,595,443.42
BCL Municipios I FTA	21.06.2000	1,205,000,000.00	378,681,480.00	-17.6%	459,377,520.00	-22.9%	595,672,530.00
BBVA-1 FTA	24.02.2000	1,112,800,000.00	114,074,593.92	-43.7%	202,614,233.18	-28.8%	284,669,103.22

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)	**31.12.2006**	Δ%	**31.12.2005**	Δ%	**31.12.2004**
Equity *	**3,095,298.97**	**0.00%**	**3,095,298.97**	**0.00%**	**3,095,298.97**
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	0.00%	1,292,261.47
Legal	*360,607.50*	0.00%	*360,607.50*	0.00%	*360.607,50*
Voluntary	*931,653.97*	0.00%	*931,653.97*	0.00%	*931.653,97*
Year's profit	**2,004,500.15**	**12.02%**	**1,789,429.69**	**0.14%**	**1,786,915.94**

* 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 all of its authorities that may be delegated by law and under the articles, including resolving to set up Asset Securitisation Funds, to an Executive Committee. 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 (*) (**)

Vice-Chairman: Mr Pedro María Urresti Laca (**)
Directors: Mr Ignacio Aldonza Goicoechea (**)
Mr Luis Bach Gómez (*) (**)
Mr Jon Bilbao Vidaurrazaga (**)
Mr José Mª. Castellón Leal on behalf of Barclays Bank, S.A.
Mr Ignacio Echevarría Soriano (**)
Ms Ana Fernández Manrique (*) (**)
Mr Thierry Loiseau on behalf of BNP Paribas España, S.A.
Mr Mario Masiá Vicente (*)
Mr Arturo Miranda Martín on behalf of J.P. Morgan España, S.A. (*)
Mr Vicente Ortueta Monfort (**)
Ms Carmen Pérez de Muniaín Marzana (**)
Mr José Miguel Raboso Díaz on behalf of Citibank España, S.A. (*)
Mr Justo de Rufino Portillo (*)(**)
Mr Jorge Sáenz de Miera on behalf of Deutsche Bank Credit, S.A.
Mr Borja Uriarte Villalonga on behalf of Bankinter, S.A.

Non-Director Secretary: Ms Belén Rico Arévalo

(*) Member of the Board of Directors' Executive Committee.
(**) Proprietary Directors for BBVA

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

General Manager.

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

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

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
Banco Sabadell, S.A.	1.5317
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
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 at the date of this Registration Document.

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

Not applicable.

8.2 bis Historical financial information for issues of securities having a denomination per unit of at least EUR 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 audit report on certain characteristics and attributes of a sample of all the loans selected in order for the relevant receivables to be assigned to the Fund;

f) the letters from the Rating Agency notifying the provisional and final ratings assigned to each Series in the Bond Issue;

g) the letter statement from the Lead Manager of the Bond Issue;

h) the letter statements from the Originators;

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

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

k) the Management Company's articles of association and memorandum of association.

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, of AIAF at www.aiaf.es, and of the CNMV at www.cnmv.es.

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 above documents from a) to i), excepting d), are on display at the CNMV.

SECURITIES NOTE

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

1 PERSONS RESPONSIBLE

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

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 3 FONDO DE TITULIZACIÓN DE ACTIVOS, takes responsibility for the contents of this Securities Note.

Mr Mario Masiá Vicente, 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, is acting expressly for establishing the Fund pursuant to authorities conferred by the Board of Directors' Executive Committee on October 23, 2007.

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 contents.

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 ASTURIAS, CAJA RURAL DE CÓRDOBA, CAJA RURAL DE EXTREMADURA, CAJA RURAL DE GIJÓN, CAJA RURAL DE GRANADA, CAJA RURAL DE NAVARRA, CAJA RURAL DE TERUEL, CAJA RURAL DE ZAMORA, and CAJA RURAL DEL SUR are the Originators and shall be the Fund's counterparty under the Start-Up Loan, Loan Servicing and Financial Intermediation Agreements.

c) BANCO COOPERATIVO is involved as Lead Manager and Subscriber of the Bond Issue. In addition, BANCO COOPERATIVO is involved as Paying Agent of the Bond Issue and as the Fund's counterparty under the Guaranteed Interest Rate Account (Treasury Account), Interest Swap, Loan Servicing (as potential substitute in certain circumstances for the Servicers) and Pass-Through Certificate Custody 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 and subscription.

The total face value amount of the issue of asset-backed bonds (the "**Bond Issue**" and the "**Bonds**") is EUR eight hundred and thirty million (830,000,000.00) consisting of eight thousand six hundred (8,600) Bonds denominated in euros and comprised of five Series as follows:

a) Series A having a total face amount of EUR seven hundred and twenty million eight hundred thousand (720,800,000.00) comprising seven thousand two hundred and eight (7,208) Bonds having a unit face value of EUR one hundred thousand (100,000), represented by means of book entries (either "**Series A**" or "**Series A Bonds**").

b) Series B having a total face amount of EUR forty-four million eight hundred thousand (44,800,000.00) comprising four hundred and forty-eight (448) Bonds having a unit face value of EUR one hundred thousand (100,000), represented by means of book entries (either "**Series B**" or "**Series B Bonds**").

c) Series C having a total face amount of EUR eight million (8,000,000.00) comprising eighty (80) Bonds having a unit face value of EUR one hundred thousand (100,000), represented by means of book entries (either "**Series C**" or "**Series C Bonds**").

d) Series D having a total face amount of EUR twenty-six million four hundred thousand (26,400,000.00) comprising two hundred and sixty-four (264) Bonds having a unit face value of EUR one hundred thousand (100,000), represented by means of book entries (either "**Series D**" or "**Series D Bonds**").

e) Series E having a total face amount of EUR thirty million (30,000,000.00) comprising six hundred (600) Bonds having a unit face value of EUR fifty thousand (50,000), represented by means of book entries (either "**Series E**" or "**Series E Bonds**").

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

4.1.1 Subscription for the Bond Issue.

The Bond Issue shall be subscribed for by BANCO COOPERATIVO ESPAÑOL under the Bond Issue Management and Subscription Agreement, to be entered into with the Management Company, for and on behalf of the Fund.

BANCO COOPERATIVO shall receive no remuneration for subscribing for or managing the Bond Issue and shall pay to the Fund on the Closing Date, for same day value, the total price for subscribing for the Bond Issue at face value.

The Bond Issue Management and Subscription Agreement shall be fully terminated in the event that the Rating Agency should not confirm the provisional ratings assigned to each Series as final ratings by 1pm (CET) on December 20, 2007.

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) Regulation 809/2004, (v) Royal Decree 1310/2005, and (vi) 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 A 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 Series A 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 Series A, Series B and Series C Bonds, as provided in the Priority of Payments and in the Liquidation Priority of Payments.

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

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

Payment of interest accrued by Series A Bonds is (i) 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 eighth (8^{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 ninth (9^{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) sixth (6^{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 tenth (10^{th}), and (ii) tenth (10^{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 E Bonds is (i) twelfth (12^{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) thirteenth (13^{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 A, B, C and D Amortisation Withholding amount allocated to amortising these Bonds as a whole without distinction between those Series is seventh (7^{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 A, B, C and D Bond principal shall take place in accordance with the rules for Distribution of Available Funds for Amortisation of Series A, B, C and D contained in section 4.9.3.6 of this Securities Note.

Repayment of Series E Bond principal is twelfth (12^{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 A 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 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.

Repayment of Series E Bond principal is fourteenth (14^{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 Loan default or prepayment, 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 due to the Management Company establishing, managing and being the authorised representative of the Fund and the Bond Issue by the same shall be heard and ruled upon by the competent Spanish Courts and Tribunals.

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 yearly nominal interest, variable and payable quarterly, which shall be the result of applying the policies established hereinafter for each 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 at the preceding Determination Date, provided that the Fund has sufficient liquidity in the Priority of Payments or in the Liquidation Priority of Payments, as the case may be.

Withholdings, interim payments, contributions and taxes 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, December 21, 2007, inclusive, and the first Payment Date, April 24, 2008, 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 A:** 0.30% margin.
- **Series B:** 0.60% margin.
- **Series C:** 1.20% margin.
- **Series D:** 2.25% margin.
- **Series E:** 4.50% margin.

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 ("Fédération Bancaire de l'Union Européene") 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) on the first Business Day preceding the Closing Date, 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 Series A, B, C and D Bonds, declared by four (4) prime banks in the Euro zone, following a simultaneous request to each of their headquarters by the Paying Agent as soon as possible after 11am (CET) on the Interest Rate Fixing Date.

   Exceptionally, the substitute Reference Rate for the first Interest Accrual Period shall be the rate resulting from a 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 as soon as possible after 11am (CET) on the first 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 subsequent 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 first Business Day preceding the Closing Date, and shall notify the same in writing on the same day to the Subscriber. 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 subsequent 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 at 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.

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

Interest on the Bonds in all Series will be paid until they are finally amortised by Interest Accrual Periods in arrears on January 24, April 24, July 24 and October 24 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 24, 2008, and interest will accrue at the applicable Nominal Interest Rate between the Closing Date, December 21, 2007, inclusive, and April 24, 2008, 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 actual Series, if any, which 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 because the Available Funds fall short.

Overdue interest amounts shall not earn 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 24, 2041, 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 A, B, C and D 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 E 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 A Bonds.

Series A Bond principal shall be amortised by partial amortisation on each Payment Date after Bond amortisation begins until their total face amount has been fully amortised, in an amount equal to the Available Funds for Amortisation of Series A, B, C and D applied on each Payment Date to amortising Series A, in accordance with the rules for Distribution of Available Funds for Amortisation of Series A, B, C and D given in sections 4.9.3.5 and 4.9.3.6 below.

The first partial amortisation of Series A Bonds shall occur on the first Payment Date, April 24, 2008.

Final amortisation of Series A Bonds shall occur on the Final Maturity Date (April 24, 2041 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 Early Amortisation of the Bond Issue before the Final Maturity Date.

4.9.2.2 **Amortisation of Series B Bonds.**

Series B Bond principal shall be amortised by partial amortisation on each Payment Date after Bond amortisation begins until their total face amount has been fully amortised, in an amount equal to the Available Funds for Amortisation of Series A, B, C and D applied on each Payment Date to amortising Series B, in accordance with the rules for Distribution of Available Funds for Amortisation of Series A, B, C and D 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 Series A Bonds have been fully amortised. However, even if Series A has not been fully amortised, the Available Funds for Amortisation of Series A, B, C and D 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 A, B, C and D, 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 A, B, C and D remains at 11.20%, or higher percentage closest thereto.

Final amortisation of Series B Bonds shall occur on the Final Maturity Date (April 24, 2041 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 Early Amortisation of the Bond Issue before the Final Maturity Date.

4.9.2.3 **Amortisation of Series C Bonds.**

Series C Bond principal shall be amortised by partial amortisation on each Payment Date after Bond amortisation begins until their total face amount has been fully amortised, in an amount equal to the Available Funds for Amortisation of Series A, B, C and D applied on each Payment Date to amortising Series C in accordance with the rules for Distribution of Available Funds for Amortisation of Series A, B, C and D 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 Series A and Series B Bonds have been fully amortised. However, even if Series A and Series B have not been fully amortised, the Available Funds for Amortisation of Series A, B, C and D 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 A, B, C and D, 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 A, B, C and D remains at 2.00%, or higher percentage closest thereto.

Final amortisation of Series C Bonds shall occur on the Final Maturity Date (April 24, 2041 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 Early Amortisation of the Bond Issue before the Final Maturity Date.

4.9.2.4 **Amortisation of Series D Bonds.**

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

The first partial amortisation of Series D Bonds shall occur once Series A, Series B and Series C Bonds have been fully amortised. However, even if Series A, Series B and Series C have not been fully amortised, the Available Funds for Amortisation of Series A, B, C and D shall also be applied to amortising Series D on the Payment Date on which the Conditions for Pro Rata Amortisation are satisfied for Series D in accordance with the rules for Distribution of Available Funds for Amortisation of Series A, B, C and D, in such a way that the ratio of the Outstanding Principal Balance of Series D to the sum of the Outstanding Principal Balance of Series A, B, C and D remains at 6.60%, or higher percentage closest thereto.

Final amortisation of Series D Bonds shall occur on the Final Maturity Date (April 24, 2041 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 Early Amortisation of the Bond Issue before the Final Maturity Date.

4.9.2.5 **Amortisation of Series E Bonds.**

Series E 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 E, in accordance with the Priority of Payments, pro rated between the Bonds in Series E proper by reducing the face amount of each Series E Bond.

Partial amortisation of Series E Bonds shall occur on each Payment Date in an amount equal to the positive difference existing between the Outstanding Principal Balance of Series E 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 out of 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 thirty million (30,000,000.00).

(ii) The higher of:

a) 7.50% of the sum of the Outstanding Principal Balance of Series A, B, C and D.

b) EUR fifteen million (15,000,000.00).

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 three (3) years have not elapsed since the date of establishment of the Fund.”

Final amortisation of Series E Bonds shall occur on the Final Maturity Date (April 24, 2041 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 Early Amortisation of the Bond Issue before the Final Maturity Date.

4.9.3 **Partial amortisation of Series A, B, C and D 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 Series A, B, C and D 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 A, B, C and D.

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 A, B, C and D which the Fund shall dispose of on the relevant Payment Date, in the Priority of Payments. The first Determination Date shall be April 17, 2008.

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 17, 2008, 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) as at a given date of all the Bonds in that Series.

By addition, the Outstanding Principal Balance of the Bond Issue shall be the sum of the Outstanding Principal Balance of all five Series A, B, C, D and E 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 as at 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 as at that date.

Delinquent Loans shall be deemed to be Loans that are delinquent as at 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 as at a given date, also excluding Doubtful Loans.

Doubtful Loans shall be deemed to be Loans that are delinquent as at a given date with a period of arrears equal to or greater than eighteen (18) months in payment of overdue amounts or classified as doubtful 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 as at a given date.

4.9.3.4 **Series A, B, C and D Amortisation Withholding on each Payment Date.**

On each Payment Date, the Available Funds shall be used in seventh (7^{th}) place in the order of priority for application, in accordance with the Priority of Payments, for withholding the amount allocated to amortising Series A, B, C and D Bonds as a whole and without distinguishing among those Series ("**Series A, B, C and D 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 A, B, C and D, 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 A, B, C and D Amortisation Withholding shall be included in the Available Funds for Amortisation of Series A, B, C and D to be applied in accordance with the rules for Distribution of Available Funds for Amortisation of Series A, B, C and D established hereinafter in section 4.9.3.6 below.

4.9.3.5 **Available Funds for Amortisation of Series A, B, C and D on each Payment Date.**

The available funds for amortisation on each Payment Date (the "**Available Funds for Amortisation of Series A, B, C and D**") shall be the Series A, B, C and D Amortisation Withholding amount actually applied in seventh (7th) place in order of priority for applying the Available Funds on the relevant Payment Date.

4.9.3.6 **Distribution of Available Funds for Amortisation of Series A, B, C and D.**

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

1. The Available Funds for Amortisation of Series A, B, C and D shall be sequentially applied firstly to amortising Series A until fully amortised, secondly to amortising Series B until fully amortised, thirdly to amortising Series C until fully amortised and fourthly to amortising Series D until fully amortised, notwithstanding the provisions of rules 2 and 3 below for pro rata amortisation of Series B, C and D.

2. There shall be no exception and, even if Series A has not been fully amortised, the Available Funds for Amortisation of Series A, B, C and D shall also be applied to amortising Series B and, as the case may be, Series C and, as the case may be, Series D on the Payment Date on which the following circumstances are all satisfied with respect to amortisation of each Series B, C and D ("**Conditions for Pro Rata Amortisation**"):

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

      i) that the Required Cash Reserve is to be fully provisioned on the relevant Payment Date; and

      ii) that on the Determination Date preceding the relevant Payment Date, the amount of the Outstanding Balance of 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) Additionally, 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 11.20% of the sum of the Outstanding Principal Balance of Series A, B, C and D; and

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

   c) Additionally, 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 2.00% of the sum of the Outstanding Principal Balance of Series A, B, C and D; and

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

   d) Additionally, in order to amortise Series D, that on the Determination Date preceding the relevant Payment Date:

      i) the Outstanding Principal Balance of Series D is equal to or greater than 6.60% of the sum of the Outstanding Principal Balance of Series A, B, C and D; and

      ii) the Outstanding Balance of Delinquent Loans does not exceed 0.75% of the Outstanding Balance of Non-Doubtful Loans.

3. In the event that the amortisation of Series B and, as the case may be, Series C and, as the case may be, Series D should apply on a Payment Date because the Conditions for Pro Rata Amortisation of Series B and Series C and Series D as provided for in rule 2 above are satisfied, the Available Funds for Amortisation of Series A, B, C and D shall also be applied to amortising Series B and, as the case may be, to amortising Series C and, as the case may be, to amortising Series D 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 and, as the case may be, the Outstanding Principal Balance of Series D to the sum of the Outstanding Principal Balance of Series A, B, C and D respectively remains at 11.20%, 2.00% and 6.60%, 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, as the case may be, C and, as the case may be, D should apply, the ratio of the Outstanding Principal Balance of Series B, C or D to the Outstanding Principal Balance of Series A, B, C and D should be respectively higher than 11.20%, 2.00% and 6.60% (the "target ratios"), the Available Funds for Amortisation of Series A, B, C and D shall be applied (i) firstly to amortising the Series eligible for amortisation and having the higher of (a) the ratio of the Outstanding Principal Balance of that Series to the Outstanding Principal Balance of Series A, B, C and D on the preceding Determination Date minus the Available Funds for Amortisation of Series A, B, C and D on the then-current Payment Date, and (b) its target ratio, until the same ratio as the Series having the second ratio described above is reached, whereupon the Available Funds for Amortisation shall be prorated among those Series, and so on.

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 Early Liquidation of the Fund and hence Early Amortisation of the entire Bond Issue in the Early Liquidation Events and subject to the requirements established in section 4.4.3 of the Registration Document and subject to the Liquidation Priority of Payments.

4.9.5 **Final Maturity Date.**

The Final Maturity Date and consequently final amortisation of the Bonds is April 24, 2041 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 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: 5.35% weighted average interest rate as at November 7, 2007 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: 0.60% of the Outstanding Balance of the Loans, 0.50% being recovered, with 100% recoveries within 15 months of becoming delinquent, and the remaining 0.10% becoming doubtful from May 2009, with 90% recoveries within 18 months of becoming doubtful;
- that the Loan prepayment rate remains constant throughout the life of the Bonds;
- that the Bond Closing Date is December 21, 2007; 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 a straight-line interpolation bearing in mind the number of days in the First Interest Accrual Period between 4-month Euribor (4.890%) and 5-month Euribor (4.874%) on December 10, 2007, the resultant interpolated Euribor being 4.887%, and the applicable margins established for each Series in accordance with section 4.8.1.2 of this Securities Note:

	Series A Bonds	**Series B Bonds**	**Series C Bonds**	**Series D Bonds**	**Series E Bonds**
Nominal interest rate	5.187%	5.487%	6.087%	7.137%	9.387%

For subsequent 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 (4.902%) on December 10, 2007 and the margins mentioned in the preceding paragraph:

	Series A Bonds	**Series B Bonds**	**Series C Bonds**	**Series D Bonds**	**Series E Bonds**
Nominal interest rate	5.202%	5.502%	6.102%	7.152%	9.402%

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, based on the historical performance of loans granted to small and medium-sized enterprises previously securitised by the Originators, would be as follows:

% CPR:	**6.00%**	**8.00%**	**10.00%**	**12.00%**	**14.00%**
	Series A Bonds				
Average life (years)	3.45	3.17	2.93	2.72	2.54
IRR	5.376%	5.376%	5.376%	5.376%	5.376%
Duration (years)	2.89	2.69	2.51	2.35	2.21
Final maturity	24 01 2018	24 04 2017	25 07 2016	26 10 2015	24 04 2015
(in years)	10.10	9.35	8.60	7.85	7.35
	Series B Bonds				
Average life (years)	6.62	6.09	5.61	5.17	4.83
IRR	5.694%	5.694%	5.694%	5.694%	5.694%
Duration (years)	5.17	4.83	4.51	4.22	3.98
Final maturity	24 01 2018	24 04 2017	25 07 2016	26 10 2015	24 04 2015
(in years)	10.10	9.35	8.60	7.85	7.35

% CPR:	6.00%	8.00%	10.00%	12.00%	14.00%
	Series C Bonds				
Average life (years)	6.62	6.09	5.61	5.17	4.83
IRR	6.329%	6.329%	6.329%	6.329%	6.329%
Duration (years)	5.04	4.71	4.41	4.13	3.89
Final maturity	24 01 2018	24 04 2017	25 07 2016	26 10 2015	24 04 2015
(in years)	10.10	9.35	8.60	7.85	7.35
	Series D Bonds				
Average life (years)	6.62	6.09	5.61	5.17	4.83
IRR	7.448%	7.448%	7.448%	7.448%	7.448%
Duration (years)	4.83	4.52	4.24	3.98	3.76
Final maturity	24 01 2018	24 04 2017	25 07 2016	26 10 2015	24 04 2015
(in years)	10.10	9.35	8.60	7.85	7.35
	Series E Bonds				
Average life (years)	7.29	6.73	6.20	5.70	5.33
IRR	9.874%	9.874%	9.874%	9.874%	9.874%
Duration (years)	4.67	4.43	4.18	3.94	3.75
Final maturity	24 01 2018	24 04 2017	25 07 2016	26 10 2015	24 04 2015
(in years)	10.10	9.35	8.60	7.85	7.35

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 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 option of the Fund and shall thereby proceed to Early Amortisation of the Bond Issue 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, the Conditions for Pro Rata Amortisation of Series B, C and D apply.

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

	Series A Bonds			Series B Bonds			Series C Bonds			Series D Bonds			Series E Bonds		
Payment Date	Principal Repayment	Gross Interest	Total Flow	Principal Repayment	Gross Interest	Total Flow	Principal Repayment	Gross Interest	Total Flow	Principal Repayment	Gross Interest	Total Flow	Principal Repayment	Gross Interest	Total Flow
TOTALS	100,000.00	16,716.99	116,716.99	100,000.00	33,951.88	133,951.88	100,000.00	37,654.93	137,654.93	100,000.00	44,135.27	144,135.27	50,000.00	32,081.37	82,081.37
21/12/2007															
24/04/2008	6,282.44	1,801.16	8,083.60	0.00	1,905.32	1,905.32	0.00	2,113.66	2,113.66	0.00	2,478.24	2,478.24	0.00	1,629.75	1,629.75
24/07/2008	5,859.31	1,232.34	7,091.65	0.00	1,390.78	1,390.78	0.00	1,542.45	1,542.45	0.00	1,807.87	1,807.87	0.00	1,188.31	1,188.31
24/10/2008	5,603.46	1,167.99	6,771.45	0.00	1,406.07	1,406.07	0.00	1,559.40	1,559.40	0.00	1,827.73	1,827.73	0.00	1,201.37	1,201.37
26/01/2009	5,846.11	1,117.27	6,963.38	0.00	1,436.63	1,436.63	0.00	1,593.30	1,593.30	0.00	1,867.47	1,867.47	0.00	1,227.48	1,227.48
24/04/2009	5,209.40	971.61	6,181.02	0.00	1,344.93	1,344.93	0.00	1,491.60	1,491.60	0.00	1,748.27	1,748.27	0.00	1,149.13	1,149.13
24/07/2009	5,222.21	936.23	6,158.45	0.00	1,390.78	1,390.78	0.00	1,542.45	1,542.45	0.00	1,807.87	1,807.87	0.00	1,188.31	1,188.31
26/10/2009	4,588.50	896.17	5,484.67	0.00	1,436.63	1,436.63	0.00	1,593.30	1,593.30	0.00	1,867.47	1,867.47	0.00	1,227.48	1,227.48
25/01/2010	4,692.79	807.23	5,500.02	0.00	1,390.78	1,390.78	0.00	1,542.45	1,542.45	0.00	1,807.87	1,807.87	0.00	1,188.31	1,188.31
26/04/2010	4,265.95	745.52	5,011.47	0.00	1,390.78	1,390.78	0.00	1,542.45	1,542.45	0.00	1,807.87	1,807.87	0.00	1,188.31	1,188.31
26/07/2010	4,241.07	689.43	4,930.50	0.00	1,390.78	1,390.78	0.00	1,542.45	1,542.45	0.00	1,807.87	1,807.87	0.00	1,188.31	1,188.31
25/10/2010	3,596.71	633.66	4,230.37	0.00	1,390.78	1,390.78	0.00	1,542.45	1,542.45	0.00	1,807.87	1,807.87	0.00	1,188.31	1,188.31
24/01/2011	3,749.73	586.36	4,336.09	6,602.16	1,390.78	7,992.94	6,602.16	1,542.45	8,144.61	6,602.16	1,807.87	8,410.02	3,301.08	1,188.31	4,489.39
25/04/2011	3,400.36	537.06	3,937.42	6,127.45	1,298.96	7,426.41	6,127.45	1,440.62	7,568.07	6,127.45	1,688.51	7,815.96	3,063.73	1,109.85	4,173.58
25/07/2011	3,323.64	492.34	3,815.98	5,989.20	1,213.74	7,202.94	5,989.20	1,346.10	7,335.30	5,989.20	1,577.73	7,566.93	2,994.60	1,037.04	4,031.64
24/10/2011	2,727.34	448.64	3,175.98	4,914.66	1,130.45	6,045.11	4,914.66	1,253.72	6,168.39	4,914.66	1,469.46	6,384.12	2,457.33	965.87	3,423.20
24/01/2012	2,805.11	417.31	3,222.42	5,054.80	1,073.76	6,128.57	5,054.80	1,190.86	6,245.66	5,054.80	1,395.78	6,450.58	2,527.40	917.44	3,444.84
24/04/2012	2,610.33	375.89	2,986.22	4,703.82	991.79	5,695.61	4,703.82	1,099.95	5,803.76	4,703.82	1,289.22	5,993.04	2,351.91	847.40	3,199.31
24/07/2012	2,320.20	341.57	2,661.76	4,181.00	926.37	5,107.37	4,181.00	1,027.39	5,208.39	4,181.00	1,204.18	5,385.18	2,090.50	791.51	2,882.01
24/10/2012	2,030.76	314.47	2,345.24	3,659.44	877.76	4,537.20	3,659.44	973.49	4,632.92	3,659.44	1,141.00	4,800.43	1,829.72	749.98	2,579.69
24/01/2013	2,119.53	287.48	2,407.00	3,819.38	826.31	4,645.69	3,819.38	916.42	4,735.80	3,819.38	1,074.11	4,893.50	1,909.69	706.01	2,615.71
24/04/2013	1,905.34	253.66	2,159.00	3,433.42	755.81	4,189.23	3,433.42	838.23	4,271.65	3,433.42	982.47	4,415.89	1,716.71	645.78	2,362.49
24/07/2013	1,774.69	231.43	2,006.11	3,197.98	716.46	3,914.44	3,197.98	794.59	3,992.57	3,197.98	931.32	4,129.30	757.34	612.15	1,369.49
24/10/2013	1,530.15	210.38	1,740.53	2,757.33	679.36	3,436.70	2,757.33	753.45	3,510.78	2,757.33	883.10	3,640.43	0.00	600.68	600.68
24/01/2014	1,550.88	190.04	1,740.92	2,794.69	640.59	3,435.29	2,794.69	710.45	3,505.14	2,794.69	832.70	3,627.40	0.00	600.68	600.68
24/04/2014	1,374.17	165.74	1,539.90	2,476.25	588.23	3,064.48	2,476.25	652.37	3,128.63	2,476.25	764.63	3,240.88	0.00	587.63	587.63
24/07/2014	1,244.81	149.51	1,394.32	2,243.15	560.32	2,803.48	2,243.15	621.43	2,864.58	2,243.15	728.36	2,971.51	0.00	594.15	594.15
24/10/2014	1,168.18	134.60	1,302.78	2,105.05	534.94	2,640.00	2,105.05	593.28	2,698.33	2,105.05	695.37	2,800.42	0.00	600.68	600.68
26/01/2015	1,191.53	121.66	1,313.19	2,147.14	516.33	2,663.47	2,147.14	572.64	2,719.77	2,147.14	671.17	2,818.31	0.00	613.74	613.74
24/04/2015	1,073.76	98.74	1,172.50	1,934.92	454.49	2,389.41	1,934.92	504.06	2,438.97	1,934.92	590.79	2,525.71	0.00	574.57	574.57
24/07/2015	999.73	87.99	1,087.72	1,801.52	443.08	2,244.60	1,801.52	491.40	2,292.91	1,801.52	575.95	2,377.47	0.00	594.15	594.15
26/10/2015	971.28	77.31	1,048.59	1,750.25	431.80	2,182.05	1,750.25	478.89	2,229.14	1,750.25	561.30	2,311.55	0.00	613.74	613.74
25/01/2016	984.50	62.07	1,046.58	1,774.08	393.68	2,167.76	1,774.08	436.61	2,210.69	1,774.08	511.74	2,285.82	0.00	594.15	594.15
25/04/2016	905.48	49.13	954.61	1,631.68	369.01	2,000.69	1,631.68	409.25	2,040.93	1,631.68	479.67	2,111.35	0.00	594.15	594.15
25/07/2016	831.15	37.22	868.37	1,497.73	346.31	1,844.04	1,497.73	384.08	1,881.81	1,497.73	450.17	1,947.90	0.00	594.15	594.15
24/10/2016	796.90	26.29	823.19	1,436.01	325.48	1,761.49	1,436.01	360.98	1,796.98	1,436.01	423.09	1,859.10	0.00	594.15	594.15
24/01/2017	777.94	15.99	793.92	1,401.84	308.87	1,710.71	1,401.84	342.55	1,744.39	1,401.84	401.50	1,803.34	0.00	600.68	600.68
24/04/2017	424.56	5.52	430.08	20,565.05	282.87	20,847.93	20,565.05	313.72	20,878.77	20,565.05	367.70	20,932.76	25,000.00	587.63	25,587.63

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

	Series A Bonds			Series B Bonds			Series C Bonds			Series D Bonds			Series E Bonds		
Payment Date	Principal Repayment	Gross Interest	Total Flow	Principal Repayment	Gross Interest	Total Flow	Principal Repayment	Gross Interest	Total Flow	Principal Repayment	Gross Interest	Total Flow	Principal Repayment	Gross Interest	Total Flow
TOTALS	100,000.00	15,453.90	115,453.90	100,000.00	31,284.53	131,284.53	100,000.00	34,696.70	134,696.70	100,000.00	40,668.01	140,668.01	50,000.00	29,572.23	79,572.23
21/12/2007															
24/04/2008	6,923.55	1,801.16	8,724.71	0.00	1,905.32	1,905.32	0.00	2,113.66	2,113.66	0.00	2,478.24	2,478.24	0.00	1,629.75	1,629.75
24/07/2008	6,366.89	1,223.91	7,590.80	0.00	1,390.78	1,390.78	0.00	1,542.45	1,542.45	0.00	1,807.87	1,807.87	0.00	1,188.31	1,188.31
24/10/2008	6,053.84	1,152.72	7,206.56	0.00	1,406.07	1,406.07	0.00	1,559.40	1,559.40	0.00	1,827.73	1,827.73	0.00	1,201.37	1,201.37
26/01/2009	6,227.37	1,095.55	7,322.91	0.00	1,436.63	1,436.63	0.00	1,593.30	1,593.30	0.00	1,867.47	1,867.47	0.00	1,227.48	1,227.48
24/04/2009	5,531.47	946.43	6,477.90	0.00	1,344.93	1,344.93	0.00	1,491.60	1,491.60	0.00	1,748.27	1,748.27	0.00	1,149.13	1,149.13
24/07/2009	5,490.59	905.96	6,396.55	0.00	1,390.78	1,390.78	0.00	1,542.45	1,542.45	0.00	1,807.87	1,807.87	0.00	1,188.31	1,188.31
26/10/2009	4,826.97	861.25	5,688.21	0.00	1,436.63	1,436.63	0.00	1,593.30	1,593.30	0.00	1,867.47	1,867.47	0.00	1,227.48	1,227.48
25/01/2010	4,875.60	770.29	5,645.89	0.00	1,390.78	1,390.78	0.00	1,542.45	1,542.45	0.00	1,807.87	1,807.87	0.00	1,188.31	1,188.31
26/04/2010	4,409.88	706.18	5,116.06	0.00	1,390.78	1,390.78	0.00	1,542.45	1,542.45	0.00	1,807.87	1,807.87	0.00	1,188.31	1,188.31
26/07/2010	4,343.73	648.19	4,991.92	0.00	1,390.78	1,390.78	0.00	1,542.45	1,542.45	0.00	1,807.87	1,807.87	0.00	1,188.31	1,188.31
25/10/2010	3,694.17	591.07	4,285.24	5,856.81	1,390.78	7,247.59	5,856.81	1,542.45	7,399.26	5,856.81	1,807.87	7,664.67	2,928.40	1,188.31	4,116.71
24/01/2011	3,798.22	542.49	4,340.72	6,844.40	1,309.33	8,153.73	6,844.40	1,452.11	8,296.51	6,844.40	1,701.98	8,546.38	3,422.20	1,118.71	4,540.91
25/04/2011	3,426.87	492.55	3,919.42	6,175.22	1,214.14	7,389.35	6,175.22	1,346.54	7,521.76	6,175.22	1,578.25	7,753.46	3,087.61	1,037.38	4,124.99
25/07/2011	3,322.53	447.49	3,770.02	5,987.21	1,128.25	7,115.46	5,987.21	1,251.29	7,238.50	5,987.21	1,466.61	7,453.81	2,993.60	964.00	3,957.60
24/10/2011	2,740.57	403.80	3,144.37	4,938.52	1,044.98	5,983.50	4,938.52	1,158.94	6,097.46	4,938.52	1,358.37	6,296.88	2,469.26	892.85	3,362.11
24/01/2012	2,782.69	371.80	3,154.49	5,014.40	987.03	6,001.43	5,014.40	1,094.67	6,109.07	5,014.40	1,283.03	6,297.43	2,507.20	843.33	3,350.54
24/04/2012	2,573.59	331.17	2,904.76	4,637.61	906.56	5,544.17	4,637.61	1,005.42	5,643.03	4,637.61	1,178.43	5,816.04	2,318.81	774.58	3,093.39
24/07/2012	2,283.66	297.33	2,580.99	4,115.15	842.06	4,957.21	4,115.15	933.89	5,049.04	4,115.15	1,094.59	5,209.74	2,057.58	719.47	2,777.05
24/10/2012	2,000.72	270.24	2,270.95	3,605.29	793.45	4,398.75	3,605.29	879.98	4,485.27	3,605.29	1,031.40	4,636.69	1,802.65	677.94	2,480.59
24/01/2013	2,058.99	243.64	2,302.63	3,710.30	742.76	4,453.06	3,710.30	823.76	4,534.06	3,710.30	965.51	4,675.81	1,412.70	634.63	2,047.33
24/04/2013	1,843.22	211.57	2,054.79	3,321.49	675.58	3,997.07	3,321.49	749.25	4,070.74	3,321.49	878.18	4,199.67	0.00	587.63	587.63
24/07/2013	1,709.74	189.68	1,899.42	3,080.94	636.89	3,717.83	3,080.94	706.34	3,787.29	3,080.94	827.89	3,908.83	0.00	594.15	594.15
24/10/2013	1,477.71	169.03	1,646.75	2,662.84	600.57	3,263.41	2,662.84	666.06	3,328.90	2,662.84	780.67	3,443.51	0.00	600.68	600.68
24/01/2014	1,480.22	149.39	1,629.61	2,667.36	563.13	3,230.48	2,667.36	624.54	3,291.89	2,667.36	732.00	3,399.36	0.00	600.68	600.68
24/04/2014	1,308.24	126.89	1,435.13	2,357.44	514.20	2,871.64	2,357.44	570.27	2,927.71	2,357.44	668.40	3,025.84	0.00	587.63	587.63
24/07/2014	1,183.71	111.10	1,294.81	2,133.05	487.12	2,620.18	2,133.05	540.24	2,673.30	2,133.05	633.21	2,766.26	0.00	594.15	594.15
24/10/2014	1,106.35	96.58	1,202.93	1,993.64	462.48	2,456.13	1,993.64	512.92	2,506.56	1,993.64	601.18	2,594.82	0.00	600.68	600.68
26/01/2015	1,114.66	83.66	1,198.31	2,008.61	443.90	2,452.51	2,008.61	492.30	2,500.91	2,008.61	577.02	2,585.63	0.00	613.74	613.74
24/04/2015	1,000.70	64.14	1,064.84	1,803.26	388.55	2,191.81	1,803.26	430.92	2,234.18	1,803.26	505.07	2,308.33	0.00	574.57	574.57
24/07/2015	928.46	53.17	981.63	1,673.09	376.71	2,049.80	1,673.09	417.80	2,090.88	1,673.09	489.69	2,162.77	0.00	594.15	594.15
26/10/2015	895.57	42.31	937.88	1,613.81	365.10	1,978.91	1,613.81	404.91	2,018.72	1,613.81	474.59	2,088.40	0.00	613.74	613.74
25/01/2016	897.15	29.19	926.33	1,616.66	331.00	1,947.66	1,616.66	367.10	1,983.76	1,616.66	430.26	2,046.93	0.00	594.15	594.15
25/04/2016	821.09	17.39	838.48	1,479.60	308.52	1,788.11	1,479.60	342.16	1,821.76	1,479.60	401.04	1,880.64	0.00	594.15	594.15
25/07/2016	501.28	6.59	507.87	20,703.31	287.94	20,991.24	20,703.31	319.34	21,022.64	20,703.31	374.29	21,077.59	25,000.00	594.15	25,594.15

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

	Series A Bonds			Series B Bonds			Series C Bonds			Series D Bonds			Series E Bonds		
Payment Date	Principal Repayment	Gross Interest	Total Flow	Principal Repayment	Gross Interest	Total Flow	Principal Repayment	Gross Interest	Total Flow	Principal Repayment	Gross Interest	Total Flow	Principal Repayment	Gross Interest	Total Flow
TOTALS	100,000.00	14,356.64	114,356.64	100,000.00	28,855.35	128,855.35	100,000.00	32,002.62	132,002.62	100,000.00	37,510.34	137,510.34	50,000.00	27,151.21	77,151.21
21/12/2007															
24/04/2008	7,575.03	1,801.16	9,376.19	0.00	1,905.32	1,905.32	0.00	2,113.66	2,113.66	0.00	2,478.24	2,478.24	0.00	1,629.75	1,629.75
24/07/2008	6,876.15	1,215.34	8,091.49	0.00	1,390.78	1,390.78	0.00	1,542.45	1,542.45	0.00	1,807.87	1,807.87	0.00	1,188.31	1,188.31
24/10/2008	6,499.80	1,137.29	7,637.09	0.00	1,406.07	1,406.07	0.00	1,559.40	1,559.40	0.00	1,827.73	1,827.73	0.00	1,201.37	1,201.37
26/01/2009	6,599.17	1,073.72	7,672.89	0.00	1,436.63	1,436.63	0.00	1,593.30	1,593.30	0.00	1,867.47	1,867.47	0.00	1,227.48	1,227.48
24/04/2009	5,840.50	921.27	6,761.77	0.00	1,344.93	1,344.93	0.00	1,491.60	1,491.60	0.00	1,748.27	1,748.27	0.00	1,149.13	1,149.13
24/07/2009	5,742.91	875.88	6,618.79	0.00	1,390.78	1,390.78	0.00	1,542.45	1,542.45	0.00	1,807.87	1,807.87	0.00	1,188.31	1,188.31
26/10/2009	5,046.85	826.75	5,873.60	0.00	1,436.63	1,436.63	0.00	1,593.30	1,593.30	0.00	1,867.47	1,867.47	0.00	1,227.48	1,227.48
25/01/2010	5,038.52	734.00	5,772.52	0.00	1,390.78	1,390.78	0.00	1,542.45	1,542.45	0.00	1,807.87	1,807.87	0.00	1,188.31	1,188.31
26/04/2010	4,533.49	667.75	5,201.24	0.00	1,390.78	1,390.78	0.00	1,542.45	1,542.45	0.00	1,807.87	1,807.87	0.00	1,188.31	1,188.31
26/07/2010	4,425.79	608.13	5,033.93	4,837.14	1,390.78	6,227.93	4,837.14	1,542.45	6,379.59	4,837.14	1,807.87	6,645.01	2,418.57	1,188.31	3,606.88
25/10/2010	3,770.06	549.94	4,320.00	6,793.65	1,323.51	8,117.16	6,793.65	1,467.84	8,261.49	6,793.65	1,720.42	8,514.07	3,396.83	1,130.83	4,527.65
24/01/2011	3,826.35	500.36	4,326.71	6,895.07	1,229.02	8,124.10	6,895.07	1,363.05	8,258.13	6,895.07	1,597.60	8,492.67	3,447.54	1,050.10	4,497.64
25/04/2011	3,434.10	450.05	3,884.15	6,188.25	1,133.13	7,321.38	6,188.25	1,256.70	7,444.94	6,188.25	1,472.94	7,661.19	3,094.12	968.16	4,062.29
25/07/2011	3,303.29	404.89	3,708.18	5,952.54	1,047.06	6,999.60	5,952.54	1,161.25	7,113.78	5,952.54	1,361.07	7,313.60	2,976.27	894.63	3,870.90
24/10/2011	2,734.77	361.45	3,096.22	4,928.05	964.28	5,892.33	4,928.05	1,069.43	5,997.49	4,928.05	1,253.45	6,181.51	2,464.03	823.89	3,287.92
24/01/2012	2,743.52	329.07	3,072.59	4,943.82	905.58	5,849.40	4,943.82	1,004.34	5,948.16	4,943.82	1,177.16	6,120.98	2,471.91	773.74	3,245.65
24/04/2012	2,521.66	289.42	2,811.08	4,544.03	826.98	5,371.01	4,544.03	917.16	5,461.19	4,544.03	1,074.98	5,619.02	2,272.02	706.59	2,978.60
24/07/2012	2,232.41	256.26	2,488.67	4,022.81	763.78	4,786.59	4,022.81	847.07	4,869.88	4,022.81	992.83	5,015.64	2,011.40	652.59	2,663.99
24/10/2012	1,955.75	229.40	2,185.15	3,524.26	715.61	4,239.87	3,524.26	793.65	4,317.91	3,524.26	930.22	4,454.48	447.32	611.43	1,058.75
24/01/2013	1,986.56	203.40	2,189.96	3,579.79	666.06	4,245.85	3,579.79	738.69	4,318.48	3,579.79	865.80	4,445.59	0.00	600.68	600.68
24/04/2013	1,770.46	173.14	1,943.60	3,190.37	602.34	3,792.71	3,190.37	668.03	3,858.39	3,190.37	782.98	3,973.34	0.00	587.63	587.63
24/07/2013	1,634.96	151.78	1,786.74	2,946.19	564.66	3,510.85	2,946.19	626.24	3,572.43	2,946.19	734.00	3,680.19	0.00	594.15	594.15
24/10/2013	1,414.77	131.72	1,546.49	2,549.42	529.44	3,078.86	2,549.42	587.18	3,136.59	2,549.42	688.22	3,237.63	0.00	600.68	600.68
24/01/2014	1,401.61	112.91	1,514.52	2,525.71	493.59	3,019.30	2,525.71	547.42	3,073.13	2,525.71	641.62	3,167.33	0.00	600.68	600.68
24/04/2014	1,234.97	92.23	1,327.19	2,225.41	448.12	2,673.53	2,225.41	496.99	2,722.40	2,225.41	582.51	2,807.92	0.00	587.63	587.63
24/07/2014	1,115.30	77.01	1,192.31	2,009.76	422.15	2,431.92	2,009.76	468.19	2,477.95	2,009.76	548.75	2,558.52	0.00	594.15	594.15
24/10/2014	1,037.83	63.03	1,100.86	1,870.17	398.53	2,268.70	1,870.17	441.99	2,312.16	1,870.17	518.05	2,388.22	0.00	600.68	600.68
26/01/2015	1,033.68	50.30	1,083.98	1,862.68	380.33	2,243.01	1,862.68	421.80	2,284.49	1,862.68	494.39	2,357.07	0.00	613.74	613.74
24/04/2015	924.16	33.95	958.11	1,665.33	331.00	1,996.33	1,665.33	367.10	2,032.43	1,665.33	430.26	2,095.60	0.00	574.57	574.57
24/07/2015	854.11	22.95	877.06	1,539.10	319.12	1,858.22	1,539.10	353.92	1,893.03	1,539.10	414.82	1,953.93	0.00	594.15	594.15
26/10/2015	891.48	12.11	903.59	21,406.45	307.53	21,713.98	21,406.45	341.07	21,747.52	21,406.45	399.76	21,806.21	25,000.00	613.74	25,613.74

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:

On October 23, 2007, the Executive Committee of the Board of Directors of EUROPEA DE TITULIZACIÓN resolved that:

i) RURALPYME 3 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, and all other legal and statutory provisions in force and applicable from time to time.

ii) Receivables owned by and recorded in the assets 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 ASTURIAS, S.C.C., CAJA RURAL DE CÓRDOBA, S.C.C., CAJA RURAL DE EXTREMADURA, S.C.C., CAJA RURAL DE GIJÓN, C.C., CAJA RURAL DE GRANADA, S.C.C., CAJA RURAL DE NAVARRA, S.C.C., CAJA RURAL DE TERUEL, S.C.C., CAJA RURAL DE ZAMORA, C.C. and CAJA RURAL DEL SUR, S.C.C. derived from loans with real estate mortgage security, with security other than a real estate mortgage and without special security granted to non-financial small and medium-sized enterprises (sole traders and legal persons) domiciled in Spain 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 October 23, 2007, CAJA RURAL ARAGONESA Y DE LOS PIRINEOS at a meeting held on September 26, 2007, CAJA RURAL CENTRAL at a meeting held on June 28, 2007, CAJA RURAL DE ARAGÓN at a meeting held on October 25, 2007, CAJA RURAL DE ASTURIAS at a meeting held on November 8, 2007, CAJA RURAL DE GRANADA at a meeting held on October 23, 2007, CAJA RURAL DE CÓRDOBA at a meeting held on October 30, 2007, CAJA RURAL DE GIJÓN at a meeting held on October 18, 2007, CAJA RURAL DE NAVARRA at a meeting held on October 26, 2007, CAJA RURAL DE TERUEL at a meeting held on October 23, 2007, CAJA RURAL DE ZAMORA at a meeting held on June 25, 2007, CAJA RURAL DE EXTREMADURA at a meeting held on October 30, 2007 and CAJA RURAL DEL SUR at a meeting held on October 23, 2007, and the Executive Committee of Caixa Rural de Balears, S.C.C. at a meeting held on October 15, 2007, resolved that the assignment to a securitisation fund of receivables derived from loans without special security, loans with real estate mortgage security and loans with security other than a real estate mortgage granted by them to finance non-financial small and medium-sized enterprises (sole traders and legal persons) 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.

c) 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 December 19, 2007 a public deed whereby RURALPYME 3 FONDO DE TITULIZACIÓN DE ACTIVOS will be established, the Originators will assign to the Fund Non-Mortgage Loan receivables and Mortgage Loans, by issuing 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 by 1pm CET on December 20, 2007.

4.13 Issue date of the securities.

The Bond issue date shall be December 19, 2007, by means of the Deed of Constitution of the Fund.

4.13.1 **Potential investors to whom the Bonds are offered**

The Bond Issue shall be fully subscribed for by BANCO COOPERATIVO on December 21, 2007.

Tranches.

Each of the Series consists of one tranche only.

4.13.2 **Bond issue subscription payment method and dates.**

BANCO COOPERATIVO shall pay to the Fund on the Closing Date, for same day value, the issue price of all of the Bonds subscribed for.

4.14 Restrictions on the free transferability of the securities.

There are no restrictions on the free transferability of the Bonds. They may be freely transferred by any means admissible at Law and in accordance with the rules of the AIAF market where 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 Bond Issue, the most significant terms of which are given in section 3.4.7.2 of the Building Block.

6 EXPENSE OF THE OFFERING AND OF ADMISSION TO TRADING.

The expected expenses for setting up the Fund and issue and admission to trading of the Bond Issue are EUR four hundred and eight thousand (408,000.00). These expenses include, inter alia, the initial Management Company fee, notary's, rating, audit and legal advice fees, CNMV fees, AIAF and Iberclear fees for including the Bonds in the register of book entries, Prospectus translation and printing expenses.

7 ADDITIONAL INFORMATION.

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

GARRIGUES, 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, S.L. have audited the Management Company's and the following Originators' annual accounts for the year 2006:

- CAIXA POPULAR-CAIXA RURAL
- CAJA RURAL ARAGONESA Y DE LOS PIRINEOS
- CAJA RURAL DE ASTURIAS
- CAJA RURAL DE CÓRDOBA
- CAJA RURAL DE GRANADA

ERNST & YOUNG, S.L. have audited the year 2006 annual accounts of CAJA RURAL DE NAVARRA

KPMG Auditores, S.L. have audited the following Originators' annual accounts for the year 2006:

- CAIXA RURAL DE BALEARS
- CAJA RURAL DE EXTREMADURA
- CAJA RURAL DE GIJÓN
- CAJA RURAL DE ZAMORA

PRICEWATERHOUSECOOPERS have audited the most significant characteristics of a sample of the selected loans of the Originators from which the Loans will be taken in order to be assigned to the Fund upon being established, on the terms set forth in section 2.2 of the Building Block and the following Originators' annual accounts for the year 2006:

- CAJA RURAL CENTRAL
- CAJA RURAL DE ARAGÓN
- CAJA RURAL DE TERUEL
- CAJA RURAL DEL SUR

The audit reports on the Originators' year 2006 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 the 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, the 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 the Originators on the Loans has been accurately reproduced and, to the best of its knowledge and ability to determine based on that information provided by the Originators, 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 December 14, 2007, 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 1pm CET on December 20, 2007.

Bond Series	Moody's Ratings
Series A	Aaa
Series B	A1
Series C	Baa2
Series D	Ba3
Series E	C

If the Rating Agency should not confirm any of the assigned provisional ratings as final by 1pm CET on December 20, 2007, 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 Loan receivables terminating, as provided for in section 4.4.4.(v) of the Registration Document.

Rating considerations.

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 interest payment and principal payment during the life of the transaction and, in any event, before the Final Maturity Date for Series A, B, C and D, and interest and principal payment before the Final Maturity Date for Series E.

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

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

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

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

In carrying on the rating and monitoring process, the Rating Agency relies on the accuracy and wholeness of the information provided by the Originators, Banco Cooperativo, the Management Company, PRICEWATERHOUSECOOPERS, and the legal opinion issued by GARRIGUES.

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

ASSET-BACKED SECURITIES NOTE BUILDING BLOCK

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

1. SECURITIES

1.1 Minimum denomination of the issue.

The Fund shall be set up with the Non-Mortgage Loan receivables which the Originators shall assign to the Fund upon being established and with the Pass-Through Certificates backed by the Mortgage Loans, and their total outstanding principal or capital shall be equal to or slightly above EUR eight hundred million (800,000,000.00), the face value amount of Series A, B, C and D Bonds.

The Series E Bond amount shall be allocated to setting 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 Series A, B, C and D Bonds and Series E Bond interest 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 Series A, B, C and D 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 Agency 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 to Early Liquidation of the Fund and thereby Early Amortisation of the Bond Issue on the terms laid down in section 4.4.3 of the Registration Document.

2.2 Assets backing the issue.

The receivables to be pooled in the Fund, represented by the Management Company, upon being established, shall exclusively consist of receivables and Pass-Through Certificates respectively derived from and backed by Loans owned by the Originators granted by them with real estate mortgage security, with security other than a real estate mortgage and without special security granted to non-financial small and medium-sized enterprises (sole traders and legal persons) domiciled in Spain.

The Originators have considered that enterprises are small and medium-sized enterprises where their annual turnover does not exceed EUR 50 million.
The portfolio of selected loans from which the Loan receivables to be assigned to the Fund upon being established will be taken comprises 9,305 loans, the outstanding principal as at November 7, 2007 being EUR 932,016,111.49 and the overdue principal being EUR 632,605.85.

The details by Originator of the 9,305 selected loans is as follows:

Loan portfolio as at 7.11.2007
Classification by Originator

Originator	Loans	%	Outstanding principal (EUR)	%
CAIXA POPULAR-CAIXA RURAL, S.C.C.V.	9	0.10	9,312,020.36	1.00
CAIXA RURAL DE BALEARS, S.C.C.	83	0.89	14,691,349.22	1.58
CAJA RURAL ARAGONESA Y DE LOS PIRINEOS, S.C.C.	908	9.76	74,221,191.86	7.96
CAJA RURAL CENTRAL, S.C.C.	784	8.43	70,961,130.93	7.61
CAJA RURAL DE ARAGON, S.C.C.	1,550	16.66	113,085,525.57	12.13
CAJA RURAL DE ASTURIAS, S.C.C.	461	4.95	45,938,792.21	4.93
CAJA RURAL DE CORDOBA, S.C.C.	324	3.48	71,388,788.57	7.66
CAJA RURAL DE EXTREMADURA, S.C.C.	829	8.91	45,577,901.95	4.89
CAJA RURAL DE GIJÓN, C.C.	22	0.24	6,758,801.05	0.73
CAJA RURAL DE GRANADA, S.C.C.	1,577	16.95	126,081,827.10	13.53
CAJA RURAL DE NAVARRA, S.C.C.	1,597	17.16	200,461,940.95	21.51
CAJA RURAL DE TERUEL, S.C.C.	353	3.79	43,822,070.80	4.70
CAJA RURAL DE ZAMORA, C.C.	436	4.69	41,111,148.61	4.41
CAJA RURAL DEL SUR, S.C.C.	372	4.00	68,603,622.31	7.36
Total	**9,305**	**100.00**	**932,016,111.49**	**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, small and medium-sized enterprise accreditation, title, identification of the obligor, asset transfer, loan origination date, loan maturity date, 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, mortgaged property, address of the mortgaged property, mortgage security, appraisal value and damage insurance. Selected 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 selected loan obligors.

The obligors are non-financial small and medium-sized enterprises (sole traders and legal persons) domiciled in Spain. The following table gives the concentration of the ten obligors weighing most in the portfolio of selected loans as at November 7, 2007.

Loan portfolio as at 7.11.2007 Classification by obligor				
	Loans	%	Outstanding principal (EUR)	%
Obligor 1	3	0.03	3,206,414.28	0.34
Obligor 2	4	0.04	2,413,928.52	0.26
Obligor 3	4	0.04	2,378,157.25	0.26
Obligor 4	4	0.04	2,082,931.48	0.22
Obligor 5	3	0.03	2,081,506.50	0.22
Obligor 6	2	0.02	2,039,599.65	0.22
Obligor 7	2	0.02	1,963,324.00	0.21
Obligor 8	1	0.01	1,924,475.68	0.21
Obligor 9	4	0.04	1,889,108.92	0.20
Obligor 10	1	0.01	1,848,000.00	0.20
Rest: 7,987 obligors	9,277	99.70	910,188,665.21	97.66
Total: 7,997 obligors	**9,305**	**100.00**	**932,016,111.49**	**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 gives the distribution of the selected loans based on the corporate obligors' CNAE activity.

Loan portfolio as at 7.11.2007 Classification by economic activity sectors					
CNAE		Loans	%	Outstanding principal (EUR)	%
AA	Agriculture, stockbreeding, hunting and forestry.	2,205	23.70	181,915,794.37	19.52
BB	Fishing.	13	0.14	1,477,795.10	0.16
CA	Extracting energy products	6	0.06	1,224,357.09	0.13
CB	Extracting other minerals except energy products.	65	0.70	7,160,731.10	0.77
DA	Food products, drinks and tobacco industry.	450	4.84	82,597,044.32	8.86
DB	Textile and textile manufacture industry.	67	0.72	6,475,699.54	0.69
DC	Leather and footwear industry.	20	0.21	616,715.30	0.07
DD	Wood and cork industry.	137	1.47	12,683,349.27	1.36
DE	Paper industry; publishing, graphic arts and reproduction of recorded media.	108	1.16	13,468,244.39	1.45
DF	Oil refinery and nuclear fuel processing.	1	0.01	27,569.36	0.00
DG	Chemical industry.	39	0.42	4,268,485.31	0.46
DH	Manufacture of rubber products and plastic materials industry.	51	0.55	8,210,210.96	0.88
DI	Other non-metallic mineral products industries.	118	1.27	19,186,971.17	2.06
DJ	Metallurgy and manufacture of metallic products.	266	2.86	35,370,524.37	3.80
DK	Building of machinery and mechanical equipment industry.	118	1.27	12,252,044.02	1.31
DL	Electrical, electronic and optical material and equipment industry.	28	0.30	4,254,138.69	0.46
DM	Manufacture of transport material.	32	0.34	3,337,212.43	0.36
DN	Other manufacturing industries.	102	1.10	11,424,218.61	1.23
EE	Production and distribution of electric power, gas and water.	35	0.38	4,164,445.32	0.45

Loan portfolio as at 7.11.2007 Classification by economic activity sectors					
CNAE		Loans	%	Outstanding principal (EUR)	%
FF	Building.	1,244	13.37	87,962,635.85	9.44
GG	Retail trade; repair of motor vehicles, motorcycles and mopeds and personal and household items.	1,626	17.47	154,899,671.97	16.62
HH	Catering trade.	532	5.72	75,107,860.71	8.06
II	Transport, storage and communications.	720	7.74	42,389,399.12	4.55
KK	Real estate and rental activities; business services.	863	9.27	115,891,802.34	12.43
LL	Government, defence and social security.	5	0.05	347,488.91	0.04
MM	Education.	55	0.59	6,468,836.86	0.69
NN	Health and veterinary activities, social services.	123	1.32	12,871,560.45	1.38
OO	Other social activities and services provided to the Community; personal services.	276	2.97	25,961,304.56	2.79
Total		**9,305**	**100.00**	**932,016,111.49**	**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 at 7.11.2007 Classification by type of security				
	Loans	%	Outstanding Principal (EUR)	%
Loans with real estate mortgage security	3,108	33.40	541,394,371.70	58.09
Loans with other security interests *	40	0.43	5,562,299.90	0.60
Loans with third-party personal guarantee	483	5.19	65,287,516.46	7.00
Loans without special security	5,674	60.98	319,771,923.43	34.31
Total	**9,305**	**100.00**	**932,016,111.49**	**100.00**

* Security deposits

d) Information regarding selected loan origination date.

The following table gives the distribution of the selected loans according to their origination date by six-monthly intervals, excepting the last interval, and the average, minimum and maximum age. The latest selected loan origination date is April 30, 2007.

Loan portfolio as at 7.11.2007 Classification by loan origination date				
Date interval	Loans	%	Outstanding principal (EUR)	%
01/07/1994 to 31/12/1994	2	0.02	74,751.96	0.01
01/01/1995 to 30/06/1995	1	0.01	9,904.85	0.00
01/07/1995 to 31/12/1995	1	0.01	110,956.08	0.01
01/01/1996 to 30/06/1996	4	0.04	168,860.54	0.02
01/07/1996 to 31/12/1996	7	0.08	705,588.15	0.08
01/01/1997 to 30/06/1997	7	0.08	177,774.56	0.02
01/07/1997 to 31/12/1997	19	0.20	730,265.93	0.08
01/01/1998 to 30/06/1998	14	0.15	936,576.98	0.10
01/07/1998 to 31/12/1998	42	0.45	3,486,033.25	0.37
01/01/1999 to 30/06/1999	42	0.45	1,992,234.14	0.21
01/07/1999 to 31/12/1999	46	0.49	4,776,847.78	0.51
01/01/2000 to 30/06/2000	64	0.69	4,196,963.19	0.45
01/07/2000 to 31/12/2000	48	0.52	3,419,988.49	0.37

Loan portfolio as at 7.11.2007 Classification by loan origination date				
Date interval	Loans	%	Outstanding principal (EUR)	%
01/01/2001 to 30/06/2001	101	1.09	8,340,154.25	0.89
01/07/2001 to 31/12/2001	100	1.07	6,943,852.52	0.75
01/01/2002 to 30/06/2002	173	1.86	9,616,644.04	1.03
01/07/2002 to 31/12/2002	216	2.32	16,251,776.04	1.74
01/01/2003 to 30/06/2003	404	4.34	33,639,356.44	3.61
01/07/2003 to 31/12/2003	367	3.94	32,562,838.41	3.49
01/01/2004 to 30/06/2004	752	8.08	60,090,857.54	6.45
01/07/2004 to 31/12/2004	559	6.01	51,545,471.56	5.53
01/01/2005 to 30/06/2005	1,115	11.98	94,133,670.43	10.10
01/07/2005 to 31/12/2005	793	8.52	84,327,099.41	9.05
01/01/2006 to 30/06/2006	2,087	22.43	237,812,194.38	25.52
01/07/2006 to 31/12/2006	1,511	16.24	178,255,860.11	19.13
01/01/2007 to 30/04/2007	830	8.92	97,709,590.46	10.48
Total	**9,305**	**100.00**	**932,016,111.49**	**100.00**
	27.23	**Months**	**Weighted average age**	
11.10.1994	**156.99**	**Months**	**Maximum age**	
30.04.2007	**6.28**	**Months**	**Minimum age**	

e) Information regarding selected loan principal.

The following table gives the distribution of the outstanding loan principal as at November 7, 2007 by EUR 100,000 intervals, and the average, minimum and maximum amount. No details are given of intervals with no contents.

Loan portfolio as at 7.11.2007 Classification by outstanding principal				
Principal interval (EUR)	Loans	%	Outstanding principal (EUR)	%
0.00 - 99,999.99	6,880	73.94	229,046,949.58	24.58
100,000.00 - 199,999.99	1,274	13.69	178,297,452.81	19.13
200,000.00 - 299,999.99	459	4.93	110,692,025.82	11.88
300,000.00 - 399,999.99	203	2.18	69,328,651.87	7.44
400,000.00 - 499,999.99	152	1.63	68,356,738.34	7.33
500,000.00 - 599,999.99	94	1.01	50,779,038.21	5.45
600,000.00 - 699,999.99	56	0.60	36,157,734.54	3.88
700,000.00 - 799,999.99	37	0.40	27,248,373.26	2.92
800,000.00 - 899,999.99	37	0.40	31,461,137.63	3.38
900,000.00 - 999,999.99	32	0.34	30,441,363.84	3.27
1,000,000.00 - 1,099,999.99	24	0.26	25,096,655.33	2.69
1,100,000.00 - 1,199,999.99	13	0.14	14,876,862.33	1.60
1,200,000.00 - 1,299,999.99	18	0.19	22,355,407.88	2.40
1,300,000.00 - 1,399,999.99	12	0.13	16,048,956.92	1.72
1,400,000.00 - 1,499,999.99	6	0.06	8,661,985.80	0.93
1,500,000.00 - 1,599,999.99	4	0.04	6,013,968.34	0.65
1,600,000.00 - 1,699,999.99	2	0.02	3,380,333.31	0.36
1,800,000.00 - 1,899,999.99	1	0.01	1,848,000.00	0.20
1,900,000.00 - 1,999,999.99	1	0.01	1,924,475.68	0.21
Total	**9,305**	**100.00**	**932,016,111.49**	**100.00**
	Average principal:		**100,162.94**	
	Minimum principal:		**2,500.00**	
	Maximum principal:		**1,924,475.68**	

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 at 7.11.2007 Classification by Interest rate benchmark index					
Benchmark Index*	**Loans**	**%**	**Outstanding principal (EUR)**	**%**	**Margin above index****
1-year EURIBOR/MIBOR	5,419	58.24	641,757,132.38	68.86	1.17
6-month EURIBOR/MIBOR	2,672	28.72	223,136,743.60	23.94	0.56
SAVINGS BANKS MORTGAGE MARKET	118	1.27	13,711,111.85	1.47	0.62
ALL INSTITUTIONS MORTGAGE MARKET	1,082	11.63	51,203,640.94	5.49	0.77
3-month EURIBOR/MIBOR	6	0.06	1,671,094.12	0.18	0.97
Banks Mortgage Loan Benchmark Index	1	0.01	104,806.72	0.01	0.50
Spanish Confederation of Savings Banks (CECA) indicator, lending rate	7	0.08	431,581.88	0.05	1.18
Total	**9,305**	**100.00**	**932,016,111.49**	**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.
** Average margin weighted by the outstanding principal.

g) Information regarding selected loan payment frequency.

The following table gives the distribution of the selected loans according to payment frequency.

Loan portfolio as at 7.11.2007 Classification by payment frequency				
Frequency	**Loans**	**%**	**Outstanding principal (EUR)**	**%**
Yearly	143	1.54	21,540,093.67	2.31
Six-Monthly	1,109	11.92	86,274,881.89	9.26
Quarterly	1,226	13.18	157,376,247.39	16.89
Two-Monthly	18	0.19	1,388,967.79	0.15
Monthly	6,809	73.18	665,435,920.75	71.40
Total	**9,305**	**100.00**	**932,016,111.49**	**100.00**

h) 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 November 7, 2007, and their weighted average, average, minimum and maximum values. No details are given of intervals with no contents.

Loan portfolio as at 7.11.2007 Classification by applicable nominal interest rate					
Interest Rate % Interval	**Loans**	**%**	**Outstanding principal (EUR)**	**%**	**% Interest Rate***
3.25 - 3.49	2	0.02	114,637.19	0.01	3.25
3.50 - 3.74	3	0.03	113,149.91	0.01	3.50
3.75 - 3.99	16	0.17	1,526,051.08	0.16	3.77
4.00 - 4.24	19	0.20	1,584,532.72	0.17	4.11
4.25 - 4.49	172	1.85	19,135,320.41	2.05	4.35
4.50 - 4.74	600	6.45	74,620,143.36	8.01	4.63

Loan portfolio as at 7.11.2007 Classification by applicable nominal interest rate					
Interest Rate % Interval	**Loans**	**%**	**Outstanding principal (EUR)**	**%**	**% Interest Rate***
4.75 - 4.99	1,261	13.55	139,750,520.60	14.99	4.84
5.00 - 5.24	1,484	15.95	173,286,370.15	18.59	5.11
5.25 - 5.49	1,349	14.50	188,929,992.54	20.27	5.34
5.50 - 5.74	1,126	12.10	139,852,240.04	15.01	5.59
5.75 - 5.99	895	9.62	83,709,050.60	8.98	5.84
6.00 - 6.24	758	8.15	49,480,971.21	5.31	6.09
6.25 - 6.49	409	4.40	21,113,806.23	2.27	6.33
6.50 - 6.74	404	4.34	17,954,181.43	1.93	6.56
6.75 - 6.99	249	2.68	7,493,513.80	0.80	6.82
7.00 - 7.24	284	3.05	6,638,540.57	0.71	7.09
7.25 - 7.49	110	1.18	3,883,835.03	0.42	7.34
7.50 - 7.74	89	0.96	1,750,302.53	0.19	7.59
7.75 - 7.99	38	0.41	585,825.61	0.06	7.78
8.00 - 8.24	18	0.19	256,240.73	0.03	8.04
8.25 - 8.49	7	0.08	98,395.06	0.01	8.35
8.50 - 8.74	9	0.10	115,764.08	0.01	8.62
8.75 - 8.99	3	0.03	22,726.61	0.00	8.87
Total	**9,305**	**100.00**	**932,016,111.49**	**100.00**	
	Weighted average:				**5.35 %**
	Simple average:				**5.56 %**
	Minimum:				**3.25 %**
	Maximum:				**8.99 %**

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

i) 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 November 7, 2007 range between 1.08% and 8.75%.

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

Loan portfolio as at 7.11.2007 Classification by applicable minimum nominal interest rates					
Minimum % Interest Rate Interval	**Loans**	**%**	**Outstanding principal (EUR)**	**%**	**Minimum % Int. Rate***
1.00 - 1.49	2	0.02	548,685.10	0.06	1.08
2.00 - 2.49	17	0.18	3,990,948.56	0.43	2.00
2.50 - 2.99	342	3.68	38,814,440.96	4.16	2.89
3.00 - 3.49	726	7.80	89,700,825.51	9.62	3.04
3.50 - 3.99	1,423	15.29	176,508,447.78	18.94	3.68
4.00 - 4.49	1,094	11.76	116,724,797.93	12.52	4.11
4.50 - 4.99	349	3.75	23,320,547.36	2.50	4.59
5.00 - 5.49	430	4.62	15,574,254.10	1.67	5.03
5.50 - 5.99	150	1.61	4,336,205.56	0.47	5.58
6.00 - 6.49	67	0.72	1,266,807.53	0.14	6.02
6.50 - 6.99	29	0.31	523,786.58	0.06	6.52
7.00 - 7.49	7	0.08	389,169.94	0.04	7.05
7.50 - 7.99	3	0.03	62,619.11	0.01	7.72

Loan portfolio as at 7.11.2007 Classification by applicable minimum nominal interest rates					
Minimum % Interest Rate Interval	**Loans**	**%**	**Outstanding principal (EUR)**	**%**	**Minimum % Int. Rate***
8.00 - 8.49	2	0.02	18,949.75	0.00	8.00
8.50 - 8.99	1	0.01	5,775.58	0.00	8.75
No minimum applicable NIR	4,663	50.11	460,229,850.14	49.38	-
Total	**9,305**	**100.00**	**932,016,111.49**	**100.00**	

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

j) 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 November 7, 2007 range between 10.00% and 50.00%.

The following table gives 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 at 7.11.2007 Classification by applicable maximum nominal interest rates					
Maximum % Interest Rate Interval	**Loans**	**%**	**Outstanding principal (EUR)**	**%**	**Maximum % Int. Rate***
10.00 - 10.49	207	2.22	14,211,553.47	1.52	10.00
11.00 - 11.49	419	4.50	50,994,507.09	5.47	11.00
12.00 - 12.49	1,475	15.85	138,051,949.67	14.81	12.00
12.50 - 12.99	6	0.06	231,599.97	0.02	12.57
13.00 - 13.49	27	0.29	3,030,488.39	0.33	13.04
13.50 - 13.99	2	0.02	115,964.29	0.01	13.70
14.00 - 14.49	158	1.70	12,370,812.30	1.33	14.00
14.50 - 14.99	3	0.03	210,743.15	0.02	14.50
15.00 - 15.49	1,243	13.36	182,735,402.77	19.61	15.00
16.00 - 16.49	552	5.93	24,344,233.52	2.61	16.00
16.50 - 16.99	5	0.05	294,619.88	0.03	16.75
17.00 - 17.49	2	0.02	114,362.63	0.01	17.00
18.00 - 18.49	1,500	16.12	192,366,793.49	20.64	18.00
19.00 - 19.49	1	0.01	10,412.25	0.00	19.00
20.00 - 20.49	2	0.02	73,153.84	0.01	20.00
25.00 - 25.49	100	1.07	8,237,946.07	0.88	25.00
28.00 - 28.49	78	0.84	14,049,742.06	1.51	28.00
30.00 - 30.49	3,132	33.66	258,407,361.06	27.73	30.00
50.00 - 50.49	5	0.05	333,546.36	0.04	50.00
No maximum applicable NIR	388	4.17	31,830,919.23	3.42	-
Total	**9,305**	**100.00**	**932,016,111.49**	**100.00**	

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

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

The following table gives the selected loan distribution 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 at 7.11.2007 Classification by final repayment date						
Final Repayment Year	Loans		Outstanding principal		Residual Life*	
		%	(EUR)	%	Months	Date
2008	309	3.32	11.185.836.41	1.20	10.34	17/09/2008
2009	995	10.69	26.907.176.73	2.89	19.85	3/07/2009
2010	1.195	12.84	50.314.881.47	5.40	31.44	21/06/2010
2011	1.499	16.11	86.740.238.67	9.31	43.28	16/06/2011
2012	958	10.30	72.092.807.67	7.74	54.20	14/05/2012
2013	981	10.54	97.473.463.66	10.46	67.10	10/06/2013
2014	525	5.64	51.755.392.05	5.55	78.69	29/05/2014
2015	244	2.62	28.767.731.56	3.09	91.19	14/06/2015
2016	310	3.33	53.285.122.85	5.72	103.89	4/07/2016
2017	229	2.46	29.326.269.03	3.15	115.39	19/06/2017
2018	222	2.39	36.526.722.49	3.92	127.28	16/06/2018
2019	199	2.14	40.847.363.84	4.38	139.56	25/06/2019
2020	234	2.51	40.785.675.33	4.38	152.82	2/08/2020
2021	457	4.91	95.794.668.92	10.28	164.02	8/07/2021
2022	150	1.61	31.799.701.08	3.41	173.70	29/04/2022
2023	54	0.58	13.401.429.88	1.44	187.95	7/07/2023
2024	71	0.76	15.994.491.84	1.72	199.80	1/07/2024
2025	107	1.15	20.374.556.53	2.19	213.43	20/08/2025
2026	252	2.71	64.808.436.63	6.95	224.95	6/08/2026
2027	84	0.90	15.575.359.18	1.67	232.54	25/03/2027
2028	34	0.37	7.077.586.53	0.76	248.25	15/07/2028
2029	39	0.42	9.373.600.17	1.01	259.13	11/06/2029
2030	51	0.55	9.739.491.71	1.04	272.22	15/07/2030
2031	90	0.97	18.990.875.05	2.04	283.88	5/07/2031
2032	15	0.16	2.758.736.05	0.30	292.53	24/03/2032
2037	1	0.01	318.496.16	0.03	356.27	16/07/2037
Total	**9,305**	**100.00**	**932,016,111.49**	**100.00**		
	Weighted average:				**119.40**	**19/10/2017**
	Simple average:				**79.92**	**6/07/2014**
	Minimum:				**3.29**	**15/02/2008**
	Maximum:				**356.27**	**16/07/2037**

* 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 selected loan principal repayment exclusion period.

The following table gives the selected loan distribution according to maturity of the loan principal repayment exclusion period.

Loan portfolio as at 7.11.2007 Classification by loan principal repayment exclusion period				
Principal exclusion period maturity	Loans		Outstanding principal	
		%	(EUR)	%
No Exclusion	8,872	95.35	839,907,952.82	90.12
01/10/2007 to 31/12/2007	45	0.48	12,345,772.32	1.32
01/01/2008 to 31/03/2008	102	1.10	15,022,117.49	1.61
01/04/2008 to 30/06/2008	143	1.54	31,748,172.32	3.41
01/07/2008 to 30/09/2008	44	0.47	8,917,340.73	0.96
01/10/2008 to 31/12/2008	14	0.15	2,653,161.73	0.28
01/01/2009 to 31/03/2009	39	0.42	7,593,769.34	0.81
01/04/2009 to 30/06/2009	29	0.31	7,274,435.34	0.78

Loan portfolio as at 7.11.2007 Classification by loan principal repayment exclusion period				
Principal exclusion period maturity	**Loans**	**%**	**Outstanding principal (EUR)**	**%**
01/07/2009 to 30/09/2009	4	0.04	594,889.40	0.06
01/01/2010 to 31/03/2010	2	0.02	1,344,000.00	0.14
01/04/2010 to 30/06/2010	3	0.03	1,184,000.00	0.13
01/10/2010 to 31/12/2010	2	0.02	330,000.00	0.04
01/04/2011 to 30/06/2011	3	0.03	2,698,000.00	0.29
01/07/2011 to 30/09/2011	1	0.01	122,500.00	0.01
01/04/2013 to 30/06/2013	2	0.02	280,000.00	0.03
Total	**9,305**	**100.00**	**932,016,111.49**	**100.00**

No loan makes provision for an interest exclusion period.

m) 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 at 7.11.2007 Classification by Autonomous Communities				
	Loans	**%**	**Outstanding principal (EUR)**	**%**
Andalusia	2,241	24.08	263,258,388.52	28.25
Aragón	2,541	27.31	209,785,398.52	22.51
Asturies	479	5.15	52,216,429.12	5.60
Balearic Isles	83	0.89	14,691,349.22	1.58
Cantabria	3	0.03	327,060.01	0.04
Castile La Mancha	3	0.03	1,062,480.09	0.11
Castile-León	438	4.71	41,378,807.95	4.44
Catalonia	116	1.25	12,059,352.15	1.29
Valencian Community	556	5.98	57,568,062.01	6.18
Extremadura	813	8.74	42,517,960.07	4.56
Galicia	20	0.21	1,758,472.52	0.19
La Rioja	271	2.91	24,977,396.60	2.68
Madrid	41	0.44	7,198,743.12	0.77
Murcia	254	2.73	23,912,267.91	2.57
Navarre	1,140	12.25	145,495,358.85	15.61
Basque Country	306	3.29	33,808,584.83	3.63
Total	**9,305**	**100.00**	**932,016,111.49**	**100.00**

n) 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 November 7, 2007.

Arrears in payment of instalments due as at 7.11.2007				
Interval Days	Loans	Outstanding Principal	Overdue Principal	
				% on total outstanding principal
In good standing	8,718	875,001,624.34		
1 to 15 days	298	27,479,782.86	182,952.05	0.0002
16 to 30 days	103	8,899,629.04	132,471.93	0.0001
31 to 60 days	135	15,537,519.84	193,766.23	0.0002
61 to 90 days	51	5,097,555.41	123,415.64	0.0001
Total				

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.

o) Loan to value ratio or level of collateralisation.

There are 3,108 selected loans with real estate mortgage security as at November 7, 2007 and their outstanding principal amounts to EUR 541,394,371.70. Out of the 3,108 loans with real estate security, 2,929 loans, with an outstanding capital of EUR 512,998,964.80, have mortgages registered as senior mortgages.

The ratio, expressed as a percentage, of the initial outstanding principal as at November 7, 2007 to the appraisal value of the senior mortgaged properties of the selected mortgage loans was comprised between 0.34% and 156.76%, and the average ratio weighted by the outstanding principal of each mortgage loan is 52.65%.

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 at 7.11.2007 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	104	3.55	7,497,775.03	1.46	6.91
10.01 - 20.00	271	9.25	27,572,306.79	5.37	15.46
20.01 - 30.00	331	11.30	37,221,729.94	7.26	25.20
30.01 - 40.00	389	13.28	56,717,318.28	11.06	35.39
40.01 - 50.00	452	15.43	76,275,221.17	14.87	45.25
50.01 - 60.00	542	18.50	113,978,893.91	22.22	55.47
60.01 - 70.00	491	16.76	110,619,994.00	21.56	65.08
70.01 - 80.00	252	8.60	52,939,571.32	10.32	74.48
80.01 - 90.00	47	1.60	19,824,888.14	3.86	84.24
90.01 - 100.00	47	1.60	9,799,407.75	1.91	95.44
100.01 - 110.00	2	0.07	367,712.70	0.07	104.22
150.01 - 160.00	1	0.03	184,145.77	0.04	156.76
Total	**2,929**	**100.00**	**512,998,964.80**	**100.00**	
	Weighted Average:				**52.65 %**
	Simple Average:				**46.68 %**
	Minimum:				**0.34 %**
	Maximum:				**156.76 %**

*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 eight hundred million (800,000,000.00), the face value amount of Series A, B, C and D Bonds.

2.2.3 Legal nature of the pool of assets.

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, as currently worded.

The Mortgage Loan receivables shall be assigned to the Fund upon the relevant Originators issuing, in the actual Deed of Constitution of the Fund, and the Fund subscribing for Pass-Through Certificates subject to the provisions of Act 2/1981, implemented by Royal Decree 685/1982, and additional provision five of Act 3/1994 as currently worded, on the terms provided for in section 3.3 of the Building Block.

(ii) Loans without special 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 Loan receivables shall be directly assigned to the Fund upon the relevant Originators selling and the Fund acquiring the receivables 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 selected loans prepay all or part of the outstanding capital, in which case the accrual of interest on the part prepaid will cease as at the date on which repayment occurs.

Final maturity date of the selected loans lies between February 15, 2006 and July 16, 2037.

2.2.5 Amount of the assets.

The Fund shall be set up with the Non-Mortgage Loan receivables and with the Pass-Through Certificates backed by the Mortgage Loan receivables 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 eight hundred million (800,000,000.00), the face value amount of Series A, B, C and D Bonds.

The portfolio of selected loans from which the Loans to be assigned to the Fund upon being established will be taken comprises 9,305 loans, the outstanding principal as at November 7, 2007 being EUR 932,016,111.49 and the overdue principal being EUR 632,605.85.

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.o).

2.2.7 Method of creation of the assets.

The loans selected in order for their receivables to be mostly assigned to the Fund have been granted by the Originators following their usual credit risk analysis and assessment procedures for lending to non-financial small and medium-sized enterprises (sole traders and legal persons) domiciled in Spain.

1. CAIXA POPULAR-CAIXA RURAL

Documents required:

In the case of mortgage transactions for SMEs (enterprises and sole traders), the following documents are requested:

- General documents requested for legal persons:
  - Sole traders: Spanish identity document; EXPERIAN; CIRBE; last three quarterly VAT returns-assessments; statement of assets or Wealth Tax return and searches in registers for other assets of the parties to the transaction.
  - Enterprises: VAT registration number; RAI/ EXPERIAN; CIRBE; last Corporation Tax Return; Audit Report (for audited enterprises only); balance sheet and updated profit and loss account; statement of assets and searches in registers for other assets of the parties to the transaction.
- Documents by transaction type: Original appraisal of the asset to be mortgaged; sale and purchase agreement (in the case of a real property purchase); proof of last 3 loan payments in the case of subrogation and deed recording the mortgage for subrogation as the case may be.

Admission and analysis policies

All proposals for this type of mortgage transactions are analysed in the following order:

- Analysis of documents: financial particulars (balance sheet and profit and loss account; personal income tax returns; VAT), EXPERIAN, CIRBE, appraisals, etc.
- Analysis of the Customer: age / enterprise seniority, marital status (of the sole trader), business, etc.
- Analysis of the transaction: purpose of the funds, cash flow stability, etc.
- Analysis of collaterals: credit standing. Assessment of collaterals and availability if enforced.

Transaction origination

Upon the transaction being analysed, it is approved by the competent body, based on the specific level of empowerment.

The IT system has set empowerment parameters for every Branch/Person based on amounts. The system turns down transactions that are not within the set limits.

Empowerment level

Risk acceptance needs to be delegated in order for admission procedures to be swifter and for everyone to take responsibility for their quality. The Management Board is the highest decision-making body and sub-delegates to the General Manager up to EUR 250,000. The Management sub-delegates to the Risks Officer (up to EUR 200,000), Coordinators (up to EUR 150,000), Risks Committees (up to EUR 90,000) and Branch Managers (between EUR 0 and EUR 90,000).

2. CAIXA RURAL DE BALEARS

Transaction arrival channels

• Branches
• Business partners

Documents to be signed by the customer

• Application of partner
• CIRBE application
• Statement of assets
• Authorisation to debit the cost of appraisals to the account (mortgage transactions only)
• Direct salary payment order (consumer mortgage transactions only)

Empowerment in the authorisation of risks

Level	Personal Bond Risk Limit	Security Interest Risk Limit	Eligible Transactions (2)	Person Type (3)	Binding Scoring (4)
A	32,000	150,000	Loans, Credits & Commercial Classification	Individuals and Legal Entities	YES
B	24,000	0	Loans & Credits	Individuals	YES
C	16,000	0	Loans	Individuals	YES
D	8,000	0	Loans	Individuals	YES
E	0	0	---	---	---

(1) Residential mortgage loans may only be authorised for individuals and shall at no event exceed 80% of the appraisal value.
(2) Levels C and D may only grant loan transactions.
(3) Levels B, C and D may only grant transactions to natural persons.
(4) The scoring is binding in all cases.

Area Supervisors and/or Risks Officer

• Personal Bond: €32,000
• Security Interest: €150,000

Manager member of the Investment Committee & Risks Officer:

• Personal Bond: €100,000
• Security Interest: €250,000

Investment Committee

• Personal Bond: €300,000
• Security Interest: €400,000

Management Board / Executive Committee: All others

Description of the transaction processing circuit

Proposed transactions are analysed at the transaction analysis centre based on the institution's set rules. Transactions arriving through business partners shall enclose the preliminary scoring sent by the branch to the risks area with the latter's valuation. A positive/negative recommendation will be given in transactions below EUR 600,000. If the recommendation is negative, the transaction analysis is sent to the branch in order for observations to be submitted or for additional documents to be provided to make good initial shortcomings. Those observations may either change the negative analysis of the transaction or leave it unchanged.

Lastly, once the analysis and the relevant observations have been made, the transaction is submitted to the relevant approval level for a final decision.

3. CAJA RURAL ARAGONESA Y DE LOS PIRINEOS

Transaction arrival channels

Lending transactions are generated in the branch network and begin with the customer's loan application.

Documents required

The following documents are required to study an SME loan:

1. General documents:

   Memorandum of association, deed with powers of attorney, proprietor's and guarantors' CIRBE, proprietor's and guarantors' payment performance, updated searches in registers, corporation tax return for the last three years ended, balance sheet showing sums and balances for the year in progress, yearly VAT summary for the last financial year, quarterly VAT return(s) submitted in the year in progress, guarantors' last Personal Income Tax return, summary of assets and liens of the parties involved, guarantors' wealth tax return, RAI and ASNEF searches for all parties to the transaction, rating search and capital increase deeds, if any.

2. Specific documents:

   Proof of purpose of the transaction:

   - Purchase of machinery: invoices.
   - Manufacturing projects, supplies: contract.
   - Performance of works: estimates.
   - Agreements: decision of the competent body.
   - Subsidy or VAT advances: decision of grant or VAT.

Proposal and approval

The Branch's Risks Committee studies the transaction documents and makes the relevant proposal. Based on its powers, it may approve the SME loan or not, and if not then it shall send the file to the Head Office to be analysed and subsequently approved.

Risk empowerment

The various Approval Bodies are specified below with their relevant level of authority:

Management Board	No limit
Executive Committee	Up to €5,000,000
General Manager	Up to €3,000,000
Institution's Risks Committee	• Up to €3,000,000 with General Manager • Up to €2,000,000 with Business Manager and Risks Manager
Business Manager	Up to €1,000,000
Risks Manager	Up to €1,000,000
Risks Territorial Office	Up to €500,000
Risks Committee of the Branch	
Group 1 Branch	Up to €18,000
Group 1 Branch	Up to €30,000
Group 3 Branch	Up to €60,000
Group 4 Branch	Up to €90,000

4. CAJA RURAL CENTRAL

Lending procedures

Lending decision-making support tools: internal scoring y rating

These are analysis and valuation systems allowing Caja Rural Central to assign a credit rating to every customer, based on objective data and policies. This is the basis for:

- Facilitating risk policies consistent with the credit rating and monitoring of the live risk
- Enabling distinct pricing policies

They are built into the risks processes and circuits providing cover for all stages in the cycle. They allow admission policies to be homogenised and decision-making to be decentralised. Both are the result of an internal development of Caja Rural group; internal rating was introduced at Caja Rural Central in May 2004 and scoring was introduced in February 2005.

Rating allows SMEs turning over in excess of one million euros per annum to be rated and scoring allows those not achieving such a turnover to be scored.

Methodologies

For rating: Allows an enterprise to be valued giving a score based on quantitative data obtained from its financial statements and qualitative data having regard to its operations with Caja Rural Central, if it is already a customer.

The evolution of a customer's credit rating may be observed whilst monitoring the risk, requesting that the reasons resulting in a drop of the customer's rating be explained.

The rating model values legal entities with two different methods, based on the customer's yearly turnover:

Simulation method: SMEs turning over between one million euros and fifty million euros.

Replication method: for large enterprises, turning over in excess of fifty million euros per annum. The aim is to assimilate international rating agency ratings.

There is a scale of eight values based on calculated default probability. Each step comprises an interval in a customer's default probability that cannot be changed.

Variables involved in the rating score:

- Business sector
- Size of Balance Sheet and Operating Account
- Live system risk
- Aggregate balance of occurrences
- Maximum available in the year

For scoring: Values the customer according to the transaction applied for on quantitative and qualitative data. It calculates the estimated default probability in each case, linking that probability to the relevant scoring level.

The system will only advise that a transaction be approved when the score exceeds the minimum set as being sufficient.

Variables involved:

- Transaction type
- Purpose
- Type of collateral
- Financial Data
- Business
- CIRBE
- Balances, overdrafts and overuse
- Annual income

The lending process

Starts upon the customer applying for the risk.

Information required

Before analysing and approving the transaction, the account manager prepares and updates the file, requesting the following documents:

- Balance Sheets, Financial Statements, Income Statements
- Statements of assets and searches in registers on the parties
- Activity, history and experience reports
- Purpose of the transaction, use of the funds applied for
- Positions at and operations with Caja Rural Central and CIRBE

The following is done based on the documents produced by the customer, supplemented with those obtained by Caja Rural Central and from external sources:

- Searching delinquency filters
- Searching rating or scoring, as the case may be

- Studying CIRBE history, including guarantors
- Monitoring experience at Caja Rural Central, if any
- Studying the economic-financial position
- Searching any other information relevant to decision-making

Obviously, all securitised transactions, granted before rating and scoring were first used at Caja Rural Central, did not have the benefit of these tools but benefited from the same quality in their analysis, for the analyst allocated made the relevant estimates.

Preparing the proposal and approval

Once the analysis has been made and conclusions have been drawn, the Branch makes the relevant proposal. If the transaction is accepted, the proposal and supporting information is passed to the approval process by the relevant body based on the risk to be undertaken with the customer or economic group (branch, Risks Area, Risks Area Committee….)

Risks empowerment

This is implemented in internal regulations. The following points are noteworthy:

- Empowerment to take on risks is a requirement but is not in itself sufficient
- It is granted personally, based on the attorney's experience
- Empowerment is arrived at gradually
- The empowerment figure is the maximum risk to be taken on with a customer or economic group or family unit. It shall differ depending on whether the risk has personal or mortgage security.
- It originates in the political bodies and is cascaded down the hierarchic line.

5. CAJA RURAL DE ARAGÓN

Depending on the existing retail organisation, transaction proposals originate in the following distribution channels:

- Network of Branches
- Central Departments or Group Institutions for syndicated loans.

Admission and analysis policies.

Any risk transaction entails the existence of a correlatively numbered proposal. An analysis is made in the following order, and the process is stopped where the set requirements are not satisfied. That results in the risk being refused or negatively reported on.

Analysis of documents. Checking that the documentary information is as required for the analysis to be made: full proposal, supporting report, economic data (income, pay cheques, audit, corporation tax return, etc.), Asnef / Experian, Cirbe, Rai, Wealth Tax return, contracts, appraisals…
Analysis of the customer (borrower/guarantor). Applicant's identification and business (legal entity/ individual and activity) for, depending on these variables, the analysis is different.
Analysis of the transaction. Use of the funds, repayment capacity based on the repayment schedule. Transaction consistency with the applicant's business. Cash flow stability.
Analysis of collaterals. Credit standing. Valuation of collaterals and availability if the contract is enforced. This is the last analysis made and collaterals must always be considered in the event that the repayment forecasts based on the customer and transaction analysis do not come true. Admission of the risk must not therefore be based only on the collaterals.

Transaction origination

Once the transaction has been analysed, it is approved by the competent body, as empowered.

The IT system has set empowerment parameters for every branch/person based on amounts. In addition, the correct application of such terms as rates, fees and time limits is channelled through the Lending Lines, a System instrument grouping the various transaction types depending on the parameters set by the head office, which are exclusively responsible for maintaining and changing those lines based on the guidelines set from time to time.

The system turns down transactions that are not within the set limits. The risks area processes approval after checking that the proposal is authorised by the competent body.

Such tools as scoring and rating are used, built into the system and affecting all the lending transactions processed. Although they are not presently binding with respect to the transaction decision, they are taken to be a tool supporting admission and management of the risk granted.

Empowerment level

Risk acceptance needs to be delegated in order for admission procedures to be swifter and for everyone to take responsibility for their quality.

The empowerment figure granted is the maximum amount to be arrived at with a customer or group of customers considered as a business group or family unit.

That figure shall be authorised by the Institution's highest decision-making body and is cascaded down the hierarchic line.

Authority is conferred on an individual, and analysing the extent to which it needs to be used.

The figure authorised is given for unrestricted customers, and is subject to study, documents and decision-making, based on the standards set by Caja Rural.

The Management Board is the highest decision-making body. It empowers the Management Committee by up to three million euros, and this body in turn empowers the General Manager by up to one million euros. The Office of the General Manager empowers the Risks Officer (by up to €600,000), the Offices of the Regional Managers (by up to €250,000) and Branch Managers (between €120,000 and €150,000).

6. CAJA RURAL DE ASTURIAS

Marketing channels.

Loan transactions are processed through a network of 106 branches, through which Caja Rural de Asturias provides its customers with broad-ranging financial products designed to cover a small and medium-sized enterprise's financing needs.

Processing the application. Lending procedures.

The risk admission process begins upon a customer applying for the risk. CAJA RURAL DE ASTURIAS has established a customised management model.

The application may be resolved by the Branch proper if it is empowered to do so.

Information required.

Prior to transaction analysis and approval, the account manager shall generally do the following:

Updating or preparing the file with the following information:

1. Balance sheets, financial statements, audits.
2. CIRBE, RAI, ASNEF reports.
3. Searches in registers.
4. Positions at CAJA RURAL DE ASTURIAS with a breakdown for customer applications.
5. If mortgage security is required, appraisal of the asset to be provided.
6. Transaction study.
7. Based on the information supplied by the customer, supplemented with the information available to Caja Rural de Asturias and from other external sources, a financial plan is prepared.
8. Search or scoring or rating.

9. Delinquency filters are searched.
10. CIR evolution, including guarantors.
11. Previous experience, if a customer.
12. Any other relevant or revealing detail for decision-making.

Support system for lending decision-making: internal scoring or rating of the enterprise.

When the enterprise turns over in excess of one million euros, the system reports the assigned rating, and otherwise scoring tools are used which are analysis and valuation systems allowing Caja Rural de Asturias to assign a credit rating to a customer.

Scoring is built into the risks procedures and circuits providing cover for all stages in the risks cycle and allows efforts to be properly adjusted and capacities to be assigned depending on the type of risk.

The scoring method used is based on an assessment of quantitative factors, such as financial statements of the enterprise analysed and qualitative factors such as customer reports.

In addition, the system allows alert variables to be obtained which are made available to the analyst to be assessed and resolved upon and, depending on their importance, they are sorted into:

- Variables to be explained.
- Non-conditioning variables. Showing which variables take unusual values.
- Conditioning variables.

The existence of these alerts conditions or limits the customer's score.

General operating outline

In order for an internal scoring to be obtained, it is necessary for there to be a minimum amount of customer information such as financial statements and other details specified in the preceding sections.

This is all used for the automatic calculation provided by the system, based on a set algorithm, and the results are finally analysed and evaluated using the tool.

Approving the proposal.

Once the proposal is studied by the account manager in charge of the analysis and a conclusion is duly arrived at, a decision is made which can self-evidently be one of three types:

1. Refusal. In this case an entry is made in the operating system and in the documents submitted.
2. Decision pending due to incidents derived from the absence of documents or the need to clarify certain aspects of the application.
3. Favourable decision.

In all three cases, the Branch is notified through the system, and a system entry is made including the terms on which the application was resolved with no change.

7. CAJA RURAL DE CÓRDOBA

All transactions processed by CAJA RURAL DE CÓRDOBA originate in the branches, which enter and apply for the same and also carry out a standard prior study, distinguishing between those granted by branches using their own authorities and those submitted to the Analysis Department for assessment.

Documents to be submitted

The normal standard documents for the various transactions distinguishing between natural and legal persons. In the specific case of transactions with security interest the relevant expert appraisal shall be submitted satisfying the rules now in force and drawn up by an institution accredited by the Bank of Spain, in addition to the basic documents.

All transactions are scored (individuals and micro enterprises) and rated (large enterprises and SMEs) and the results are used for guidance and are not binding.

Analysis of the different transactions:

Transactions granted by branches using their own powers pass to the loan departments for origination, a basic check being made by the risks department manager.

Those submitted to be assessed are analysed by the analysis department and approval shall vary according to the amount and overall risk. Upon being approved, they are submitted to the relevant department for origination. Mortgage loans are controlled by the legal department.

Empowerment level:

Each branch has a different empowerment level based on balance sheet structure and managerial skills.

The different levels at the head office are as follows (EUR thousand):

- Up to 45: the Analysis Manager is responsible for Approval.
- Between 45 and 90: the Analysis Manager and the General Internal Auditor are responsible for Approval.
- Between 90 and 600: the Analysis Manager, the Business Area Supervisor, the General Internal Auditor and the General Manager are responsible for Approval.
- Between 600 and 1,800: the above and the Executive Committee are responsible for Approval.
- More than 1,800: the Management Board is responsible for Approval.

8. CAJA RURAL DE EXTREMADURA

Lending procedure.

CAJA RURAL DE EXTREMADURA uses two analysis tools for approving lending transactions:

1- Scoring. A tool for analysing family and micro enterprise transactions (turning over less than one million euros per annum).
2- Internal rating. A tool for analysing transactions for enterprises turning over in excess of one million euros.

The scoring methodology is based on a statistical database of non-delinquent and delinquent transactions. Out of all variables reported to CAJA RURAL DE EXTREMADURA, the most discriminating variables are selected by statistical methods, namely those that best explain delinquency. These variables are then all assigned weights which shall be the ratios attached to each variable. Based on these variables, the model allows transactions to be rated based on risk of default, allocating values from 1 to 8. The higher the score, the lower the risk.

Insofar as rating methodology is concerned, an application provides an internal rating for each enterprise using logistic regression. The relevant variables are of a financial kind and involve relationship with CAJA RURAL DE EXTREMADURA. Model ratings range between 1 and 8, this being for enterprises best able to meet payments. Each rating is assigned a default probability.

Documents

Prior to analysing and approving the transaction, the account manager generally asks the customer to provide the following documents:

- Customer’s tax identification number.
- Purpose of the transaction.
- Proof of income with pay cheques, contracts of employment, personal income tax returns, etc.
- If an enterprise, annual accounts for the last two financial years, audit reports, corporation tax returns, VAT returns, Social Security, list of customers and suppliers (form 347).
- Searches in registers. Updated simple certificate from the register of the asset to be mortgaged.

- Purchase and sale or option agreement, as the case may be.
- Documents supporting other assets with a simple certificate and/or signed statements of assets.
- Real estate tax (IBI) receipt for the last financial year.
- Photocopy of the title deed and of powers of attorney (if any).
- Planning permission and copy of the cleared design, in constructions in progress.
- Certificate of habitability.
- If a company, memorandum of association, last capital increase and deed recording the general manager's power of attorney. Enterprise activity reports.
- Checking the current risk positions at the Institution and in the Financial System, obtaining the authorisations to apply for CIRBES.
- Valuation certified by a firm licensed by the Bank of Spain.
- Statement of assets of applicants and guarantors, if any.
- Preparing the IT application entry and the scoring report.
- Preparing the fire or comprehensive risk insurance proposal, in the case of a building, with an assignment clause to the institution.

Based on the information provided by the customer, supplemented with the information available to CAJA RURAL DE EXTREMADURA and from other external sources, a report is prepared with a proposal for approval or refusal.

After the analysis made, if the transaction is accepted, the proposal is passed to the approval procedure by the committee at the branch proper or is submitted to the relevant approval body having regard to the amount and risk level.

Persons empowered and decision-making in approving risks

Powers are sub-delegated to individuals but decisions are made jointly, by various bodies as follows:

- Branch Loan Committee
- Area Loan Committee
- Central Credit Risks Committee
- Management Committee
- Executive Committee
- Management Board
- These decision-making bodies are responsible for approving transactions based on the Risk amounts.

9. CAJA RURAL DE GIJÓN

Transaction arrival channels

Lending transactions are generated and resolved at the branches if they are empowered to do so.

Documents required

The following information will be required for mortgage transactions to be used for business investments:

- Proof of identity: Spanish identity document of the parties involved if they are natural persons and memorandum of association and powers of attorney duly entered in the Companies Register, etc.
- Proof of repayment capacity: financial statements for the last three financial years, income and wealth tax returns, proof of any other regular income. In addition, quarterly personal income tax and VAT returns.
- Proof of collateral and purpose of the transaction: appraisal of the asset to be mortgaged, sale and purchase or deposit agreement, registration certificates of the asset to be mortgaged and other possible assets of the parties involved, pro forma invoices or estimates of the investment, etc.
- Other reports: RAI, CIRBE, Experian, Scoring.

Admission and analysis policies

All mortgage transaction proposals are analysed in the following order:

1. Analysis of the documents
2. Analysis of the parties involved (borrowers and guarantors)
3. Analysis of the purpose
4. Analysis of the payment capacity
5. Analysis of collaterals

Empowerment levels:

At branches with sub-delegated powers the entire admission, analysis, approval and origination process shall be carried out at the centre provided that transactions satisfy the following requirements:

1) Transaction amount less than €200,000.00
2) Loan amount at no event to exceed 80% of the appraisal value of the property.
3) Scoring opinion: approval

In transactions failing to meet any of the above requirements, the branch shall submit the proposal to the Risks Head Office for a report to be issued and submitted to the Executive Committee for the transaction to be approved.

In the case of Branches with no powers, all transactions shall be submitted to the Risks Head Office for a report to be issued on the proposal: if the transaction satisfies the requirements set out above, then the transaction shall be severally approved by two of the following: Risks Supervisor, Business Supervisor, Administration Supervisor and General Manager.

Transactions failing to satisfy any of those requirements shall be submitted to the Executive Committee for the transaction to be approved.

10. CAJA RURAL DE GRANADA

Documents required for studying and approving transaction proposals.

The documents to be included in the customer file shall identify and describe the customer, specifying the customer's personal, economic and financial particulars. The documents shall vary in accordance with the customer segment.

Enterprise segment information.

The enterprise segment encompasses all applicants satisfying the following requirements: legal persons or natural persons with a yearly fiscal turnover in excess of EUR 300,000.

The documents required are the Memorandum of Association, Annual Accounts and Audit Report for the last two financial years ended, Balance Sheet and Profit and Loss Account for the financial year in progress, Corporation Tax return for the last 3 financial years (date of submission no later than July 20 of the following year): Form 200 Normal Return or Form 201 Simplified Return, previous financial year Treasury Forms: Annual VAT Summaries (Form 390), Third-Party Transactions (Form 347) and Yearly Tax Withholding Return (Form 190), Treasury Forms for the financial year in progress: Withholding Tax (Form 110 or 111, depending on whether a quarterly or a yearly form is prepared) and VAT Returns (Form 300, 310), Registration Notes of the asset owned, leases, etc., Internal and external reports: rating by specialist firms, etc, Guarantors: compiling as many of the Customer Particulars for Individuals of the preceding section as possible for every Company guarantor, including at least their Statement of Assets and updated Registration Notes. The Statements of Assets shall be updated for each customer transaction, and shall be included therein as COMPULSORY documents, excepting for Occasional Discount transactions.

When the owner of the business is an Individual included in this segment because of turnover, documents 1 to 4 above are replaced with the Personal Income and Wealth Tax returns for the last financial years, quarterly Personal Income Tax and VAT assessments in the case of sole traders;

Balance Sheet and Profit and Loss Account details will be compiled, for their preparation is compulsory irrespective of whether or not the owner legalises and files the same with the Companies Register, which is a facultative action in the case of a sole trader, in accordance with article 19 of the Commercial Code, with the exception of ship owners, who are always bound to register the same.

Farming-stockbreeding segment details.

The operation and needs of this customer segment are specific and also require production of documents specific to this segment. In addition to the customer details which must be included in the customer file, depending on whether the customer is a natural or a legal person, other documents must be obtained, if they are available to the customer, and some are compulsory for certain special lines, namely: applications for surface aids and stockbreeding subsidies, surface declarations, farming insurance taken out and other documents.

Approving transactions.

Two types of powers are distinguished for approving transactions:

a) Individual approval powers:

The Management Committee, based on reports received mainly from the Financial Division and from the Business, Branch Audit and Internal Control Management Office, and, as the case may be, based on information on the progress of each branch, shall confer individual and joint powers on Managers and Credit Supervisors. Those powers may be structured by transaction type. Branch Managers who have been conferred individual risk powers may all approve transactions individually or severally if they have been conferred powers with the Branch Credit Supervisor.

b) Joint approval powers:

The following table outlines the level of risk approval powers of the various joint bodies:

RISK TRANSACTION EMPOWERMENT LEVEL AND APPROVAL BODIES				
Empowerment Level (In EUR thousand)	**Risks Committee**	**General Committee**	**Management Committee**	**Management Board**
Up to 300	Approves	-	-	-
More than 300 and up to 500	-	Approves	-	-
More than 500 and up to 800	-	Proposes	Approves / Reports	-
More than 800	-	Proposes	Proposes	Approves

The Reporting action involves conveying a list of approved transactions to the higher approval level. Transactions granted to a same customer whose overall risk, including the proposed risk, is in excess of €4,000,000.00 individually or €6,000,000.00 jointly with the customer's Group, will have to have a Report issued by the Management Committee, giving the following details:

- Customer's current risks, and the most relevant risks of the customer's financial group, if there is such a group.
- Customer's rating level and profitability.
- Risks of the group to which the customer is affiliated, if any.
- Description of the proposed transaction: use of the funds, repayment capacity and collaterals therefor.

The Refusal of transactions shall be the exclusive responsibility of the Management Board for transactions in excess of €300,000.00, following a proposal by the competent body according to the customer's or group's risk level.

Membership and operation of the joint approval bodies.

- Risks Committee: assembles daily and its membership consists of the Risks Analyst, Deputy Manager for Branches and Area Manager. That Committee shall have validly assembled with the attendance of two of the above members.

- o General Committee: assembles daily and its membership consists of the Risks Analyst, Financial Manager or Risks Analysis Supervisor, Manager and Deputy Manager for Branches and Area Manager. This Committee may also, as an additional member, be attended by a manager of the Corporate Banking segment.
- o Management Committee: assembles weekly and its membership consists of the General Manager, Financial Manager, Manager for Branches and Risks Analysis Supervisor.

Transaction approval procedure.

Approvals within each joint body shall be adopted with one accord; in the event of disagreement among their members, the transaction shall be submitted for approval to the approval body immediately above. The decision may be given in three ways:

A. Approved on the proposed terms
B. Approved on other terms
C. Refusal

11. CAJA RURAL DE NAVARRA

Pricing policy

The loan pricing policy at CAJA RURAL DE NAVARRA is based on setting minimum, preferential and maximum price levels to be applied to customers in loan transactions to be entered into, having regard to the current market situation and the interest rate curve and the minimum yield or risk Premium demanded in its transactions.

These standard prices or rates will adapt to the evolution of markets, products and competition, in accordance with the planning and objectives set from time to time.

These prices will be changed jointly by the Risks Department and the Sales Management and the changes will be notified to the network in an internal circular and in addition a summary shall be posted on the Institution’s intranet.

Similarly, the Risks Department shall together with the Sales Management set the price empowerment levels for the Institution’s different decision-making bodies in this sphere, mainly based on customer and centre profitability and efficiency principles. The actual operation of CAJA RURAL DE NAVARRA controls fulfilment of these pricing powers.

Repayment capacity

In analysing repayment capacity, the ratio of yearly EBITDA (earnings before interest, taxes, depreciation and amortisation) to total borrowings is analysed using the following formula:

$$\frac{\text{Total bank borrowings}}{\text{EBITDA}} \leq 3$$

Collaterals

After analysing a customer’s repayment capacity and provided that the customer can satisfy commitments made, the transaction shall have to be secured with such security interests or personal bonds as shall be deemed fit.

The following are the different types of collateral that may be put forward:

- Mortgage security
- Personal guarantee
- Pledge
- Mutual Guarantee Company Guarantee, Public Institutions

Legal analysis

This is a particularly important analysis in mortgage transactions because the security for CAJA RURAL DE NAVARRA is based on the asset to be mortgaged and on registration of the mortgage in the relevant register. It is therefore necessary to ensure that registration will be smoothly obtained, and the legal department hence reviews all mortgage transactions before they go to the notary's office for signature.

In all other transactions, a legal analysis will be made if the relevant analyst deems it necessary to do so given the special characteristics of the transactions, but there is no need for this to be done systematically in all transactions.

Documents to be required by transaction type

The object of the transaction documents is achieving a twofold aim: justifying the transaction, the intended purpose, and the customer's creditworthiness, as to both repayment capacity and collaterals provided, and optimising the administrative and repetitive tasks in these processes.

The centres with which the customer files the application for transactions shall be responsible for compiling and analysing the documents required, and for ensuring that the same are truthful and sufficient for the relevant analyses to be made.

The documents identifying the applicants need not be sent for loan transactions because in order for a loan proposal to be sent it is first necessary for a deposit account (passbook or current account) to be opened, and it is then that the customer must be identified and asked to provide the relevant documents.

The following documents must be requested in all types of transactions:

- Proposal or novation document
- Application signed by the customer (in new transactions, not so in novations)
- Branch report
- Details of the applicants' and/or guarantors' assets (may be included in the branch report)
- Experta 423 or 424, depending on whether the applicant is a natural or a legal person (this search includes the SIRVE details)
- Simple certificates on the owners' and/or guarantors' assets if the total customer risk is in excess of €20,000
- Audit report and/or Corporation Tax return for the last 2 financial years, balance sheet and profit and loss account for the year in progress.

12. CAJA RURAL DE TERUEL

Lending procedures, overview:

Inception:

The procedure begins at the different sales channels: network of branches, office of the area supervisor, salespersons, etc.

Risks analysis and admission:

Generally, the risk will be admitted to be studied by the above channels if the preliminary analysis of the following points satisfies the set requirements:

- Examination of the documents submitted which must match those set by internal regulations.
- Analysis of the customer, business, legal personality, etc.
- Analysis of the transaction, use of the funds, consistency of the request and the business, consistency of the use of the funds, repayment method, capacity and cash flow stability and customer credit rating to recover the investment, and consideration.
- Analysis of collaterals, from the point of view of the Institution recovering the investment in the event that the repayment prospects are not satisfied. Collaterals shall be taken at their real value.

If the risk is dismissed, then a record of the refusal shall be made.

Drawing up the proposal:

After making the analysis and drawing conclusions, the branch shall draw up the relevant proposal, which shall enclose the documents required in the internal regulations having regard to the customer's legal personality.

After quantifying the customer's global risk, including the risk of the group, if any, to which the customer is affiliated, a determination shall be made as to whether the risk is within the branch manager's powers or whether the proposal must be passed up to the Institution's Risks Area to be duly approved.

Approving the proposal.

In addition to each manager's official powers, managers shall have clearly defined authorities based on their individual experience, individually conferred and notified.

All loan transaction proposals not covered by the branch's authorities shall be passed up to the Risks Area along with the relevant documents to be analysed and approved.

Upon entry being recorded, a classification is made based on the cumulative risk by customer or economic group. Upon being analysed and a report being issued, proposals are passed to the risks committee in the area, comprising the Risks Area Supervisor, the Deputy Risks Area Manager, the Recoveries Supervisor and the Analyst.

The first three are individually empowered for approving a risk amount of up to €90,000 in transactions with personal bond and up to €150,000 in transactions with mortgage security. Two of them may severally approve transactions of up to €150,000 in applications with personal bond and up to €300,000 euros in transactions with mortgage security. Committees meet weekly on Tuesdays and Thursdays.

Transactions exceeding these amounts, or indeed below the same where that is deemed appropriate, are submitted to a new Risks committee to be assessed, comprising the General Manager, Deputy General Manager, Business Manager, Risks Supervisor and Deputy Risks Supervisor, and transactions of up to a cumulative sum of €600,000 with any collateral may be approved. This committee meets weekly on Tuesdays.

All other transactions, with a cumulative risk in excess of €600,000, are submitted to the institution's Board to be approved at its monthly meeting, and its members are also advised, for ratification, of all transactions already approved since the last Board meeting.

SCORING, a decision-making support tool.

This tool is built into all risks processes and circuits providing cover for all risks cycle stages. The scoring tool is a statistical model for estimating a private or micro enterprise customer's default probability, and, based on certain variables, it predicts future performance from similarly characterised groups.

This service allows the information generated by each customer to be compiled and used, relates the customer-transaction binomial and may yield different scores for a same customer. A score is already issued upon the application being mechanised in the IT system, and a score is again issued upon the proposal being approved and set in motion.

This analysis support system allows risk admission criteria to be homogenised and decision-making to be decentralised, thereby conditioning the powers conferred on each Manager, taking from the Manager's reach all transactions with a "for refusal" or "for study" opinion, which must be passed up to the Risks Area.

Asset file documents

Generally, the asset proposal shall enclose the following documents:

DOCUMENTS FOR INDIVIDUALS	DOCUMENTS FOR LEGAL ENTITIES
INTERNAL Documents	**INTERNAL Documents**
Proposal	
Member No.	SAME AS FOR INDIVIDUALS
Statement of Assets	
CIRBE	
Commercial Record	
Historical Statement	
RAI, ASNEF	**EXTERNAL Documents**
Income Statement	Memorandum of association
Netting Sheet	Capital increase deed
Proof of Subsidies	Corporation tax return
Insurance	Balance sheets, sums and balances
Authorisation terms	and profit and loss account for the year in progress
EXTERNAL Documents	Quarterly VAT returns
Photocopy Spanish ID, Tax ID	Simple certificates from the Register
Simple certificates	Forms TC1 and TC2
Personal income tax return	Form 347
Photocopy latest pay cheques	Spanish ID, Tax ID attorneys and guarantors
VAT returns	Proofs of investment
Other institution loan receipts	Institution resolution certificate
Proofs of investment	Specific public sector documents

The following documents must additionally be produced for loans with mortgage security:

Additionally for MORTGAGE loans / Individuals and Legal Entities
Simple certificate of the asset to be mortgaged
Appraisal of the asset to be mortgaged
Duly cleared design / specification
Building licence, authorisation or certification.
Private sale and purchase agreement or deed of the asset to be mortgaged
Compulsory insurance proposal
Last real estate tax (IBI) receipt
Provisional Classification original certificate

13. CAJA RURAL DE ZAMORA

Origination and lending procedure.

At Caja Rural de Zamora, all lending transactions are originated through its network of branches.

The lending process starts with the customer's risk application at the different offices of the Institution, and thereupon all necessary documents are compiled to prepare the proposals and files.

Preparing proposals and files.

Information required:

- Memorandum of association or duly registered corporate documents and powers of attorney. VAT Registration number.
- Proof of properties (Simple certificates, title deeds, real estate tax receipts, cadastral certificates, etc.).
- Balance Sheet and Profit and Loss account for the last two years and Audit Report, if any.
- Proof or pro forma invoice of the investment, investment project, licences.
- Appraisal of the assets to be mortgaged.
- Searching delinquency filters.

- CIR evolution, including guarantors.
- Other information required to study the transaction.

After making the analysis and arriving at conclusions, the Office prepares the relevant proposal enclosing the aforementioned documents. If the transaction is accepted, it goes to the approval procedure by the individuals or bodies with authority to do so, depending on each of their powers.

If the transaction is considered dismissed, then a record of the refusal is made.

Risks authorisation empowerment.

Empowerments are established in internal regulations as resolved by the Institution's Management Board, and there is a schedule of credit powers.

14. CAJA RURAL DEL SUR

Empowerment levels

The Institution's Credit Risk function is highly decentralised and decision levels (schedule of powers) are defined for both individual decisions and joint bodies.

The Branch Managers' powers depend on their ranking, i.e. the standing or importance of the Branch within the Institution as a whole. This ranking is revised annually and depends on many elements, logically including investment volume, delinquency rate and profitability.

	Personal Bond	Security Interest	Overdrafts	Cards
A	33,000.00	100,000.00	7,500.00	7,500.00
B	30,000.00	90,000.00	6,000.00	6,000.00
C	24,000.00	81,000.00	4,500.00	4,500.00
D	18,000.00	72,000.00	3,000.00	3,000.00
E	13,000.00	63,000.00	2,100.00	2,100.00
F	9,000.00	54,000.00	1,200.00	1,200.00

Branches are sorted into areas or Centres, supervised by a Centre Supervisor. At meetings of those branches with their respective Supervisors, loans with a risk in excess of the powers of the respective branches are in turn approved, up to the following limits:

Personal Bond	Security interest	Overdrafts	Cards
36,000.00	120,000.00	36,000.00	9,000.00

Transactions exceeding the powers of Branches and Centre Supervisors and having a cumulative risk of less than EUR 1,000,000 pass to Analysis, which studies and reports on the applications, which are approved if they have the power to do so, or are submitted for approval to the higher Body.

The powers of Analysis amount to a cumulative risk of EUR 150,000, whether on personal or mortgage security.

Risks in excess of one million euros are analysed by the Large Risks Unit.

Risks exceeding EUR 150,000 and up to EUR 450,000 (both mortgage and personal risks) are approved, as the case may be, by the Risks Committee. For amounts in excess of EUR 450,000, the Committee ratifies, as the case may be, the report issued by Analysis, and makes a proposal for approval on the Board / Executive Committee.

The Risks Committee has the following members: General Manager, Risks Manager, Territorial Managers, Corporate Banking Manager, Monitoring Supervisor and Analysis Supervisor.

The Management Board and the Executive Committee approve risks exceeding EUR 450,000, on a proposal by the Risks Committee.

Transaction analysis:

The functions of the Analysis Unit are, inter alia: analysing the viability of credit investment transactions, assessing the risk to be taken and checking that they all satisfy the required characteristics, information and documents.

An assessment is subsequently made of the economic risk of the transactions proposed submitted to the higher bodies (Higher Risks Committee, Office of the General Manager, Executive Committee and Management Board).

The analysis is made as follows: a check is made of the status of the parties involved in the IRIS IT system (searching for debit and credit positions, arrears in payment, CIRBE, ASNEF, RAI). The documents on file are also checked: photocopy of tax identification number or Spanish identity document, proof of purpose, statement of assets signed by all parties involved, proof of income (pay cheque and personal income tax return for individuals and balance sheet and profit and loss accounts and corporation tax return for the last two years in the case of bodies corporate), calculation of credit ratios and repayment capacity for all transactions, report and appraisal certificate, etc.

Based on all of the above documents and information, the risks analysis seeks to predict future default (non-payment) probability of customers applying for risk transactions, and certain aspects are therefore taken into account:

- Repayment capacity
- Credit rating
- Collaterals
- Attitude to credit
- Vulnerability

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 part of their receivables are mostly assigned to the Fund and as issuers of the Pass-Through Certificates, shall represent as follows to the Fund, the Management Company and BANCO COOPERATIVO 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, or as formerly provided by law 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 2006, 2005 and 2004 with at least a favourable opinion and without any provisos from the respective auditors in the year 2006 annual accounts. The audited annual accounts for the years 2006, 2005 and 2004 have been filed with the Companies Register whereas the audited annual accounts for the year 2006 have been submitted to the CNMV.

2. In relation to the Loans whose receivables are mostly 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 insolvency decree, and that all statutory provisions applicable to them were observed in perfecting the same.

(3) That each Originator holds absolute title to each and all of 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 Loan Obligors are all non-financial small and medium-sized enterprises (legal persons and sole traders), based on the Originators' internal policy (annual turnover not in excess of EUR 50 million) domiciled in Spain.

(7) 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, set out in section 2.2.7 of the Prospectus Building Block, shall be attached as a schedule to the Deed of Constitution in that respect.

(8) 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.

(9) 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.

(10) 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 Series A, B, C and D Bonds issued.

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

(12) 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.

(13) That, upon the Fund being established, to the best of the Originator's knowledge, no Loan Obligor is insolvent.

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

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

(16) That none of the Loans has a final maturity date extending beyond July 16, 2037.

(17) That the public Loan origination documents (deed or agreement) contain no clauses preventing their assignment or requiring any authorisation or notice for such assignment to be made.

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

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

(20) That nobody has a pre-emptive right over the Fund, as holder of the Loan receivables.

(21) That both the grant of the Loans and the assignment of part of their receivables 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.

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

(23) 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.

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

(25) That based on their internal records, none of the Loans, if any, granted to real estate developers is financing the building or renovation of homes and/or business or industrial properties designed to be sold, but is on the contrary financing activities other than those referred to herein. And that none of the Loans is intended for finance lease transactions.

(26) That none of the Loans assigned to the Fund have been granted to employees of the Originators or, as the case may be, to companies in the Originators' respective groups.

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

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

(29) That the 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).

(30) That none of the Loans are an extension or reinstatement of loans previously in arrears.

(31) That the Loans whose receivables are mostly assigned to the Fund derive from bilateral loans granted to small and medium-sized enterprises.

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 currently worded, 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, junior-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 based on its ranking, 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 buildings, their construction has already been completed.

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

(8) That the public deeds originating the Mortgage Loans provide that until and unless the same are fully repaid the Obligor shall be bound to have the mortgaged properties insured against the risk of fire and other damages during the contract term, satisfying at least the minimum requirements set by the mortgage market laws in force from time to time.

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

(10) That the properties mortgaged under the Mortgage Loans are not, and are not ineligible as, assets excluded for standing as security under article 31 of Royal Decree 685/1982.

(11) That the Mortgage Loans are not perfected in registered, negotiable or bearer securities, other than the Pass-Through Certificates issued to be subscribed for by the Fund.

(12) 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.

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

(14) That nobody has a preferred right over the Fund in and to the Mortgage Loans, as holder of the Pass-Through Certificates.

(15) That the Pass-Through Certificates are issued for the same term remaining until maturity and for the same interest rate of each of the underlying Mortgage Loans.

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 Loan receivables not substituted, by automatically terminating the assignment of the affected Loan receivables 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 after receiving 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 loan receivables intended to be assigned to take their stead, which shall fulfil the representations given in section 2.2.8 of this Building Block 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 Loan receivables upon the Fund being established, in accordance with the specific characteristics of the new loan receivables assigned. The Management Company shall provide the CNMV, the undertaking in charge of the Bond accounting record and the Rating Agency 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 Loan receivables 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 upon the Originator repaying in cash to the Fund 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.

(iii) If the events of paragraphs (i) and (ii) above should occur, the relevant 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 notify the CNMV of 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 the mortgaged properties insured against the risk of fire and other damages during the Mortgage Loan term, satisfying at least the minimum requirements set by the mortgage market laws in force from time to time, assigning the insured capital and other indemnities payable by the insurer to the relevant Originator.

No details are included regarding concentration of the insurers because the current status of the mortgaged property insurance policies taken out by the corporate obligors and their data are not supported or updated in the Originators' computer records. Nevertheless, a possible concentration of insurers has not been considered significant for credit enhancement of 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.

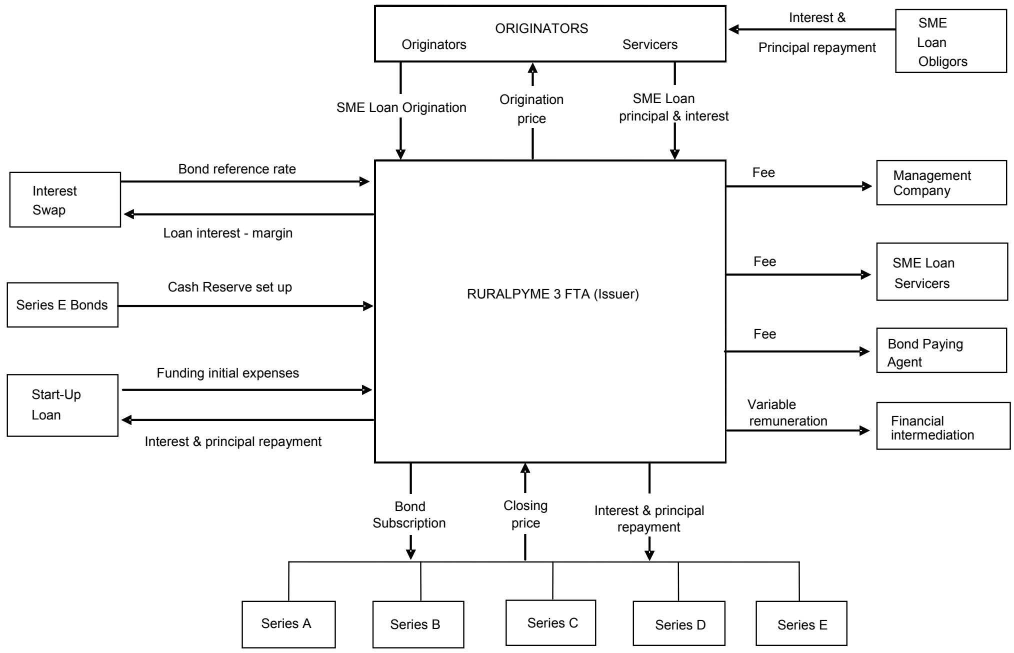
2.4 Where the issuer proposes to issue further securities backed by the same assets, statement to that effect and description of how the holders of that class will be informed.

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	**800,600,000.00**	**Bond Issue**	**830,000,000.00**
Loans	800,192,000.00	Series A Bonds	720,800,000.00
(adjustment excess to EUR 192,000.00)		Series B Bonds	44,800,000.00
		Series C Bonds	8,000,000.00
		Series D Bonds	26,400,000.00
Set-up, issue and admission expenses*	408,000.00	Series E Bonds	30,000,000.00
Current assets	**30,000,000.00**	**Other long-term liabilities**	**600,000.00**
Treasury Account*	30,000,000.00	Start-Up Loan	600,000.00
Accrued interest receivable**	to be determined		
		Short-term creditors	**to be determined**
		Loan interest accrued **	to be determined
Total assets	**830,600,000.00**	**Total liabilities**	**830,600,000.00**

MEMORANDUM ACCOUNTS	
Cash Reserve	30,000,000.00
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 408,000.00 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 be the authorised representative of 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 ASTURIAS, CAJA RURAL DE CÓRDOBA, CAJA RURAL DE EXTREMADURA, CAJA RURAL DE GIJÓN, CAJA RURAL DE GRANADA, CAJA RURAL DE NAVARRA, CAJA RURAL DE TERUEL, CAJA RURAL DE ZAMORA, and CAJA RURAL DEL SUR are the Originators and will be the Fund's counterparty under the Start-Up Loan, Loan Servicing and Financial Intermediation Agreements.

(iii) BANCO COOPERATIVO is the Lead Manager and the Subscriber of the Bond Issue. It shall also be the Fund's counterparty under 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) GARRIGUES, as independent advisers, have provided legal advice for establishing the Fund and issuing the Bonds and reviewed the tax implications thereof.

(v) PRICEWATERHOUSECOOPERS have audited the most significant characteristics of the selected loans of the Originators from which the Loans will to be taken to be assigned to the Fund upon being established.

(vi) Moody's is the Rating Agency that has 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 Loan receivables to the Fund.

The Management Company, for and on behalf of the Fund, and the Originators, shall in the Deed of Constitution perfect the agreement assigning the Loan receivables to the Fund, effective from that same date, as follows:

(i) The assignment of the Mortgage Loan receivables shall be perfected upon the Originators issuing and the Fund subscribing for pass-through certificates (the "**Pass-Through Certificates**") as established by Act 2/1981 and by additional provision five of Act 3/1994, as currently worded.

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, and 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 upon Early Liquidation of the Fund, in the events and on the terms of section 4.4.3 of the Registration Document, 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 by each of them 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 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 Loan receivables 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 Loan receivables 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 mortgaged property insurers, if any), of the transfer to the Fund of the outstanding Loan receivables, 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 mortgaged property 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 mortgaged property 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 Loan receivables 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 and the Pass-Through Certificates are issued, 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 receivables under each Loan shall comprise and 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, real estate, 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 mortgaged property 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 Non-Mortgage Loans or Pass-Through Certificates.

5. The rights of the Fund resulting from the Non-Mortgage Loans and the Pass-Through Certificates 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 respective 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 mortgaged property damage insurance contracts taken out by the Obligors. As the holder of the Pass-Through Certificates, the Fund shall be entitled to any such amounts the Originators would have received.

3.3.3 Loan receivables sale or assignment price.

The sale or assignment price of the Loan receivables shall be at par. The aggregate price payable by the Fund represented by the Management Company to the Originators for assigning the Loan receivables shall be an amount equivalent to the sum of (i) the face value of the capital or principal outstanding on each Loan, and (ii) 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 receivables 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 Loan capital, item (i) of paragraph one, shall be paid by the Fund on the Closing Date of the Bond Issue, for same day value, upon subscription for the Bond Issue being paid up, by means of instructions given by the Management Company to the Paying Agent to debit the same to 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, and will not be subject to the Fund Priority of Payments.

If the establishment of the Fund and hence the assignment of the Loan receivables 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 receivables 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 Loan receivables 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. 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 weighted average interest rate of the loans selected at November 7, 2007, as detailed in section 2.2.2.h) of this Building Block, is 5.35%, which is slightly below the 5.43% 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 for the first Interest Accrual Period. This state of affairs shall gradually be corrected as the Loans (mostly annual and six-monthly reset periods) have their respective interest rates reset to include Euribor rate rises throughout 2007. The Interest Swap however mitigates the interest rate risk occurring in the Fund because interest on the Loans floats with different benchmark indices and different reset and settlement periods with respect to 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 Loan interest rate renegotiations.

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 Series E Bonds being paid up.

Mitigates the Loan delinquency and default credit risk.

(ii) Interest Swap:

Mitigates the interest rate risk occurring in the Fund because interest on the Loans floats with different benchmark indices and different reset and settlement periods with respect to 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 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 Loan income received daily 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 A, B, C and D in the Priority of Payments or in the application of the Liquidation Available Funds in the Liquidation Priority of Payments, are a means for distinctly hedging the different Series.

3.4.2.2 Cash Reserve.

The Management Company shall set up on the Closing Date an Initial Cash Reserve out of the payment made for Subscription for Series E 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 thirty million (30,000,000.00) (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 out of 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 thirty million (30,000,000.00).

   (ii) The higher of:

      b) 7.50% of the sum of the Outstanding Principal Balance of Series A, B, C and D Bonds.

      b) EUR fifteen million (15,000,000.00).

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 three (3) years have not elapsed since the date of establishment of the Fund.

Yield.

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

Application.

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

3.4.3 Details of any subordinated finance.

3.4.3.1 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 six hundred thousand (600,000.00) (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 Agency, 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 acquisition of the Non-Mortgage Loan receivables and subscription for the Pass-Through Certificates at the difference between total face capital of both the Non-Mortgage Loan receivables and the Pass-Through Certificates and face amount of Series A, B, C and D 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 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 24, 2008. 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 will be repaid quarterly on each Payment Date as follows:

(i) The portion of Start-Up Loan principal actually used to finance the Fund set-up and Bond issue and admission expenses 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 24, 2008, and the following until the Payment Date falling on January 24, 2013, inclusive.

(ii) The portion of Start-Up Loan principal used to partly finance the acquisition of the Mortgage Loan receivables and subscription for the Pass-Through Certificates and the portion, if any, not used shall be repaid on the first Payment Date, April 24, 2008.

All Start-Up Loan amounts due and not paid because by the Fund 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 upon the establishment of the Fund terminating, in the event that the Rating Agency should not confirm any of the provisional ratings assigned as final by 1pm CET on December 20, 2007, 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, D and E Bonds.

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

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

Series E Bond interest payment and principal repayment is deferred with respect to Series A, Series B, Series C and Series D 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) the amounts of the returns obtained on Treasury Account balances; and

(viii) 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, 2008.

In the event that the rating of the short-term unsecured and unsubordinated debt obligations of BANCO COOPERATIVO or the institution in which the Treasury Account is opened (the "**Treasury Account Provider**") should, at any time during the life of the Bond Issue, be downgraded below P-1 by Moody's, or cease to be rated by Moody's, the Management Company shall within not more than thirty (30) days from the time of the occurrence of any such circumstances put in place, after notifying the Rating Agency, any of the options described hereinafter allowing a suitable level of guarantee to be maintained with respect to the commitments derived from the Agreement in order for the rating given to the Bonds by the Rating Agency not to be adversely affected:

a) Obtaining from an institution with short-term unsecured and unsubordinated debt obligations rated at least as high as P-1 by Moody's an unconditional, irrevocable and first demand guarantee securing for the Fund, merely upon the Management Company so requesting, prompt payment by the Treasury Account Provider of its obligation to repay the amounts credited to the Treasury Account, for such time as the Treasury Account Provider remains downgraded below P-1.

b) Transferring the Treasury Account to an institution with short-term unsecured and unsubordinated debt obligations rated at least as high as P-1 by Moody's, arranging the highest possible yield for its balances, which may differ from that arranged with the Treasury Account Provider under the Agreement.

c) If options a) and b) above are not possible, obtaining from BANCO COOPERATIVO or a third party collateral security in favour of the Fund on financial assets with a credit quality of not less than that of Spanish State Government Debt (*Deuda Pública del Estado Español)* on the Closing Date and similar liquidity, 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 periods until 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 by 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 the Treasury Account Provider under the Agreement.

Upon the occurrence of the events set out in paragraphs b) or d) above, the Management Company may subsequently transfer the balances back to the Treasury Account Provider under the Guaranteed Interest Rate Account (Treasury Account) Agreement, in the event that the rating of the Treasury Account Provider's short-term unsecured and unsubordinated debt obligations should subsequently be upgraded back to P-1 by Moody's.

All costs, expenses and taxes incurred in connection with putting in place and arranging the above shall be borne by the Treasury Account Provider.

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) Paying the price for acquiring the Non-Mortgage Loans and subscribing for the Pass-Through Certificates at their face value.
   b) Paying the Fund set-up and Bond issue and admission expenses.
   c) Setting up the Initial Cash Reserve.
   d) The balance upon the Start-Up Loan being drawn to the relevant extent shall be allocated to covering 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 upon Early Liquidation of the Fund, the Management Company shall proceed successively to apply the Available Funds and the Available Funds for Amortisation of Series A, B, C and D and in 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 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 at 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 real estate, 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 a), b) and f) above received by the Fund and credited to the Treasury Account from the Determination Date, exclusive, preceding the Payment Date until the latter date, shall not be included in the Available Funds on the relevant Payment Date, and that amount shall remain credited to the Treasury Account, to be included in the Available Funds on the following Payment Date.

2. Application.

The Available Funds shall be applied on each Payment Date to meeting payment or withholding obligations falling due on each Payment Date in the following 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 Series A Bonds.

4. Payment of interest due on Series B Bonds unless this payment is deferred to 8th place in the priority of payments.

   This payment shall be deferred to 8th place when, on the Determination Date preceding the relevant Payment Date, the cumulative Outstanding Balance of Doubtful Loans, reckoned at the amount of the Outstanding Balance as at the date of classification of the Doubtful Loan, since the Fund was established is in excess of 13.00% of the initial Outstanding Balance of the Loans upon the Fund being established and provided that Series A Bonds have not been fully amortised.

5. Payment of interest due on Series C Bonds unless this payment is deferred to 9th place in the priority of payments.

   This payment shall be deferred to 9th place when, on the Determination Date preceding the relevant Payment Date, the cumulative Outstanding Balance of Doubtful Loans, reckoned at the amount of the Outstanding Balance as at the date of classification of the Doubtful Loan, since the Fund was established is in excess of 11.00% of the initial Outstanding Balance of the Loans upon the Fund being established and provided that Series A and B Bonds have not been fully amortised.

6. Payment of interest due on Series D Bonds unless this payment is deferred to 10th place in the priority of payments.

   This payment shall be deferred to 10th place when, on the Determination Date preceding the relevant Payment Date, the cumulative Outstanding Balance of Doubtful Loans, reckoned at the amount of the Outstanding Balance as at the date of classification of the Doubtful Loan, since the Fund was established is in excess of 6.25% of the initial Outstanding Balance of the Loans upon the Fund being established and provided that Series A, B and C Bonds have not been fully amortised.

7. Series A, B, C and D Amortisation Withholding in an amount equivalent to the positive difference existing at the Determination Date preceding the relevant Payment Date between (i) the sum of the Outstanding Principal Balance of Series A, B, C and D, and (ii) the Outstanding Balance of Non-Doubtful Loans.

Depending on the liquidity existing on each Payment Date, the amount actually applied to Series A, B, C and D Amortisation Withholding shall make up the Available Funds for Amortisation of Series A, B, C and D to be applied in accordance with the rules for Distribution of Available Funds for Amortisation of Series A, B, C and D established in section 4.9.3.6 of the Securities Note.

8. Payment of interest due on Series B Bonds when this payment is deferred from 4th place in the priority of payments as established therein.

9. Payment of interest due on he Series C Bonds when this payment is deferred from 5th place in the priority of payments as established therein.

10. Payment of interest due on Series D Bonds when this payment is deferred from 6th place in the priority of payments as established therein.

11. Withholding of an amount sufficient for the Required Cash Reserve amount to be maintained.

12. Payment of interest due on Series E Bonds.

13. Amortisation of Series E Bonds.

    Partial amortisation of Series E Bonds shall occur on each Payment Date in an amount equal to the positive difference existing between the Outstanding Principal Balance of Series E 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.

14. 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.

15. Payment of Start-Up Loan interest due.

16. Repayment of Start-Up Loan principal to the extent repaid.

17. 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 17th place.

18. 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.

The Fund's ordinary expenses in its first year, including the management fee due to the Management Company and those derived from the Paying Agent and Pass-Through Certificate Custody Agreements, are estimated at approximately EUR two hundred and fifty thousand (250,000.00). Because most of those expenses are directly related to the Outstanding Principal Balance of the Bond Issue and the Outstanding Balance of the Loans and those balances shall fall throughout the life of the Fund, the Fund's ordinary expenses will also fall as time goes by.

(2) The following shall be considered extraordinary expenses of the Fund:

a) Expenses, if any, 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 enforce Loans and deriving from any recovery actions required.

c) Extraordinary expenses of audits and legal advice.

d) The balance, 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 A, B, C and D: source and application.

1. Source.

On each Payment Date, the Available Funds for Amortisation of Series A, B, C and D shall be the Series A, B, C and D Amortisation Withholding amount actually applied in seventh (7^{th}) place in the Priority of Payments for applying the Available Funds on the relevant Payment Date.

2. Distribution of Available Funds for Amortisation of Series A, B, C and D.

The rules for Distribution of Available Funds for Amortisation of Series A, B, C and D 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 upon 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 Series A Bonds.

5. Repayment of Series A Bond principal.

6. Payment of interest due on Series B Bonds.

7. Repayment of Series B Bond principal.

8. Payment of interest due on Series C Bonds.

9. Repayment of Series C Bond principal.

10. Payment of interest due on Series D Bonds.

11. Repayment of Series D Bond principal.

12. In the event of the credit facility being arranged for early amortisation of Series A, B, C and D 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.

13. Payment of interest due on Series E Bonds.

14. Repayment of Series E Bond principal.

15. 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.

16. Payment of Start-Up Loan interest due.

17. Repayment of Start-Up Loan principal.

18. 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 18th place.

19. 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 the amount, if any, drawn under the credit facility to be arranged and exclusively used for final amortisation of Series A, B, C and D 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 4.4.4 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 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 Loan receivables 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, 2008, inclusive, this being the last day of the month preceding the first Payment Date, April 24, 2008. 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 Agency should not confirm any of the provisional ratings assigned to each Bond Series as final by 1pm CET on December 20, 2007.

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 Interest 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 24, April 24, July 24 and October 24 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 24, 2008.

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 17, 2008, 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 Interest 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 24, 2008, 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 Interest 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 assignment 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, all 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 Party B shall irrevocably agree as follows under the Interest Swap Agreement:

(i) If at any time during the life of the Bond Issue neither Party B nor any of its Credit Support Providers has the First Required Rating Threshold ("**First Rating Default**"), then Party B shall within thirty (30) Business Days of the occurrence of that circumstance, do one of the following:

a) Obtain a Replacement with the First Required Rating Threshold (or a Replacement with a Credit Support Provider having the First Required Rating Threshold).

b) Obtain a Credit Support Provider with the First Required Rating Threshold,

c) Post collateral in the form of cash or securities in favour of the Fund with an institution with short-term unsecured and unsubordinated debt obligations rated P-1 by Moody's, in such an amount that there is no detriment to the rating accorded to the Bonds.

(ii) If at any time during the life of the Bond Issue neither Party B nor any of its Credit Support Providers has the Second Required Rating Threshold ("**Second Rating Default**"), then Party B shall, on a best efforts basis and as soon as possible (A) obtain a Credit Support Provider with the Second Required Rating Threshold, or (B) obtain a Replacement with the Second Required Rating Threshold, (or a Replacement with a Credit Support Provider having the Second Required Rating Threshold).

While none of the actions specified above have been taken, Party B shall, within thirty (30) Business Days of the occurrence of the Second Rating Default, post collateral in the form of cash or securities in favour of the Fund with an institution with short-term unsecured and unsubordinated debt obligations rated at least P-1 by Moody's, in such an amount that there is no detriment to the rating accorded to the Bonds.

Party B's obligations under (i) and (ii) above, and the Termination events deriving therefrom, shall only apply during such time as the events respectively prompting the First Required Rating Default or the Second Required Rating Default are in place. The collateral transferred by Party B pursuant to (i) and (ii) above will be retransferred to Party B upon cessation of the causes resulting in the First Rating Default or the Second Rating Default, respectively.

All costs, expenses and taxes incurred in connection with fulfilment of the preceding obligations shall be payable by Party B.

In the above connection, "**Credit Support Provider**" shall mean an institution providing an unconditional, irrevocable and first demand guarantee with respect to all present and future obligations of Party B under the Interest Swap (the "**Guarantee**"), and provided that (A) a law firm provides a legal opinion confirming that none of the payments made by that institution to Party A under the Guarantee results in any requirement for deduction or withholding for or on account of any tax; or (B) the Guarantee determines that, if there is any such deduction or withholding, the payment made by that institution shall be increased by whatever amount is necessary in order for the net payment received by Party A to be equal to such other amount as Party A would have received had there been no such deduction or withholding; and "**Replacement**" shall mean any institution taking over the contractual position of Party B under the Interest Swap Agreement or entering into a new swap agreement with Party A, on terms substantially identical with the Interest Swap Agreement (which shall be confirmed by Party A, on a best efforts basis), and provided that (A) a law firm provides a legal opinion confirming that none of the payments made by that institution to Party A under the Guarantee results in any requirement for deduction or withholding for or on account of any tax; or (B) the Guarantee determines that, if there is any such deduction or withholding, the payment made by that institution shall be increased by whatever amount is necessary in order for the net payment received by Party A to be equal to such other amount as Party A would have received had there been no such deduction or withholding. That institution shall thereafter, to all intents and purposes, be considered Party B under the Interest Swap Agreement or in the new swap agreement to be entered into.

An entity shall have the "First Required Rating Threshold" (A) in the event that the short-term unsecured and unsubordinated debt obligations of that entity should be rated P-1 by Moody's and its long-term unsecured and unsubordinated debt obligations should be rated at least as high as A2 by Moody's, and (B) in the event that the short-term unsecured and unsubordinated debt obligations of that entity are not rated by Moody's, if its long-term unsecured and unsubordinated debt obligations are rated at least as high as A1 by Moody's.

An entity shall have the "Second Required Rating Threshold" (A) in the event that the short-term unsecured and unsubordinated debt obligations of that entity are should be P-2 by Moody's and its long-term unsecured and unsubordinated debt obligations should be rated at least as high as A3 by Moody's, y (B) in the event that the short-term unsecured and unsubordinated debt obligations of that entity are not rated by Moody's, if its long-term unsecured and unsubordinated debt obligations are rated at least as high as A3 by Moody's.

7.2 Breach of obligations in the event of change in the rating.

Should Party B's Credit Support Provider or Party B itself fail to do the things described in paragraph 7.1 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 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 Agency should not confirm any of the provisional ratings assigned to each Series as final by 1pm CET on December 20, 2007.

3.4.7.2 Bond Issue Paying Agent.

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 the Paying Agent Agreement are summarily as follows:

(i) 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.

(ii) 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 obligations should, at any time during the life of the Bond Issue, be downgraded below P-1 by Moody's, the Management Company shall within not more than thirty (30) Business Days from the time of the occurrence of this circumstance revoke the appointment of BANCO COOPERATIVO as Paying Agent and thereupon designate another institution with short-term unsecured and unsubordinated debt obligations rated at least as high as P-1 by Moody's, to take its place before terminating the Paying Agent Agreement. 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 Agency should not confirm the provisional ratings assigned to each Series as final ratings by 1pm CET on December 20, 2007.

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 ASTURIAS, CAJA RURAL DE CÓRDOBA, CAJA RURAL DE EXTREMADURA, CAJA RURAL DE GIJÓN, CAJA RURAL DE GRANADA, CAJA RURAL DE NAVARRA, CAJA RURAL DE TERUEL, CAJA RURAL DE ZAMORA, 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 ASTURIAS:

Registered office: Melquíades Alvarez, 7, 33002 Oviedo (Spain).

CAJA RURAL DE CÓRDOBA:

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

CAJA RURAL DE EXTREMADURA:

Registered office: Avenida Santa Marina, 15, 06005 Badajoz (Spain).

CAJA RURAL DE GIJÓN:

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

CAJA RURAL DE GRANADA:

Registered office: Avenida Don Bosco, 2, 18006 Granada (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 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 third quarter of the years 2007 and 2006 and how they compare between them.

The information as at September 30, 2007, December 31, 2006 and September 30, 2006 was prepared in accordance with applicable International Financial Reporting Standards (IFRS) under Regulation EC 1606/2002 and Bank of Spain Circular 4/2004. Only the financial information as at December 31, 2006 has been audited.

CAIXA POPULAR-CAIXA RURAL.

	30.09.2007 (A)	31.12.2006 (B)	30.09.2006 (C)	(A)/(C)
BALANCE SHEET (EUR million)				
Total assets	**795**	713	683	1.16
Customer credits (gross)	**624**	571	535	1.17
Balance-sheet customer resources	**705**	639	610	1.16
Other customer resources managed	**56**	50	45	1.24
Total customer resources managed	**761**	689	655	1.16
Net assets	**56**	50	49	1.14
Equity (including retained earnings)	**56**	50	49	1.14

	30.09.2007 (A)	31.12.2006 (B)	30.09.2006 (C)	(A)/(C)
PROFIT & LOSS ACCOUNT (EUR million)				
Intermediation margin	**21**	21	16	1.31
Basic margin	**26**	27	20	1.30
Ordinary margin	**26**	28	21	1.24
Operating margin	**13**	12	10	1.30
Pre-tax result	**12**	10	8	1.50
RELEVANT RATIOS (%)				
Operating margin/ATM	**2.27**	1.9	2	
ROE	**27.41**	21.50	21.31	
ROA	**1.41**	1.12	0.99	
RORWA	**1.65**	1.56	1.50	
Efficiency ratio	**47.39**	51.57	49.5	
Efficiency ratio with depreciation	**50.93**	55.79	53.7	
Delinquency rate	**0.83**	1.1	1.2	
Coverage rate	**253.3**	195.7	188.9	
CAPITAL RATIOS (BIS REGULATIONS) (%)				
TIER I	**8.48**	7.73	8.36	
TIER II	**11.02**	11.00	11.00	
Total	**11.02**	11.00	11.00	
ADDITIONAL INFORMATION				
Number of shares	**381,093**	321,717	322,768	
Number of members	**353**	334	330	
Number of employees	**269**	266	260	
Number of branches	**54**	54	52	

CAIXA RURAL DE BALEARS.

	30.09.2007 (A)	31.12.2006 (B)	30.09.2006 (C)	(A)/(C)
BALANCE SHEET (EUR million)				
Total assets	**533**	480	453	1.18
Customer credits (gross)	**478**	415	394	1.21
Balance-sheet customer resources	**471**	428	412	1.14
Other customer resources managed	**23**	20	18	1.25
Total customer resources managed	**494**	448	430	1.15
Net assets	**28**	29	28	0.99
Equity (including retained earnings)	**28**	29	28	0.99
PROFIT & LOSS ACCOUNT (EUR million)				
Intermediation margin	**8**	9	6	1.37
Basic margin	**10**	11	5	2.14
Ordinary margin	**10**	12	9	1.33
Operating margin	**3**	4	3	1.30
Pre-tax result	**2**	2	2	1.24
Profit attributed to the Group	**2**	2	1	1.33
RELEVANT RATIOS (%)				
Operating margin/ATM	**0.90**	0.91	0.96	
ROE	**6.23**	6.77	5.16	
ROA	**0.46**	0.46	0.47	
RORWA	**0.60**	0.70	0.57	
Efficiency ratio	**60.9**	63.7	63.1	
Efficiency ratio with depreciation	**66.1**	68.7	68.0	
Delinquency rate	**0.8**	1.39	1.11	
Coverage rate	**232.02**	141.63	171.21	
CAPITAL RATIOS (BIS REGULATIONS) (%)				
TIER I	**8.56**	9.11	10.43	
TIER II	**11.06**	11.40	12.84	
Total	**11.47**	11.96	10.65	

ADDITIONAL INFORMATION			
Number of shares	**276,946**	258,091	308,707
Number of members	**13,160**	12,829	12,723
Number of employees	**122**	129	130
Number of branches	**26**	25	26

CAJA RURAL ARAGONESA Y DE LOS PIRINEOS.

	30.09.2007 (A)	31.12.2006 (B)	30.09.2006 (C)	(A)/(C)
BALANCE SHEET (EUR million)				
Total assets	**2,447**	2,244	2,010	1.22
Customer credits (gross)	**2,107**	1,893	1,795	1.17
Balance-sheet customer resources	**2,043**	1,891	1,656	1.23
Other customer resources managed	**348**	342	341	1.02
Total customer resources managed	**2,392**	2,233	1,997	1.20
Net assets	**215**	205	192	1.12
Equity (including retained earnings)	**212**	202	188	1.13
PROFIT & LOSS ACCOUNT (EUR million)				
Intermediation margin	**40**	44	32	1.25
Basic margin	**50**	56	41	1.22
Ordinary margin	**51**	58	42	1.23
Operating margin	**20**	20	13	1.52
Pre-tax result	**14**	15	10	1.38
Profit attributed to the Group	**12**	13	9	1.44
RELEVANT RATIOS (%)				
Operating margin/ATM	**1.16**	1.01	0.92	
ROE	**7.94**	7.28	6.65	
ROA	**0.72**	0.67	0.61	
RORWA	**0.77**	0.65	0.61	
Efficiency ratio	**55.74**	59.88	62.25	
Efficiency ratio with depreciation	**61.11**	66.08	68.62	
Delinquency rate	**0.85**	0.72	0.76	
Coverage rate	**258**	299	287	
CAPITAL RATIOS (BIS REGULATIONS) (%)				
TIER I	**8.99**	9.51	8.44	
TIER II	**10.43**	11.14	10.08	
Total	**10.43**	11.14	10.08	
ADDITIONAL INFORMATION				
Number of shares	**1,035,728**	1,035,669	842,815	
Number of members	**43,729**	43,108	42,942	
Number of employees	**601**	564	565	
Number of branches	**214**	213	208	

CAJA RURAL CENTRAL.

	30.09.2007 (A)	31.12.2006 (B)	30.09.2006 (C)	(A)/(C)
BALANCE SHEET (EUR million)				
Total assets	**990**	908	886	1.12
Customer credits (gross)	**860**	773	751	1.14
Balance-sheet customer resources	**855**	789	769	1.11
Other customer resources managed	**71**	69	62	1.14
Total customer resources managed	**925**	858	830	1.11
Net assets	**71**	60	58	1.22
Equity (including retained earnings)	**69**	59	57	1.22

	30.09.2007 (A)	31.12.2006 (B)	30.09.2006 (C)	(A)/(C)
PROFIT & LOSS ACCOUNT (EUR million)				
Intermediation margin	**21**	23	17	1.23
Basic margin	**24**	28	20	1.21
Ordinary margin	**24**	28	21	1.18
Operating margin	**10**	10	6	1.48
Pre-tax result	**8**	8	6	1.28
Profit attributed to the Group	**6**	6	5	1.25
RELEVANT RATIOS (%)				
Operating margin/ATM	**1.33**	1.17	1.05	
ROE	**12.44**	11.35	11.94	
ROA	**0.84**	0.75	0.79	
RORWA	**0.96**	0.88	0.92	
Efficiency ratio	**54.47**	55.48	59.86	
Efficiency ratio with depreciation	**60.72**	65.6	68.55	
Delinquency rate	**1.27**	1.18	1.01	
Coverage rate	**166.03**	178.32	207.62	
CAPITAL RATIOS (BIS REGULATIONS) (%)				
TIER I	**8.27**	8.01	7.29	
TIER II	**11.78**	11.55	11.00	
Total	**11.78**	11.55	11.00	
ADDITIONAL INFORMATION				
Number of shares	**431,949**	355,834	339,195	
Number of members	**31,273**	30,034	29,543	
Number of employees	**267**	252	245	
Number of branches	**68**	68	68	

CAJA RURAL DE ARAGÓN.

	30.09.2007 (A)	31.12.2006 (B)	30.09.2006 (C)	(A)/(C)
BALANCE SHEET (EUR million)				
Total assets	**2,398**	2,156	1,969	1.22
Customer credits (gross)	**2,105**	1,786	1,682	1.25
Balance-sheet customer resources	**1,786**	1,647	1,527	1.17
Other customer resources managed	**321**	302	280	1.15
Total customer resources managed	**2,719**	2,458	2,249	1.21
Net assets	**174**	150	137	1.27
Equity (including retained earnings)	**172**	148	135	1.27
PROFIT & LOSS ACCOUNT (EUR million)				
Intermediation margin	**31**	33	24	1.29
Basic margin	**40**	44	32	1.25
Ordinary margin	**41**	46	33	1.24
Operating margin	**14**	16	11	1.27
Pre-tax result	**9**	11	7	1.29
Profit attributed to the Group	**8**	10	6	1.33
RELEVANT RATIOS (%)				
Operating margin/ATM	**0.88**	0.85	0.82	
ROE	**7.03**	7.63	6.41	
ROA	**0.5**	0.57	0.49	
RORWA *	**0.67**	0.7	0.66	
Efficiency ratio	**58.67**	59.47	59.91	
Efficiency ratio with depreciation	**65.33**	66.36	66.98	
Delinquency rate	**0.63**	0.44	0.65	
Coverage rate	**288.49**	437.6	296.77	
CAPITAL RATIOS (BIS REGULATIONS) (%)*				
TIER I	**9.55**	9.32	8.76	
TIER II	**11.15**	10.99	10.5	
Total	**11.15**	10.99	10.5	

	30.09.2007 (A)	31.12.2006 (B)	30.09.2006 (C)	(A)/(C)
ADDITIONAL INFORMATION				
Number of shares	**1**	1	1	
Number of members	**37,157**	34,374	33,696	
Number of employees	**462**	412	404	
Number of branches	**160**	149	147	

* Estimated details at September.

CAJA RURAL DE ASTURIAS.

	30.09.2007 (A)	31.12.2006 (B)	30.09.2006 (C)	(A)/(C)
BALANCE SHEET (EUR million)				
Total assets	**2,210**	2,069	1,973	1.12
Customer credits (gross)	**1,914**	1,704	1,615	1.19
Balance-sheet customer resources	**1,832**	1,690	1,602	1.14
Other customer resources managed	**114**	133	137	0.83
Total customer resources managed	**1,946**	1,823	1,739	1.12
Net assets	**236**	222	210	1.12
Equity (including retained earnings)	**224**	210	205	1.09
PROFIT & LOSS ACCOUNT (EUR million)				
Intermediation margin	**43**	50	37	1.16
Basic margin	**50**	58	43	1.16
Ordinary margin	**51**	59	44	1.16
Operating margin	**25**	25	19	1.32
Pre-tax result	**18**	24	17	1.06
Profit attributed to the Group	**15**	19	14	1.07
RELEVANT RATIOS (%)				
Operating margin/ATM	**1.15**	1.29	1.00	
ROE	**7.10**	8.98	7.30	
ROA	**0.73**	1.24	0.76	
RORWA	**0.88**	1.01	0.98	
Efficiency ratio	**47.50**	54.08	54.05	
Efficiency ratio with depreciation	**50.24**	57.35	57.42	
Delinquency rate	**1.00**	1.12	1.11	
Coverage rate	**210.70**	232.00	194.10	
CAPITAL RATIOS (BIS REGULATIONS) (%)				
TIER I	**12.96**	13.12	14.12	
TIER II	**13.66**	14.80	14.39	
Total	**13.66**	13.87	14.46	
ADDITIONAL INFORMATION				
Number of shares				
Number of members	**70,458**	68,627	67,833	
Number of employees	**372**	361	361	
Number of branches	**105**	103	103	

CAJA RURAL DE CÓRDOBA.

	30.09.2007 (A)	31.12.2006 (B)	30.09.2006 (C)	(A)/(C)
BALANCE SHEET (EUR million)				
Total assets	**1,094**	1,016	928	1.18
Customer credits (gross)	**948**	858	806	1.18
Balance-sheet customer resources	**910**	900	804	1.13
Other customer resources managed	**13**	11	10	1.30
Total customer resources managed	**924**	911	815	1.13
Net assets	**89**	82	81	1.09
Equity (including retained earnings)	**89**	82	80	1.11

PROFIT & LOSS ACCOUNT (EUR million)				
Intermediation margin	**25**	26	19	1.32
Basic margin	**29**	31	23	1.27
Ordinary margin	**29**	31	23	1.26
Operating margin	**14**	14	10	1.47
Pre-tax result	**11**	7	9	1.20
Profit attributed to the Group	**8**	5	7	1.20
RELEVANT RATIOS (%)				
Operating margin/ATM	**1.37**	1.10		
ROE	**10.01**	8.47		
ROA	**0.80**	0.79		
RORWA	**0.94**	0.89		
Efficiency ratio	**51.14**	57.77		
Efficiency ratio with depreciation	**52.95**	60.22		
Delinquency rate	**1.72**	0.91		
Coverage rate	**144.50**	242.15		
CAPITAL RATIOS (BIS REGULATIONS) (%)				
TIER I	**7.82**	8.19	7.72	
TIER II	**9.35**	10.80	8.71	
Total	**9.35**	9.05	8.71	
ADDITIONAL INFORMATION				
Number of shares	**478,235**	474,782	414,457	
Number of members	**36,752**	35,831	35,156	
Number of employees	**293**	278	278	
Number of branches	**102**	102	101	

CAJA RURAL DE EXTREMADURA.

	30.09.2007 (A)	31.12.2006 (B)	30.09.2006 (C)	(A)/(C)
BALANCE SHEET (EUR million)				
Total assets	**1,013**	965	884	1.15
Customer credits (gross)	**890**	799	758	1.17
Balance-sheet customer resources	**885**	848	768	1.15
Other customer resources managed	**-**	6	6	-
Total customer resources managed	**885**	854	775	1.14
Net assets	**79**	71	69	1.14
Equity (including retained earnings)	**78**	71	68	1.14
PROFIT & LOSS ACCOUNT (EUR million)				
Intermediation margin	**23**	24	17	1.33
Basic margin	**28**	30	22	1.28
Ordinary margin	**28**	31	23	1.25
Operating margin	**13**	12	9	1.54
Pre-tax result	**8**	8	6	1.37
RELEVANT RATIOS (%)				
Operating margin/ATM	**1.37**	1.39	1.03	
ROE	**10.18**	10.14	8.53	
ROA	**0.64**	0.77	0.54	
Efficiency ratio	**52.64**	61.75	61.72	
Efficiency ratio with depreciation	**49.06**	56.45	56.43	
Delinquency rate	**1.16**	1.23	1.39	
Coverage rate	**261.37**	242.61	220.11	
CAPITAL RATIOS (BIS REGULATIONS) (%)				
TIER I	**9.27**	8.97	7.79	
TIER II	**11.26**	11.65	10.09	
Total	**9.83**	10.14	6.96	

	30.09.2007 (A)	31.12.2006 (B)	30.09.2006 (C)	(A)/(C)
ADDITIONAL INFORMATION				
Number of shares	**402,113**	380,037	363,111	
Number of members	**28,242**	27,241	25,576	
Number of employees	**296**	289	283	
Number of branches	**104**	103	103	

CAJA RURAL DE GIJÓN.

	30.09.2007 (A)	31.12.2006 (B)	30.09.2006 (C)	(A)/(C)
BALANCE SHEET (EUR million)				
Total assets	**254**	221	208	1.22
Customer credits (gross)	**191**	162	157	1.22
Balance-sheet customer resources	**220**	191	178	1.23
Other customer resources managed	**43**	42	41	1.07
Total customer resources managed	**263**	233	219	1.20
Net assets	**26**	24	23	1.11
Equity (including retained earnings)	**25**	23	23	1.11
PROFIT & LOSS ACCOUNT (EUR million)				
Intermediation margin	**5**	5	4	1.36
Basic margin	**5**	5	4	1.33
Ordinary margin	**6**	6	4	1.29
Operating margin	**3**	3	2	1.58
Pre-tax result	**3**	2	2	1.59
Profit attributed to the Group	**2**	2	1	1.63
RELEVANT RATIOS (%)				
Operating margin/ATM	**1.58**	1.28	0.82	
ROE	**8.29**	7.53	5.04	
ROA	**0.94**	0.84	0.48	
RORWA	**0.85**	0.93	0.65	
Efficiency ratio	**43.58**	54.10	52.00	
Efficiency ratio with depreciation	**47.14**	59.01	56.69	
Delinquency rate	**0.55**	0.57	1.38	
Coverage rate	**293.39**	279.61	127.35	
CAPITAL RATIOS (BIS REGULATIONS) (%)				
TIER I	**11.75**	12.87	13.17	
TIER II	**13.11**	14.22	14.53	
Total	**12.19**	13.38	13.68	
ADDITIONAL INFORMATION				
Number of shares	**11,982**	11,949	11,924	
Number of members	**4,621**	4,595	4,581	
Number of employees	**53**	48	49	
Number of branches	**9**	9	8	

CAJA RURAL DE GRANADA.

	30.09.2007 (A)	31.12.2006 (B)	30.09.2006 (C)	(A)/(C)
BALANCE SHEET (EUR million)				
Total assets	**4,090**	3,883	3,658	1.12
Customer credits (gross)	**3,599**	3,288	3,107	1.16
Balance-sheet customer resources	**3,399**	3,303	3,027	1.12
Other customer resources managed	**332**	204	204	1.63
Total customer resources managed	**3,002**	3,507	3,231	0.93
Net assets	**332**	312	314	1.06
Equity (including retained earnings)	**367**	343	339	1.08

	30.09.2007 (A)	31.12.2006 (B)	30.09.2006 (C)	(A)/(C)
PROFIT & LOSS ACCOUNT (EUR million)				
Intermediation margin	**78**	89	65	1.21
Basic margin	**92**	104	76	1.22
Ordinary margin	**91**	105	77	1.19
Operating margin	**34**	39	28	1.23
Pre-tax result	**28**	34	28	1.00
Profit attributed to the Group	**28**	34	28	1.00
RELEVANT RATIOS (%)				
Operating margin/ATM	**1.15**	1.09	1.07	
ROE	**10.49**	10.30	11.42	
ROA	**0.94**	0.96	1.07	
RORWA	**1.16**	1.19	1.33	
Efficiency ratio	**57.80**	57.74	58.09	
Efficiency ratio with depreciation	**62.36**	63.03	63.54	
Delinquency rate	**1.14**	1.07	1.24	
Coverage rate	**183.3**	193.4	172.0	
CAPITAL RATIOS (BIS REGULATIONS) (%)				
TIER I	**9.27**	9.23	9.54	
TIER II	**11.05**	11.06	11.40	
Total	**11.05**	11.06	11.40	
ADDITIONAL INFORMATION				
Number of shares	**1,152,880**	1,133,013	1,131,333	
Number of members	**90,988**	88,043	86,466	
Number of employees	**833**	805	794	
Number of branches	**193**	187	182	

CAJA RURAL DE NAVARRA.

	30.09.2007 (A)	31.12.2006 (B)	30.09.2006 (C)	(A)/(C)
BALANCE SHEET (EUR million)				
Total assets	**5,681**	4,993	4,650	1.22
Customer credits (gross)	**4,542**	3,949	3,761	1.21
Balance-sheet customer resources	**4,647**	4,083	3,703	1.26
Other customer resources managed	**902**	835	804	1.12
Total customer resources managed	**5,549**	4,917	4,507	1.23
Net assets	**496**	456	433	1.14
Equity (including retained earnings)	**491**	447	427	1.15
PROFIT & LOSS ACCOUNT (EUR million)				
Intermediation margin	**71**	77	54	1.31
Basic margin	**96**	108	75	1.28
Ordinary margin	**99**	112	78	1.27
Operating margin	**51**	55	35	1.44
Pre-tax result	**36**	43	23	1.59
Profit attributed to the Group	**32**	40	20	1.58
RELEVANT RATIOS (%)				
Operating margin/ATM	**1.28**	1.24	1.10	
ROE	**9.41**	9.98	6.80	
ROA	**0.80**	0.90	0.63	
RORWA	**1.47***	1.02	1.11*	
Efficiency ratio	**43.08**	45.13	48.23	
Efficiency ratio with depreciation	**49.45**	52.11	55.70	
Delinquency rate	**0.59**	0.49	0.70	
Coverage rate	**341.78**	410.88	287.01	
CAPITAL RATIOS (BIS REGULATIONS) (%)				
TIER I	**10.60***	11.09	11.22*	
TIER II	**12.36***	12.91	13.03*	
Total	**12.36***	12.91	13.03*	

	30.09.2007 (A)	31.12.2006 (B)	30.09.2006 (C)	(A)/(C)
ADDITIONAL INFORMATION				
Number of shares	**728,894**	501,645	492,220	
Number of members	**99,585**	92,290	89,401	
Number of employees	**817**	803	765	
Number of branches	**216**	203	200	

* Details at June 30

CAJA RURAL DE TERUEL.

	30.09.2007 (A)	31.12.2006 (B)	30.09.2006 (C)	(A)/(C)
BALANCE SHEET (EUR million)				
Total assets	**925**	801	784	1.18
Customer credits (gross)	**710**	607	607	1.17
Balance-sheet customer resources	**697**	661	661	1.05
Other customer resources managed	**143**	138	138	1.03
Total customer resources managed	**840**	800	800	1.05
Net assets	**70**	66	66	1.05
Equity (including retained earnings)	**69**	66	66	1.05
PROFIT & LOSS ACCOUNT (EUR million)				
Intermediation margin	**14**	15	11	1.28
Basic margin	**18**	19	14	1.31
Ordinary margin	**18**	22	17	1.06
Operating margin	**9**	11	8	1.05
Pre-tax result	**6**	9	7	0.85
Profit attributed to the Group	**5**	7	6	0.83
RELEVANT RATIOS (%)				
Operating margin/ATM	**1.32**	1.46	1.59	
ROE	**11.25**	14.98	16.06	
ROA	**0.70**	0.98	1.06	
RORWA	**0.80**	1.12	1.14	
Efficiency ratio	**48.33**	48.77	48.17	
Efficiency ratio with depreciation	**52.57**	52.86	52.12	
Delinquency rate	**0.90**	0.61	0.95	
Coverage rate	**259.11**	372.60	241.20	
CAPITAL RATIOS (BIS REGULATIONS) (%)				
TIER I	**8.50**	9.27	8.16	
TIER II	**8.51**	9.28	8.17	
Total	**10.35**	11.16	9.95	
ADDITIONAL INFORMATION				
Number of shares	**565,109**	563,693	463,114	
Number of members	**16,965**	16,427	16,123	
Number of employees	**182**	170	166	
Number of branches	**73**	71	71	

CAJA RURAL DE ZAMORA.

	30.09.2007 (A)	31.12.2006 (B)	30.09.2006 (C)	(A)/(C)
BALANCE SHEET (EUR million)				
Total assets	**1,191**	1,046	979	1.22
Customer credits (gross)	**1,028**	882	834	1.23
Balance-sheet customer resources	**800**	759	699	1.14
Other customer resources managed	**181**	170	155	1.17
Total customer resources managed	**980**	930	854	1.15
Net assets	**85**	78	73	1.16
Equity (including retained earnings)	**82**	75	71	1.15

	30.09.2007 (A)	31.12.2006 (B)	30.09.2006 (C)	(A)/(C)
PROFIT & LOSS ACCOUNT (EUR million)				
Intermediation margin	**21**	23	16	1.30
Basic margin	**26**	28	20	1.30
Ordinary margin	**27**	29	21	1.27
Operating margin	**16**	15	10	1.51
Pre-tax result	**11**	12	7	1.45
Profit attributed to the Group	**8**	9	5	1.55
RELEVANT RATIOS (%)				
Operating margin/ATM	**1.87**	1.61	1.47	
ROE	**14.1**	13.5	10.4	
ROA	**0.99**	0.99	0.76	
RORWA	**1.38**	1.36	1.09	
Efficiency ratio	**41.12**	46.46	49.50	
Efficiency ratio with depreciation	**43.37**	49.23	52.42	
Delinquency rate	**1.20**	0.95	1.00	
Coverage rate	**183**	230	224	
CAPITAL RATIOS (BIS REGULATIONS) (%)				
TIER I	**7.95**	8.45	8.85	
TIER II	**9.65**	10.20	10.65	
Total	**9.49**	10.03	10.52	
ADDITIONAL INFORMATION				
Number of shares	**473,875**	485,868	490,866	
Number of members	**35,166**	34,218	33,775	
Number of employees	**219**	204	209	
Number of branches	**75**	72	72	

CAJA RURAL DEL SUR.

	30.09.2007 (A)	31.12.2006 (B)	30.09.2006 (C)	(A)/(C)
BALANCE SHEET (EUR million)				
Total assets	**4,497**	4,432	4,119	1.09
Customer credits (gross)	**3,891**	3,810	3,663	1.06
Balance-sheet customer resources	**3,812**	3,756	3,442	1.11
Other customer resources managed	**367**	343	289	1.27
Total customer resources managed	**4,179**	4,099	3,731	1.12
Net assets	**392**	368	363	1.08
Equity (including retained earnings)	**382**	355	349	1.09
PROFIT & LOSS ACCOUNT (EUR million)				
Intermediation margin	**99**	111	79	1.25
Basic margin	**116**	133	97	1.20
Ordinary margin	**116**	133	97	1.20
Operating margin	**49**	54	38	1.29
Pre-tax result	**41**	46	34	1.21
Profit attributed to the Group	**30**	34	25	1.20
RELEVANT RATIOS (%)				
Operating margin/ATM	**1.48**	1.35	1.3	
ROE	**10.58**	13.48	9.37	
ROA	**0.84**	0.85	0.91	
Efficiency ratio	**54.09**	55.85	56.77	
Efficiency ratio with depreciation	**57.24**	59.23	60.22	
Delinquency rate	**0.97**	0.74	0.95	
Coverage rate	**217.56**	262.23	208.07	
CAPITAL RATIOS (BIS REGULATIONS) (%)				
TIER I	**10.63**	10.45	10.57	
TIER II	**13.21**	12.80	13.27	
Total	**13.21**	12.80	13.27	

	30.09.2007 (A)	31.12.2006 (B)	30.09.2006 (C)	(A)/(C)
ADDITIONAL INFORMATION				
Number of shares	**1,289,295**	1,285,380	1,285,169	
Number of members	**110,862**	106,949	106,736	
Number of employees	**962**	940	939	
Number of branches	**292**	290	283	

3.6 Return on and/or repayment of the securities linked to others which are not assets of the issuer.

Not applicable.

3.7 Administrator, calculation agent or equivalent.

3.7.1 Management, administration and representation of the Fund and of the holders of the securities.

The Management Company, EUROPEA DE TITULIZACIÓN, shall be responsible for managing and being the authorised representative of the Fund, on the terms set in 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 inobservance of 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 be the authorised representative of the Fund are the following, for illustrative purposes only and without prejudice to any other actions provided in this Prospectus:

(i) Keeping the Fund's accounts duly separate from the Management Company's own, rendering accounts and satisfying tax and any other statutory obligations of the Fund.

(ii) Making such decisions as may be appropriate in connection with the liquidation of the Fund, including the decision to proceed to Early Liquidation of the Fund and Early Amortisation of the Bond Issue, in accordance with the provisions of this Prospectus. 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 Agency 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 Agency 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 Agency, and provided that such actions are not detrimental to the rating assigned to the Bonds by the Rating Agency. 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 Loan receivables and 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 being the authorised representative of the Fund.

(ix) Checking that the Loan income amount actually received by the Fund matches the amounts to be received by the Fund, on the terms of assignment of the Non-Mortgage Loans and issue of 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 A, B, C and D, 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.

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 duties to manage and be the authorised representative of 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 to the 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 Agency 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 revised, 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 which shall accrue upon the Fund being established and be payable on the Closing Date.

(i) A periodic fee on the sum of the Outstanding Principal Balance of Series A, B, C and D, which shall accrue daily from the establishment of the Fund until it terminates and shall be settled and paid by Interest Accrual Periods in arrears on each Payment Date subject to the Priority of Payments or, as the case may be, the Liquidation Priority of Payments. The periodic fee amount on each Payment Date may not be higher or lower than the maximum and minimum amounts determined. 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 amount shall be cumulatively reset in the same proportion, from the year 2009, inclusive, and effective as at 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 for the relevant Interest Accrual Period. The unpaid amount and accrued interest shall be accumulated for payment to the fee payable on the following Payment Date, unless that absence of liquidity should continue, in which case the amounts due shall build up until fully paid in the Priority of Payments or in the Liquidation Priority of Payments, as the case may be.

3.7.2 Servicing and custody of the securitised assets.

The Originators, 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 the Originators 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 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 to them 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 certified agreements, and in particular those for which provision is made in articles 1730 and 1780 of the Civil Code and 276 of the Commercial Code.

3.7.2.1 Ordinary system and procedures for servicing and managing the Loans.

1. **Custody of deeds, policies, documents and files.**

   Each Servicer shall keep all public arrangement documents (deeds and agreements), mortgaged property damage insurance policies, 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, agreements, 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 damage 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 and agreements, 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 or asset 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 previous Obligor and the same are not less creditworthy than those of the previous Obligor and 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 Agency.

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 Loan payment, 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 the Management Company's prior consent being required, 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.

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. A Loan interest rate renegotiation shall in no event be to a fixed rate, and may neither (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) be carried out if, previously or as a result of renegotiating, the average margin or spread weighted by the outstanding principal on their respective benchmark indices of Loans serviced by each Servicer is less than 85 basis 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.

(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 July 16, 2037.

   c) That there shall have been not 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 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 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 mortgaged property.

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 ultimately reimbursed by the Obligor for amounts so paid.

In the event of a claim, each Servicer shall coordinate actions for collecting compensations derived from the mortgaged 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 Agency being adversely revised. 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 and chattel property.

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 chattels 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 and chattel property, 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 or chattel property 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 Agency, 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 Agency, 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 designate BANCO COOPERATIVO as the new Servicer, upon a written request from the Management Company and where that is legally possible. BANCO COOPERATIVO shall take over the servicing and management function of the Loans serviced by the former 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. Similarly, and in the event of the circumstances provided for in paragraph two above occurring, BANCO COOPERATIVO will also be replaced as Servicer, and a new Servicer shall be designated based on the criteria herein set down.

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 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 Agency should not confirm the provisional ratings assigned to each Series as final ratings by 1pm CET on December 20, 2007.

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.

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 liquidity shortfall in the Fund Priority of Payments, fail to pay on a Payment Date the full fee due to the Servicer, then 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, unpaid amounts shall accumulate without any penalty whatsoever on the fee payable on the following Payment Dates, until paid in full.

The Pass-Through Certificate Custody Agreement shall be fully terminated in the event that the Rating Agency should not confirm the provisional ratings assigned to each Bond Series as final by 1pm CET on December 20, 2007.

3.8 Name, address and brief description of any swap, credit, liquidity or account counterparties.

BANCO COOPERATIVO is the Fund's counterparty under the transactions referred to 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.

The Originators are the Fund's counterparties under 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 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 for the Bonds in each Series, along with 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 ratios of such Outstanding Principal Balances to 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 given in accordance with the provisions of section 4.1.3 below and will also be submitted 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. Loan interest rate and benchmark indices.
4. Loan maturity dates.

In relation to the Fund's economic and financial position:

1. Report on the source and subsequent application of the Available Funds and the Available Funds for Amortisation of Series A, B, C and D 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 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 Early Liquidation of the Fund and Early Amortisation of the Bond Issue in any of the events provided in this Prospectus. In the latter event, the Management Company shall 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 publication in the daily bulletin of AIAF Mercado de Renta Fija or any other replacement or similarly characterised bulletin, or by publication in an extensively circulated business and financial or general newspaper in Spain. The Management Company or the Paying Agent may additionally disseminate that information or other information of interest to Bondholders through dissemination channels and systems typical of financial markets, such as Reuters, 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 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 1pm (CET) on December 20, 2007 to the Subscriber. 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 at 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, irrespective of the above, of such other information as it may be required to provide by the CNMV or the laws in force from time to time.

4.1.5 Information to the Rating Agency.

The Management Company shall provide the Rating Agency with periodic information as to the Fund's position and performance of the Loans so that it 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 material change in the circumstances of the Fund, in the agreements entered into by the Fund through its Management Company or in the interested parties.

Mario Masiá Vicente, as General Manager for and on behalf of EUROPEA DE TITULIZACIÓN, S.A., SOCIEDAD GESTORA DE FONDOS DE TITULIZACIÓN, signs this Prospectus at Madrid, on December 13, 2007.

GLOSSARY OF DEFINITIONS

"Act 13/1985" shall mean Financial Intermediary Investment Ratios, Equity and Reporting Duties Act 13/1985.

"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 35/2006" shall mean Personal Income Tax Act 35/2006, November 28, partly amending the Corporation, Non-Resident Income and Wealth Tax Acts.

"Act 41/2007" shall mean Act 41/2007, December 7, amending Mortgage Market Regulation Act 2/1981, March 25, and other mortgage and financial system rules, regulating reverse mortgages and dependency insurance and establishing a certain taxation rule.

"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*).

"Available Funds for Amortisation of Series A, B, C and D" shall mean the amount to be allocated to Bond amortisation on each Payment Date and shall be the Series A, B, C and D Amortisation Withholding amount actually applied in seventh (7^{th}) place in the order of priority for applying 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.

"BANCO COOPERATIVO" shall mean BANCO COOPERATIVO ESPAÑOL S.A.

"Bankruptcy Act" shall mean Bankruptcy Act 22/2003, July 9.

"Bond Issue Management and Subscription Agreement" shall mean the Bond Issue management and subscription agreement entered into between the Management Company, for and on behalf of the Fund, and BANCO COOPERATIVO.

"Bond Issue" shall mean the issue of asset-backed bonds issued by the Fund having a face value of EUR eight hundred and thirty million (830,000,000.00) consisting of eight thousand six hundred (8,600) Bonds comprised of five Series (Series A, Series B, Series C, Series D and Series E).

"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 Series A Bonds, Series B Bonds, Series C Bonds, Series D Bonds and Series E 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 calendar (Trans European Automated Real-Time Gross Settlement Express Transfer System).

"Capital Transfer and Documents Under Seal Tax Act" shall mean the Consolidation of the Capital Transfer and Documents Under Seal Tax Act approved by Legislative Royal Decree 1/1993, September 24.

"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".

"Civil Code" shall mean the Spanish Civil Code approved by a Royal Decree dated July 24, 1889.

"Civil Procedure Act" shall mean Civil Procedure Act 1/2000, January 7.

"Closing Date" shall mean December 21, 2007, 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*).

"Commercial Code" shall mean the Spanish Commercial Code of 1885.

"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 A and/or B and/or C and/or D Bonds.

"Corporation Tax Act" shall mean the Consolidation of the Corporation Tax Act approved by Legislative Royal Decree 4/2004, March 5.

"Corporation Tax Regulations" shall mean the Corporation Tax Regulations approved by Royal Decree 1777/2004, July 30.

"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.

"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 issuing the Pass-Through Certificates and issue by the Fund of the Asset-Backed Bonds.

"Delinquent Loans" shall mean Loans that are delinquent as at 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 the date of establishment of the Fund, inclusive, and the first Determination Date, April 17, 2008, 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 A, B, C and D" shall mean the rules for applying the Available Funds for Amortisation of Series A, B, C and D on each Payment Date established in section 4.9.3.6 of the Securities Note.

"Doubtful Loans" shall mean Loans that are delinquent as at a given date with a period of arrears equal to or greater than eighteen (18) months in payment of overdue amounts or classified as doubtful by the Management Company because there are reasonable doubts as to their full repayment, based on indications or information obtained from the Servicer.

"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 Early Liquidation of the Fund on a Payment Date.

"Early Liquidation of the Fund" shall mean liquidation of the Fund and thereby early amortisation of the Bond Issue on a date preceding the Final Maturity Date, in the events and subject to the procedure established in section 4.4.3 of the Registration Document.

"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), accurate to three decimal places.

"Final Maturity Date" shall mean the final Bond amortisation date, i.e. April 24, 2041 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.

"Fund" shall mean RURALPYME 3 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 E being paid up amounting to EUR thirty million (30,000,000.00).

"Interest Accrual Period" shall mean the exact number of days elapsed between every two consecutive Payment Dates, including the beginning Payment Date, but not including the ending Payment Date. The first Interest Accrual Period shall begin on the Closing Date, inclusive, and end on the first Payment Date, exclusive.

"Interest Rate Fixing Date" shall mean the second Business Day preceding each Payment Date.

"Interest Swap Agreement" shall mean the floating interest rate Interest 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 Manager" shall mean BANCO COOPERATIVO.

"Liquidation Available Funds" shall mean, in relation to the Liquidation Priority of Payments, on the Final Maturity Date or upon Early Liquidation, the amounts to be allocated to meeting the Fund's payment or withholding obligations, as follows: (i) the Available Funds, and (ii) the amounts obtained by the Fund from time to time upon disposing of the Loans and the assets remaining. Additionally, and not included among the Liquidation Available Funds, the Fund shall have the amount, if any, drawn under the credit facility to be arranged and exclusively used for final amortisation of Series A, B, C and D 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 upon 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 the Originators as Servicers and BANCO COOPERATIVO as possible substitute in certain circumstances for the Servicers.

"Loans" shall mean the loans owned by the Originators, granted to non-financial enterprises (sole trader or legal person) domiciled in Spain satisfying the Originators' internal requirements for small and medium-sized enterprises (annual turnover not in excess of EUR 50 million).

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 Act" shall mean the Mortgage Act of February 8, 1946.

"Mortgage Loans" shall mean the Loans with real estate mortgage security assigned by the Originators to the Fund upon the relevant Originators issuing and the Fund subscribing 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 as at a given date, also excluding Doubtful Loans.

"Non-Doubtful Loans" shall mean Loans that are not deemed to be Doubtful Loans as at 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.

"Order of December 22, 1999" shall mean the Order of December 22, 1999 approving form 345 for the annual return to be submitted by pension fund management companies, pension plan sponsors, entities benefiting from alternative welfare systems for benefits similar to those of pension schemes and mutual benefit funds, and the terms and hardware and software designs for replacing the inner sheets with computer-legible means.

"Originator(s)" shall mean 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 ASTURIAS, S.C.C., CAJA RURAL DE CÓRDOBA, S.C.C., CAJA RURAL DE EXTREMADURA, S.C.C., CAJA RURAL DE GIJÓN, C.C., CAJA RURAL DE GRANADA, S.C.C., CAJA RURAL DE NAVARRA, S.C.C., CAJA RURAL DE TERUEL, S.C.C., CAJA RURAL DE ZAMORA, C.C. and CAJA RURAL DEL SUR, S.C.C., issuers of the Pass-Through Certificates perfecting the assignment of the Mortgage Loans and originators of the Non-Mortgage Loan receivables.

"Outstanding Balance of Delinquent Loans" shall mean the sum of the Outstanding Balance of each and every one of the Delinquent Loans as at 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 as at 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 the Series" shall mean the sum of the outstanding principal to be repaid (outstanding balance) as at a given date on all the Bonds making up the Series.

"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.

"Pass-Through Certificates" shall mean the pass-through certificates issued on the Mortgage Loans by the Originators in accordance with Act 41/2007, and subscribed for by the Fund.

"Paying Agent" shall mean the institution servicing the Bonds. The Paying Agent shall initially be BANCO COOPERATIVO.

"Payment Date" shall mean January 24, April 24, July 24 and October 24 in each year or the following Business Day if any of those is not a Business Day. The first Payment Date shall be April 24, 2008.

"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 A, B, C and D, 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 Agency" shall mean Moody's Investors Service España, S.A.

"Reference Rate" shall mean, other than for the first Interest Accrual Period, three- (3-) month Euribor fixed at 11am (CET) 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) on the first 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.

"Regulation 809/2004" shall mean Commission Regulation (EC) No. 809/2004, April 29, 2004.

"Required Cash Reserve" shall mean, on each Payment Date, the lower of the following amounts: (i) EUR thirty million (30,000,000.00) and (ii) the higher of a) 7.50% of the sum of the Outstanding Principal Balance of Series A, B, C and D and b) a sum of EUR fifteen million (15,000,000.00). 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 1065/2007” shall mean Royal Decree 1065/2007, July 27, approving General Regulations for tax management and inspection actions and procedures and implementing rules common to procedures applicable to taxes.

“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 1778/2004” shall mean Royal Decree 1778/2004, July 30, establishing information obligations with respect to preferred shares and other debt instruments and certain income obtained by natural persons resident in the European Union.

“Royal Decree 2281/1998” shall mean Royal Decree 2281/1998, October 23, implementing the provisions applicable to certain obligations to supply information to the Tax Administration and amending the pension plans and funds Regulations approved by Royal Decree 1307/1988, September 30, and Royal Decree 2027/1995, December 22, regulating the annual statement of third-party transactions.

“Royal Decree 685/1982” shall mean Royal Decree 685/1982, March 17, implementing certain aspects of Mortgage Market Regulation Act 2/1981, March 25, 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 A Bonds” shall mean Series A Bonds issued by the Fund having a total face amount of EUR seven hundred and twenty million eight hundred thousand (720,800,000.00) comprising seven thousand two hundred and eight (7,208) Bonds having a unit face value of EUR one hundred thousand (100,000).

“Series A, B, C and D 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 A, B, C and D and (ii) the Outstanding Balance of Non-Doubtful Loans.

“Series A” shall mean Series A Bonds issued by the Fund.

“Series B Bonds” shall mean Series B Bonds issued by the Fund having a total face amount of EUR forty-four million eight hundred thousand (44,800,000.00) comprising four hundred and forty-eight (448) Bonds having a unit face value of EUR one hundred thousand (100,000).

“Series B” shall mean Series B Bonds issued by the Fund.

“Series C Bonds” shall mean Series C Bonds issued by the Fund having a total face amount of EUR eight million (8,000,000.00) comprising eighty (80) Bonds having a unit face value of EUR one hundred thousand (100,000).

“Series C” shall mean Series C Bonds issued by the Fund.

"Series D Bonds" shall mean Series D Bonds issued by the Fund having a total face amount of EUR twenty-six million four hundred thousand (26,400,000.00) comprising two hundred and sixty-four (264) Bonds having a unit face value of EUR one hundred thousand (100,000).

"Series D" shall mean Series D Bonds issued by the Fund.

"Series E Bonds" shall mean Series E Bonds issued by the Fund having a total face amount of EUR thirty million (30,000,000.00) comprising six hundred (600) Bonds having a unit face value of EUR fifty thousand (50,000).

"Series E" shall mean Series E 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, 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 ASTURIAS, S.C.C., CAJA RURAL DE CÓRDOBA, S.C.C., CAJA RURAL DE EXTREMADURA, S.C.C., CAJA RURAL DE GIJÓN, C.C., CAJA RURAL DE GRANADA, S.C.C., CAJA RURAL DE NAVARRA, S.C.C., CAJA RURAL DE TERUEL, S.C.C., CAJA RURAL DE ZAMORA, C.C. and CAJA RURAL DEL SUR, S.C.C., 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.

"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 the Originators, for a sum of EUR six hundred thousand (600,000.00).

"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.

"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.

"Value Added Tax Act" shall mean Value Added Tax Act 37/1992, December 28.