THIS PROSPECTUS IS A NON-OFFICIAL AND NON-BINDING TRANSLATION INTO ENGLISH OF THE ORIGINAL "FOLLETO INFORMATIVO" DRAFTED IN SPANISH LANGUAGE AND REGISTERED WITH THE "COMISIÓN NACIONAL DEL MERCADO DE VALORES" (THE SPANISH SECURITIES MARKET COMMISSION, "CNMV") ON 21 JUNE 2007. THE "FOLLETO INFORMATIVO" DRAFTED IN SPANISH LANGUAGE IS THE ONLY OFFICIAL DOCUMENT.

ASSET SECURITISATION FUND
FINANCIACION BANESTO 1
FONDO DE TITULIZACIÓN DE ACTIVOS

SECURITISATION BONDS

EURO 800,000,000

SERIE A:	€760,000,000	EURIBOR 3M + Maximum margin of 0,18%	AAA/Aaa
SERIE B:	€24,000,000	EURIBOR 3M + Maximum margin of 0,27%	AA/Aa3
SERIE C:	€16,000,000	EURIBOR 3M + Maximum margin of 0,40%	A/A3

BACKED BY LOANS SOLD BY

Banesto

LEAD MANAGERS OF THE ISSUE

Banesto BARCLAYS CAPITAL JPMorgan

UNDERWRITERS

Banesto BARCLAYS CAPITAL JPMorgan

PAYING AGENT

Banesto

Designed, Sponsored and Managed by:

SANTANDER DE TITULIZACIÓN, S.G.F.T., S.A.

Prospectus registered with the CNMV on 21 June 2007.

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This document constitutes a Prospectus registered with the CNMV that has been prepared in accordance with Commission Regulation (EC) 809/2004, and consists of the following documents:

1.- A document describing the main risk factors of the Fund, the Assets backing the issue and the securities issued by the Fund (“**Risk Factors**”).

2.- The Registration Document prepared in accordance with Annex VII of Regulation (EC) 809/2004.

3.- The Securities Note prepared in accordance with Annex XIII of Regulation (EC) 809/2004.

4.- The Additional Building Block to the Securities Note prepared in accordance with Annex VIII of Regulation (EC) 809/2004.

5.- A document containing the terms defined in the Prospectus (“**Definitions**”).

RISK FACTORS

I Risk factors specific to the Fund:

(i) Risk of insolvency of the Fund:

In the event it is generally impossible for the Fund to pay its obligations there shall apply the provisions of article 11 of Royal Decree 926/1998; that is, the Fund management company (Sociedad Gestora; hereinafter the “Gestora”), after informing the CNMV, shall arrange for the orderly liquidation of the Fund according to the rules established in such respect in this Prospectus.

The Fund shall only bear liability for the performance of its obligation up to the amount of its assets.

(ii) Lack of legal personality of the Fund:

The Fund has no legal personality. The Gestora, consequently, must carry on its administration and representation and perform the legally stipulated obligations in relation to the Fund, and shall be liable for non-performance of those obligations vis-à-vis the Bondholders and the rest of the ordinary creditors of the Fund up to the limit of its net assets.

(iii) Limitation of actions against the Gestora

Bondholders and other ordinary creditors of the Fund shall have no right of action against the Gestora other than for non-performance of its functions and failure to comply with the provisions of the Deed of Formation or this Prospectus.

(iv) Mandatory substitution of the Gestora:

In accordance with article 19 of Royal Decree 926/1998, the Gestora must be substituted in the event it is declared subject to insolvency proceedings or its administrative authorisation is revoked on the terms and subject to the requirements laid down in subsection 3.7.2 of the Additional Building Block to the Securities Note.

The substitution must take effect within four (4) months of the date of occurrence of the event necessitating the substitution. If four (4) months elapse after such event without the Gestora having appointed a new management company, the Fund will be liquidated early and the Bonds redeemed, to which end there shall be carried out the actions provided in subsection 4.4.c.3 of the Registration Document.

(v) Validity of the sale in the event of insolvency proceedings of the Seller:

Case law is not yet sufficient to determine the manner in which the courts may interpret the regulations contained in the Insolvency Act 22/2003 of 9 July 2003, (Ley Concursal; hereinafter, the “Insolvency Act”). Without prejudice to the above, the most common interpretation is that, in accordance with Additional Provision Two of the Insolvency Act, the specific insolvency proceedings under Additional Provision Five of Act 3/1994 of 14 April will remain in force, such that, unless there is fraud in the assignment, the Assets assigned to the Fund will not form part of the bankrupt’s estate in the event of a creditors arrangement for the Seller.

In the event insolvency proceedings are declared in respect of the Seller, in the capacity of Administrator, the Fund, acting through the Gestora, will have the right of separation in respect of the assigned Assets. Notwithstanding the above, this right of separation will not necessarily extend to the money the Seller receives in its capacity as Administrator and holds for the account of the Fund prior to the date of declaration of insolvency proceedings, because the fungible nature of that money means it could be subject to the results of the proceedings according to the construction of article 80 of the Insolvency Act. Mechanisms that mitigate the aforementioned risk are described in subsections 3.4.4, 3.4.5 and 3.7.1(5) of the Additional Building Block.

(vi) Non-performance of agreements by third parties:

The Fund has entered into contracts with third parties for the provision of certain services relating to the Bonds. These include the Subordinated Loan for Formation Expenses Agreement, the Subordinated Loan for Reserve Fund Agreement, the Swap Contract, the Treasury Account Guaranteed Yield Reinvestment Agreement, the Principal Account Guaranteed Yield Reinvestment Agreement and the Issue Management, Underwriting and Distribution Agreement.

The Bondholders could be adversely affected if any of the Fund's counterparties were to default on the obligations assumed under any of the aforementioned agreements.

II. Risk factors specific to the Assets backing the issue:

(i) Default risk of the Assets:

The holders of the Bonds issued with a charge to the Fund will bear the default risk of the Assets pooled in the Fund.

The Bank assumes no liability whatsoever for non-payment by the Debtors, whether of principal, interest or of any other sum they may owe by virtue of the Assets. The Seller shall only be liable for the existence and legitimacy of the Assets at the time of their assignment and on the terms and conditions set out in the Prospectus, as well as for the personality with which it makes the assignment.

(ii) Risk of early redemption of the Assets:

The Assets pooled in the Fund may be redeemed early if the Debtors make advance repayments, on the terms established in each of the agreements under which the Loans underlying the Assets are granted, of the outstanding principal.

(iii) Liability:

The Bonds issued by the Fund represent an obligation neither for the Gestora nor for the Seller. The flow of funds used to perform the obligations to which the Bonds give rise is secured or guaranteed only in the specific circumstances and up to the limits described in subsection 2.2.8 of the Additional Building Block to the Securities Note. With the exception of these guarantees, no other guarantees have been granted by any public or private entity, including the Seller, the Gestora or any of their affiliated or investee companies. The Assets pooled in the Fund and the rights they carry are the main source of revenues for the Fund and, as such, for payment of the amounts owed to Bondholders, without prejudice to the existence of the credit enhancements described in subsection 3.4.2 of the Additional Building Block to the Securities Note.

(iv) Protection:

An investment in Bonds can be affected, amongst other factors, by a deterioration of the general economic conditions that has a negative effect on the payment of the Assets backing the Bonds issued by the Fund. If non-payments were to reach a high level, they could reduce, or even eliminate, the protection against losses in the Loan portfolio enjoyed by the Bonds as a result of the existence of the credit enhancements described in subsection 3.4.2 of the Additional Building Block to the Securities Note. Despite the foregoing, the risk of the Bondholders is mitigated by the Ranking of Payments set out in subsection 3.4.6 (b) of the Additional Building Block.

(v) Offsetting and Exceptions

Should the Debtor under a Loan seek to enforce again the Fund any exception that could have been enforced against the Bank, including, where applicable, offsetting any debts, in accordance with the provisions of article 11 of Law 7/95 of 23 March (the Consumer Credit Act), the Bank shall proceed remedy the situation, or, if applicable, credit to the Fund the amounts that it would not have received for this reason.

III Risk factors specific to the securities:

(i) Limited liquidity:

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

There is no commitment by any entity to participate in trading in the secondary market to give the Bonds liquidity by acting as counterparty.

In addition, in no event may the Fund repurchase the Bonds from the Bondholders, although they may be redeemed early in full in the event of early liquidation of the Fund on the terms set out in subsection 4.4.c.1) of the Registration Document.

(ii) Yield:

The calculation of the average life, yield and term of the Bonds is subject to, inter alia, assumptions on the early repayment of the Assets that may not be fulfilled, as well as to future market interest rates, given that the nominal interest rates are variable. The early repayment rate may be influenced by a variety of geographical, economic and social factors such as calendar effects, changes in market interest rates, the breakdown of the portfolio by sector and the level of economic activity in general.

(iii) Non-existence of default interest:

In no event will the existence of delays in payment of interest or repayment of principal to the Bondholders result in the accrual of default interest in their favour.

(iv) Fulfilment of formal obligations on the part of the investors.

In accordance with current Spanish legislation, the yields on bonds obtained by investors not resident in Spain shall be either (1) exempt from the withholding tax on non-residents (in the case of investors acting through an entity permanently established in Spanish territory), or (ii) exempt under the same terms and conditions established for yields on public debt (in the case of investors acting in Spain without a permanent establishment, provided that the income is not obtained through countries or territories that are classified as tax havens for regulatory purposes).

Notwithstanding the above, to qualify for exemption from the aforesaid withholding, the investors concerned must comply with certain formal obligations currently established in the Order of 22 December 1999 and Royal Decree 2281/1998, of 23 October, as amended by Royal Decree 1778/2004, without prejudice to any specific regulations for securitisation funds that may be introduced in future.

If the right of exemption is not duly accredited pursuant to the provisions of the aforementioned regulations (that is, the non-resident fails to submit evidence that they are not acting through a tax haven or fails to submit to the Fund, through the intermediary of the Paying Agent, the relevant certifications issued by the Bond's clearing and depository entity), the yields obtained on the Bonds shall remain subject to a tax withholding, the rate of which is currently fixed at 18%.

The tax consequences described above are based on the legislation in force at the time of issue and are not intended to be exhaustive and, accordingly, this text should not considered an adequate substitute for the tax advice necessary for the specific position of each individual investor.

REGISTRATION DOCUMENT

This Registration Document has been prepared according to Annex VII of Regulation (EC) 809/2004 and was registered by the Comisión Nacional del Mercado de Valores (Spanish Securities Markets Commission; hereinafter the "CNMV") on 19 June 2007.

1. PERSONS RESPONSIBLE

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

Mr. Ignacio Ortega Gavara, acting in the capacity of General Manager, by virtue of the powers vested in him by the Board of Directors at the meeting held on 14 May 2007 and on 1 June 2007 and in the name and on behalf of SANTANDER DE TITULIZACIÓN, SGFT, S.A., with registered address at Ciudad Grupo Santander, Avda. de Cantabria s/n. 28660, Boadilla del Monte (Madrid), assumes responsibility for the information contained in this Registration Document.

SANTANDER DE TITULIZACIÓN, S.G.F.T., S.A. is the sponsor of the **FINANCIACIÓN BANESTO 1, FONDO DE TITULIZACIÓN DE ACTIVOS** and will be responsible for its administration and legal representation.

1.2 Statement of those responsible for the content of the Registration Document.

Mr. Ignacio Ortega Gavara declares that, after applying reasonable diligence to ensure that this is so, the information contained in this Registration Document is, to his knowledge, consistent with the facts and contains no omissions that could affect its content.

2. STATUTORY AUDITORS OF THE FUND

2.1 Name and address of the auditors of the Fund (together with membership in any relevant professional body)

In accordance with the details set out of section 4.4 of this Registration Document, the Fund has no historical financial information.

However, during the life of the Fund, the annual financial statements will be audited annually by the statutory auditors.

At the meeting held on 14 May 2007 at which the Board of Directors of the Gestora resolved to form this Fund, the Board appointed as Statutory Auditor of the Fund the firm of Deloitte, S.L., whose detailed information is given in subsection 5.2.g) of this Registration Document. The Gestora shall notify the CNMV, Rating Agencies and the Bondholders of any future change regarding the appointment of the Fund auditors

2.2 Financial year, accounting principles and filing of annual financial statements.

The financial year of the Fund shall be coterminous with the calendar year. However, by way of exception, the first financial year will begin on the Formation Date and end on 31 December 2007, and the last financial year will end on the date the Fund is dissolved.

The Gestora will file the annual financial statements of the Fund with the CNMV, together with the related audit report, within four (4) months of the end of the Fund’s financial year (that is, prior to 30 April of each year).

The annual financial statements of the Fund and the audit report thereon will be deposited in the Companies Registry each year.

3. RISK FACTORS

The specific risk factors of the Fund are those described in section I of the “RISK FACTORS” document included at the beginning of this Prospectus.

4. INFORMATION ABOUT THE ISSUER

4.1 Statement that the Issuer is established as a special purpose vehicle or entity for the purpose of issuing asset backed securities.

The Issuer is an asset securitisation fund, lacking in legal personality, open and renewable in respect of its assets and closed in respect of its liabilities, and established for the purpose of acquiring the Assets assigned to the Fund by the Bank and issuing the Bonds.

Since the Fund is open and renewable, after the date of its Formation New Assets could be added at any time during the Renewal Period established in subsection 3.3.A)(b)(b.1) of the Additional Building Block. Once the Renewal Period had ended, the Fund will henceforth be closed in respect of both assets and liabilities.

4.2 Legal and commercial name of the Fund.

The Fund shall have the name FINANCIACIÓN BANESTO 1, FONDO DE TITULIZACIÓN DE ACTIVOS under Spanish legislation. For identification purposes, the following names may also be used indistinctly: FINANCIACION BANESTO 1, FTA and FINANCIACION BANESTO 1, F.T.A.

4.3 Register of the Issuer.

A prerequisite for establishment of the Fund and issuance of the Bonds is the Fund's registration in the official registers of the CNMV in Spain.

This Prospectus was registered with the CNMV on 21 June 2007.

Neither the establishment of the Fund nor the issuance of Bonds with a charge against its assets will be subject to registration in the Companies Registry, in application of the authority established by article 5.4 of Royal Decree 926/1998.

4.4 Date of formation and term of the Fund, if not indefinite.

(a) Formation Date.

The execution of the Deed of Formation and, hence, the Formation Date of the Fund is scheduled for 25 June 2007.

The Deed of Formation may be amended only in exceptional circumstances and, where applicable, in accordance with the terms and conditions established in prevailing legislation, and provided that the amendment is not prejudicial to the ratings assigned to the Bonds by the Ratings Agencies and is also without detriment for the Bondholders. Prior to the amendment, the Ratings Agencies and CNMV shall be informed of the content of the amendment and the approval of the latter will be obtained if this should be necessary.

The Gestora guarantees that the content of the Deed of Formation shall be consistent with the content of the Prospectus, which shall in turn be consistent with the draft deed submitted to the CNMV for the purpose of registration of this Prospectus.

(b) Term of the Fund.

The Fund is expected to pursue its activities from the Formation Date until the Statutory Maturity Date, that is, 19 October 2019 or, if this does not fall on a Business Day, the next following Business Day, without prejudice to the provisions of subsections 4.4.c) c.1) and 4.4.c) c.2) below.

c) Events of Liquidation of the Fund: Termination of the Fund. Actions for liquidation and termination of the Fund.

c.1) Events of early liquidation.

Notwithstanding what is provided in subsection b) above, the Gestora is authorised to carry out the Early Liquidation of the Fund and, hence, the early redemption on a Payment Date of the whole of the Bond Issue on the terms established in this section, in any of the following events:

(i) When the Outstanding Balance of the Assets excluding the Defaulted Loans is less than ten per cent (10%) of the initial balance of the Assets, provided that the amount raised by the sale of the Assets pending repayment, together with the balance existing at that time in the Treasury Account and in the Principal Account, is sufficient to allow full settlement of all pending obligations to the Bondholders and respecting the payments ranked ahead of these in the ranking given in the Liquidation Ranking of Payments;

(ii) When as a result of an event or circumstance of any kind whether or not related to the performance of the Fund, there arises, in the opinion of the Gestora, a substantial alteration or there is a permanent disruption of the financial balance of the Fund required under article 5.6 of Act 19/1992, applicable pursuant to the remit to article 1.2 of Royal Decree 926/1998. Such events include circumstances such as a modification in legal or regulatory provisions, the establishment of withholding obligations or other situations that may permanently affect the financial balance of the Fund;

(iii) In the event provided for in article 19 of Royal Decree 926/1998, which establishes the obligation to liquidate the Fund early if four (4) months elapse after an event that requires mandatory substitution of the Gestora, because the latter has been declared subject to insolvency proceedings or its authorisation has been revoked, and a new management company has not been appointed to take charge of the Fund’s management;

(iv) When there occurs a non-payment indicating a serious and permanent imbalance in relation to any of the Bonds or such non-payment is expected to occur;

(v) On the Payment Date preceding the Funds' Statutory Maturity Date by six (6) months.

The liquidation of the Fund must be previously notified to the CNMV and then to the Bondholders, in the manner stipulated in subsection 4.b.3) of the Additional Building Block, at least thirty (30) Business Days in advance of the scheduled Early Redemption date, which must necessarily fall on a Payment Date.

c.2) Termination of the Fund

The Fund will be terminated (i) in the event of the redemption in full of the Assets it holds and of the Bonds, (ii) in the event of the Early Redemption provided for in the previous section, (iii) because it has reached the Statutory Maturity Date or (iv) if the provisional ratings are not confirmed as definitive before the start of the Subscription Period.

In the event there arises any of the situations described in the foregoing subparagraphs, the Gestora shall notify the CNMV and begin making the relevant arrangements for termination of the Fund.

c.3) Actions for liquidation and termination of the Fund.

In order for the Fund, through its Gestora, to carry out the liquidation and termination of the Fund and, if applicable, the Early Liquidation of the Fund and Early Redemption of the Bond issue in those events determined in subsection (4.4.c.1) above and, specifically, in order for the Fund to have sufficient liquidity to perform its payment obligations, the Gestora will proceed, in the name of the Fund, to carry out any or all of the following actions:

(i) to sell the Assets for a price no lower than the sum of the value of principal plus interest accrued and not collected on the Assets pending repayment. For these purposes, the Gestora must solicit an offer from at least five (5) entities of those most active in trading in similar assets, and shall not sell them for less than the best offer received. The Seller shall have a right of first refusal to acquire the said Assets, on the conditions established by the Gestora at the time of liquidation such that it has preference over third parties in acquiring the Assets. To exercise this right of first refusal, the Seller shall have five (5) Business Days after the date on which the Gestora gives notice of the conditions (price, payment method, etc.) in which the Assets will be sold. The Seller's offer must at least match the best of the offers received from third parties.

In the event that no offer covers the value of the principal plus the interest accrued and not collected on the Assets pending repayment, the Gestora will be obliged to accept the best offer of those received that, in its judgement, covers the market value of the said Assets. To establish the market value, the Gestora may obtain the pricing information it deems necessary from third parties other those referred to in the preceding subsection. In this event, the Seller will likewise enjoy the right of first refusal described above, provided its offer at least matches the best of the offers made by the third parties.

This right of first refusal in no event implies an agreement or obligation to repurchase the Assets by the Seller; and/or

(ii) To sell any other assets of the Fund other than the Assets and the cash for a price not less than the market price. To determine the market value, the Gestora will request from at least one entity specialised in evaluating or trading assets similar to those whose sale is intended the valuation reports it deems necessary, and sell the assets in question by means of the procedure that allows the highest price in the market to be obtained; and/or

(iii) to cancel the contracts that are not needed for the process of liquidating the Fund.

(iv) To agree a line of credit, drawdowns from which shall be credited to the Treasury Account, which shall be assigned fully and immediately to Early Redemption of the Bond issue. Repayment of this line of credit shall be guaranteed exclusively by the flows of interest and principal deriving from the Assets pending repayment and the proceeds of the sale of the Assets and any other items remaining in the Fund.

For the foregoing actions (i), (ii) and (iv), the Seller shall have a right of first refusal to acquire the Assets or any other assets remaining in the Fund such that is has preference over third parties, or to grant to the Fund the line of credit intended to be used exclusively for the Early Redemption of the Bonds pending repayment. To this end, the Gestora shall submit the report on the assets and offers received from third parties to the Seller, who shall be entitled to exercise the aforementioned right of first refusal to acquire all the Assets or other remaining assets offered by the Gestora or the line of credit within the five (5) Business Days following receipt of the aforementioned notice, provided its offer at least matches the best of the offers made by the third parties.

The Gestora shall immediately apply all proceeds obtained from disposal of the Assets and any other assets of the Fund to paying the different items, in the relevant manner, amount and order of priority, in accordance with the Liquidation Ranking of Payments set out in subsection 3.4.6.(d) of the Additional Building Block to the Securities Note. The Early Redemption of all of the Bonds in any of the events provided for in subsection 4.4.c.1) above will be carried out using the Outstanding Principal Balance of the Bonds at that date plus the interest accrued and not paid as of the date of Early Redemption, less, if applicable, tax withholdings and free of expenses for the holder, which amounts shall for all legal purposes be considered net, due and payable at the latter date.

If, once the Fund has been liquidated and all payments stipulated have been made according to the Ranking of Payments set out in subsection 3.4.6.(d) of the Additional Building Block to the Securities Note, there are remaining assets or there remain pending resolution court or notary proceedings initiated as a result of default by a Debtor of the Assets (all as provided in section 3.4.5.a) of the Additional Building Block to the Securities Note), both the said remainder and the continuance or and/or proceeds from the resolution of the said proceedings shall be for the benefit of the Bank.

In all events, the Gestora, acting for the account and on behalf of the Fund, shall not proceed to terminate the Fund until it has liquidated the Assets and all other remaining assets of the Fund and distributed the available funds of the Fund, following the Liquidation Ranking of Payments set out in subsection 3.4.6.(d) of the Additional Building Block to the Securities Note.

Within a maximum of six (6) months following the liquidation of the Assets and any other remaining assets of the Fund and the distribution of the available funds, the Gestora shall execute a notary certificate declaring (a) the dissolution of the Fund, and the grounds provided in this Registration Document which justify its termination, (b) the procedure followed for notifying the Bondholders and the CNMV, and (c) the distribution of the available amounts of the Fund following the Liquidation Ranking of Payments stipulated in subsection 3.4.6.(d) of the Additional Building Block to the Securities Note, and shall comply with the rest of the applicable administrative formalities. The said notary document will be submitted by the Gestora to the CNMV.

In the event that the Fund is dissolved for the reason described in subsection 4.4.c.1)(v) above, the Fund's formation shall be cancelled, as shall the issue of the Bonds and the agreement concluded by the Gestora, acting in the name of the Fund, except for the Subordinated Loan for Formation Expenses Agreements, which shall be used to settle all formation and issue expenses that the Fund may have incurred. The cancellation will be immediately notified to the CNMV and, one (1) month after the occurrence of the reason for cancelling the Fund’s formation, the Gestora will execute a notary certificate to be sent to the CNMV and to the Rating Agencies, declaring the termination of the Fund and the reasons therefor.

4.5 Domicile and legal form of the Issuer, legislation under which the Issuer operates.

(a) Domicile of the Fund.

The Fund does not have a registered office since it has no legal personality. For all purposes, the Fund’s address shall be considered to be that of the Gestora, which is:

SANTANDER DE TITULIZACIÓN, S.G.F.T., S.A.

Ciudad Grupo Santander

Avenida de Cantabria, s/n

28660 Boadilla del Monte (Madrid)

Telephone: 91 289 32 89

b) Legal form of the Fund.

The Fund shall constitute a distinct body of assets, lacking in legal personality, open and renewable in respect of its assets and closed in respect of its liabilities, pursuant to the provision of articles 3 and 4 of Royal Decree 926/1998. The Gestora shall be responsible for forming, administering and providing legal representation for the Fund, and, likewise, in its capacity as manager of third-party interests, for representing and defending the interests of the Bondholders and the rest of the ordinary creditors of the Fund.

c) Legislation under which the Fund operates and country of incorporation.

The Fund will be incorporated in Spain pursuant to Spanish legislation and, specifically, in accordance with the Deed of Formation and the procedures established in (i) Royal Decree 926/1998 and its implementing provisions; (ii) Act 19/1992, for all issues not covered by Royal Decree 926/1998 and provided applicable; (iii) the Spanish Securities Market Act; (iv) Addition Provision Five of Act 3/94, (v) Royal Decree 1310/2005, and (vi) all other legal and regulatory provisions in force that may be applicable at the time.

This Prospectus has been prepared according to the models set out in Regulation (EC) 809/2004.

d) Tax regime of the Fund.

In accordance with Act 19/1992, Legislative Royal Decree 4/2004, Act 37/1992, Royal Decree 1777/2004, Legislative Royal Decree 1/1993 and Additional Provision Five of Act 3/1994, the characteristics of the tax regime applicable to the Fund are as follows:

(i) The formation of the Fund is exempt from the “corporate transactions” concept under Capital Transfer Tax and Stamp Duty (Impuesto sobre Transmisiones Patrimoniales and Actos Jurídicos Documentados) according to the provisions of paragraph 10 of article 5 of Act 19/1992.

(ii) The Fund is subject to Corporate Income Tax at the standard rate prevailing at the time, which is currently 32.5% (articles 7.1 h and 28.1 of Legislative Royal Decree 4/2004). For tax periods commencing after 1 January 2008, the standard rate will be reduced to 30%, in line with Act 35/2006, of 28 November, on Personal Income Tax and the partial amendment of Corporate Income Tax, Non-Resident Income Tax and Wealth Tax.

(iii) The return on the Assets that constitutes the Fund’s income are not subject to withholding or advance payment on account (article 59, section k of Royal Decree 1777/2004).

(iv) The management and custody services provided by the Gestora to the Fund are exempt from Value Added Tax (article 20.1.18.n of Act 37/1992).

(v) The issuance, subscription, transfer, repayment and redemption of the Bonds are exempt from Capital Transfer Tax and Stamp Duty (article 45.I.B.15 of Legislative Royal Decree 1/1993) and from Value Added Tax (article 20.1.18 Act 37/1992).

(vi) The sale of the Assets to the Fund is a transaction subject to an exemption from Value Added Tax.

(vii) The Gestora shall be subject to application of, inter alia, the disclosure obligations established in Act 13/1985, in the wording given in Act 19/2003, and in Act 23/2005 and implemented by Royal Decree 2281/1998, as amended by Royal Decree 1778/2004. Consequently, each year, the Gestora will be required to provide information to the Tax Authorities on the identity and tax residence of Bondholders and the income paid to them.

For these purposes, and as described in the section entitled "Risk Factors affecting Securities - (iv) Fulfilment of formal obligations on the part of the investors", investors shall be required to satisfy certain formal obligations. If these obligations are not satisfied in due time and form, the Gestora shall be required to apply the corresponding withholdings to payments made to the investors in question.

4.6 Description of the amount of the Fund's authorised and issued capital.

The Fund has no share capital.

5. BUSINESS OVERVIEW

5.1 Brief description of the Issuer's principal activities.

The Issuer is an asset securitisation vehicle and, as such, its principal activity consists of acquiring the Assets from the Bank and issuing the Bonds. In other words, by means of their securitisation, the Bank transfers the Assets to the Fund, which pays the price of the acquisition using the proceeds obtained from issuing the Bonds subscribed for by the qualified investors for whom they are intended.

This operation thus serves to allow the Bank to collect on the Consumer Finance Loans earlier, that is, Assets which were not liquid at the time of their assignment to the Fund are made liquid for the Bank.

5.2 Global overview of the parties to the securitisation program.

(a) SANTANDER DE TITULIZACIÓN, S.G.F.T., S.A. is acting as management company of the Fund and as legal and financial advisor in the arrangement of the operation.

SANTANDER DE TITULIZACIÓN S.G.F.T., S.A. is a securitisation fund management company with its registered address in Ciudad Grupo Santander, Avenida de Cantabria, 28660 Boadilla del Monte (Madrid) and holder of corporate taxpayer identity code (CIF) no. A-80481419. A brief description of the company is contained in section 6 of the Registration Document and in subsection 3.7.2 of the Additional Building Block to the Securities Note.

The management company (hereinafter the "Gestora" has not been rated by any of the ratings agencies.

(b) BANCO ESPAÑOL DE CRÉDITO, S.A. is acting as Seller of the Assets, as Lead Manager of the Bond issue, as Underwriter, as Paying Agent and as the Fund's counterparty in the Subordinated Loan for Formation Expenses Agreement, in the Subordinated Loan for Reserve Fund Agreement, in the Swap Contract, in the Treasury Account Guaranteed Yield Reinvestment Agreement and in the Principal Account Guaranteed Yield Reinvestment Agreement.

In the capacity of Lead Manager, it shall perform the following functions in accordance with the terms established in article 35.1 of Royal Decree 1310/2005:

- Under mandate from the Gestora, manage transactions related to the design of the temporary financial and commercial terms and conditions of the issue, and coordinate relationships with the regulatory authorities, market operators, potential investors and all other placement and underwriting entities.

BANCO ESPAÑOL DE CRÉDITO, S.A. is a Spanish credit institution with its registered address at Gran Vía de Hortaleza, 3, Madrid and holder of corporate taxpayer identity code (CIF) no. A-28000032 and Spanish national sector classification code (CNAE) 651. A brief description of the company is contained in section 3.5 of the Additional Building Block to the Securities Note

The ratings assigned by the Rating Agencies to the Bank's unsubordinated and unsecured short and long-term debt are currently as follows:

- Fitch (may 2006): AA (long-term) and F1+ (short-term).
- Standard & Poor's (may 2006): AA (long-term) y A-1+ (short-term).
- Moody's (december 2005): Aa3 (long-term) y P-1 (short-term).

c) BARCLAYS BANK PLC is acting as Lead Manager and Underwriter of the Bond issue.

BARCLAYS BANK PLC, is a credit institution with its registered address at 1 Churchill Place, London E14 5HP, which is registered in the companies registry of England and Wales under number 1026167 and operates in Spain under the freedom to provide services.

In the capacity of Lead Manager, it shall perform the following functions in accordance with the terms established in article 35.1 of Royal Decree 1310/2005:

- Under mandate from the Gestora, to manage transactions regarding the coordination of the relationships with potential investors and all other placement and underwriting entities.

d) J.P. MORGAN SECURITIES LTD is acting as Lead Manager and Underwriter of the Bond issue.

J.P. MORGAN SECURITIES LTD is a company incorporated under the laws of England in the United Kingdom, is registered in the companies registry of England and Wales under number 2711006, has its registered address at 125 London Wall EC2Y 5AJ, London, United Kingdom and holds corporate taxpayer identity code (CIF) no. GB 268/8163038906. It is also registered in the CNMV as an investment firm of the European Economic Area under the freedom to provide services system with number 107 on 5 January 1996.

In the capacity of Lead Manager, it shall perform the following functions in accordance with the terms established in article 35.1 of Royal Decree 1310/2005:

- Under mandate from the Gestora, to manage transactions related to the design of the temporary financial and commercial terms and conditions of the issue, and coordinate the relationships with potential investors and all other placement and underwriting entities.

e) STANDARD & POOR'S ESPAÑA, S.A. ("Standard & Poor's") is acting as a credit rating agency to rate the Bonds.

Standard & Poor's is a Spanish public limited company and subsidiary of the credit rating agency Standard & Poor's Limited, with its registered address at Marqués de Villamejor 5, first floor, Madrid 28006 and holder of corporate taxpayer identity code (CIF) no. A-80310824.

f) MOODY'S INVESTORS SERVICE ESPAÑA, S.A. ("Moody's") is acting as a credit rating agency to rate the Bonds.

Moody's is a Spanish public limited company and subsidiary of the credit rating agency Moody's Investors Service Limited, with registered address at Calle Bárbara de Braganza, 2, 28004 Madrid and holder of corporate taxpayer identity code (CIF) no. A-80448475.

g) DELOITTE, S.L. . is acting as auditor of the financial statements of the Gestora and of the Bank. It will also issue an audit report on the portfolio of Consumer Finance Loans that will make up the Fund and has been appointed as auditor of the financial statements of the Fund.

Deloitte, S.L. is a Spanish limited company with its registered address in Madrid, at Torre Picasso, Plaza Pablo Ruiz Picasso, s/n, holder of corporate taxpayer identity code (CIF) no. B-79104469, registered in the Official Register of Auditors (ROAC) under number S0692 and in the Companies Registry, first entry in Sheet M-54.414, Folio 1, Section 8 of Volume 3,190.

h) J&A GARRIGUES, S.L is acting as legal advisor on the structure of the operation.

J&A GARRIGUES, S.L. is a Spanish limited company with its registered address at Hermosilla 3, 28001 Madrid and holder of corporate taxpayer identity code (CIF) no. B-81709081.

For the purposes of article 4 of the Spanish Securities Market Act, BANCO ESPAÑOL DE CRÉDITO, S.A. and SANTANDER DE TITULIZACIÓN, S.G.F.T., S.A. form part of the SANTANDER GROUP, which is headed by SANTANDER CENTRAL HISPANO, S.A. as parent company.

No other direct or indirect ownership or control relationship between the aforesaid legal persons participating in the securitisation operation is known.

6. ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES OF THE GESTORA

6.1 Management bodies of the Gestora

In accordance with Royal Decree 926/1998, Asset Securitisation Funds have no legal personality of their own, and responsibility for their formation, administration and legal representation, as well as for the representation and defence of the interests of the holders of the securities issued with a charge to the funds they administer and the rest of their ordinary creditors rests with securitisation fund management companies (sociedades gestoras de fondos de titulización).

Thus, this section gives information on SANTANDER DE TITULIZACIÓN, S.G.F.T., S.A., as the management company Gestora responsible for forming, managing and representing FINANCIACIÓN BANESTO 1, FONDO DE TITULIZACIÓN DE ACTIVOS.

(a) Full name and registered address.

- Full name: SANTANDER DE TITULIZACIÓN, SOCIEDAD GESTORA DE FONDOS DE TITULIZACIÓN, S.A.
- Head office: Ciudad Grupo Santander, Avenida de Cantabria s/n, 28660 Boadilla del Monte (Madrid).
- Taxpayer identification code (CIF): A-80481419
- Spanish national sector classification code (CNAE): 8199

(b) Incorporation and registration in the Companies Registry, as well as information on administrative authorisations and registration with the CNMV.

SANTANDER DE TITULIZACIÓN, S.G.F.T., S.A., was incorporated by public deed executed on 21 December 1992 in the presence of Madrid notary public Mr. Francisco Mata Pallarés under number 1310 of his notary record, with prior authorisation from the Spanish Ministry of Economy and Finance granted on 1 December 1992. It is registered in the Companies Registry of Madrid, first entry on Sheet M-78658, in Folio 75, Volume 4789. It is also registered in the special register of the CNMV under number 1.

In addition, the Gestora has amended its articles of association pursuant to a resolution adopted by its Board of Directors on 15 June 1998 and executed in a public deed attested by Madrid notary public Mr. Roberto Parejo Gamir on 20 July 1998 under number 3070 of his notary record, for the purpose of adapting them to the requirements laid down for asset securitisation fund management companies by Royal Decree 926/1998. The amendment was authorised by the Ministry of Economy and Finance on 16 July 1998 under the Sole Transitional Provision of the aforementioned Royal Decree 926/1998.

The Gestora is incorporated for an unlimited term, unless there occurs one of the events established in the applicable legal provisions and articles of association for its dissolution.

c) Corporate purpose and brief description of the principal activities of the Gestora.

In accordance with legal requirements, article two of the articles of association of the Gestora establishes that “the sole object of the Company is the establishment, administration and legal representation of mortgage securitisation funds on the terms of article six of Act 19/1992 of 7 July 1992 governing Real Estate Investment Companies and Funds and Mortgage Securitisation Funds, and of asset securitisation funds in accordance with the provisions of article 12.1 of Royal Decree 926/1998 of 14 May 1998 regulating asset securitisation funds and the management companies of securitisation funds. The Gestora is also responsible, as the manager of third-party funds, for representing and safeguarding the interests of holders of the securities issued against the funds it manages and of the rest of their ordinary creditors, and for performing the functions attributed to securitisation fund management companies by the applicable laws”.

At 31 May 2007, the Gestora was managing the following assets:

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MORTGAGE SECURITISATION FUNDS						
FUNDS	**SERIES**	**OUTSTANDING BALANCE PER SERIES**	**RATE PER SERIES**	**RATINGS AGENCIES**	**FORMATION DATE**	**INITIAL BALANCE OF THE ASSETS**
FTH HIPOTEBANSA VI	**Serie A**	27.233.819,40 €	Libor 3M + 0.12%	S&P España / Moody´s España	27/10/1997	262.942.795,67 €
	Serie B	2.723.381,35 €	Libor 3M + 0.50%			
Total		**29.957.200,75 €**				
FTH HIPOTEBANSA VII	**Serie A**	50.725.291,20 €	Libor 3M + 0.15%	S&P España / Moody´s España	05/05/1998	317.334.391,12 €
	Serie B	5.072.529,18 €	Libor 3M + 0.525%			
Total		**55.797.820,38 €**				
FTH UCI 4	**Serie A**	23.359.958,50 €	Libor 3M + 0.16%	S&P España	25/06/1998	180.303.631,32 €
	Serie B	2.335.996,42 €	Libor 3M + 0.575%			
Total		**25.695.954,92 €**				
FTH HIPOTEBANSA VIII	**Serie A**	60.641.598,80 €	Libor 3M + 0.27%	Fitch IBCA / Moody´s España	17/12/1998	328.302.862,02 €
	Serie B	6.064.159,83 €	Libor 3M + 0.800%			
Total		**66.705.758,63 €**				
FTH UCI 5	**Serie A**	47.480.864,20 €	Euribor 3M + 0.23%	Moody´s España	03/06/1999	265.000.000,00 €
	Serie B	3.798.469,20 €	Euribor 3M + 0.625%			
Total		**51.279.333,40 €**				
FTH BANESTO 1	**Serie A**	111.933.644,12 €	Euribor 3M + 0.23%	Moody´s España	29/07/1999	759.000.000,00 €
	Serie B	8.954.693,16 €	Euribor 3M + 0.625%			
Total		**120.888.337,28 €**				
FTH HIPOTEBANSA IX	**Serie A**	121.659.030,72 €	Euribor 3M + 0.27%	Fitch IBCA / Moody´s España	10/11/1999	519.200.000,00 €
	Serie B	12.165.903,40 €	Euribor 3M + 0.75%			
Total		**133.824.934,12 €**				
FTH BANESTO 2	**Serie A**	166.020.969,00 €	Euribor 3M + 0.27%	Moody´s España	08/05/2000	715.000.000,00 €
	Serie B	11.621.467,50 €	Euribor 3M + 0.625%			
Total		**177.642.436,50 €**				
FTH BANESTO 3	**Serie A**	166.031.478,30 €	Euribor 3M + 0.23%	Moody´s España	16/07/2001	545.000.000,00 €
	Serie B	16.603.146,93 €	Euribor 3M + 0.60%			
Total		**182.634.625,23 €**				
FTH BANESTO 4	**Serie A**	751.870.813,50 €	Euribor 3M + 0.20%	S&P España	15/11/2003	1.500.001.867,69 €
	Serie B	45.000.000,00 €	Euribor 3M + 0.65%			
Total		**796.870.813,50 €**				

MORTGAGE SECURITISATION FUNDS						
FUNDS	**SERIES**	**OUTSTANDING BALANCE PER SERIES**	**RATE PER SERIES**	**RATINGS AGENCIES**	**FORMATION DATE**	**INITIAL BALANCE OF THE ASSETS**
FTH UCI 10	**Serie A**	302.054.847,50 €	Euribor 3M + 0.16%	S&P España	14/05/2004	700.000.000,00 €
	Serie B	19.280.095,80 €	Euribor 3M + 0.50%			
		321.334.943,30 €				
FTH UCI 12	**Serie A**	547.295.730,24	Euribor 3M + 0.15%	S&P España	30/05/2005	900.000.000,00 €
	Serie B	9.000.000,00	Euribor 3M + 0.27%			
	Serie C	23.800.000,00	Euribor 3M + 0.60%			
Total		**580.095.730,24 €**				
	TOTAL FTH	**2.542.727.888,25 €**				6.992.085.547,82 €

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ASSET SECURITISATION FUNDS						
FUNDS	**SERIES**	**OUTSTANDING BALANCE PER SERIES**	**RATE PER SERIES**	**RATINGS AGENCIES**	**FORMATION DATE**	**INITIAL BALANCE OF THE ASSETS**
FTA SANTANDER 1	**Pag.Intern**	4.989.213.001,12		S&P España / Moody´s España	26/11/1998	1.202.024.208,77 €
	Pag. Nac.	0				
Total		**4.989.213.001,12 €**				
FTA UCI 6	**Serie A**	93.495.252,46	Euribor 3M + 0.295%	Moody´s España	19/06/2000	457.000.000,00 €
	Serie B	8.227.582,32	Euribor 3M + 0.775%			
Total		**101.722.834,78 €**				
FTA UCI 7	**Serie A**	115.844.786,40	Euribor 3M + 0.250%	S&P España / Moody´s España	25/10/2001	455.000.000,00 €
	Serie B	8.109.134,16	Euribor 3M + 0.700%			
Total		**123.953.920,56 €**				
FTA HIPOTEBANSA X	**Serie A**	320.332.717,87	Euribor 3M + 0.21%	S&P España / Moody´s España	04/03/2002	917.000.000,00 €
	Serie B	18.300.000,00	Euribor 3M + 0.55%			
Total		**338.632.717,87 €**				
FTA FTPYME BANESTO 1	**SERIE A1(G)**	0,00 €	Euribor 3M + 0.01%	Fitch IBCA / Moody´s España	11/06/2002	500.000.000,00 €
	SERIE A1	0,00 €	Euribor 3M + 0.35%			
	SERIE A2(G)	0,00 €	Euribor 3M + 0.04%			
	SERIE A2	0,00 €	Euribor 3M + 0.38%			
	SERIE A3(G)	166.700.000,00	Euribor 3M + 0.07%			
	SERIE A3	41.700.000,00	Euribor 3M + 0.48%			
	SERIE B(G)	1.114.596,75	Euribor 3M + 0.20%			
	SERIE B	1.114.596,75	Euribor 3M + 0.90%			
	SERIE C	1.950.544,00	Euribor 3M + 1.80%			
Total		**212.579.737,50 €**				
FTA UCI 8	**Serie A**	150.439.419,78	Euribor 3M + 0.220%	S&P España / Moody´s España	24/06/2002	600.000.000,00 €
	Serie B	9.929.003,04	Euribor 3M + 0.600%			
Total		**160.368.422,82 €**				
FTA HIPOTEBANSA 11	**Serie A**	464.383.311,36	Euribor 3M + 0.24%	S&P España / Moody´s España	26/11/2002	1.062.000.000,00 €
	Serie B	21.200.000,00	Euribor 3M + 0.45%			

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ASSET SECURITISATION FUNDS						
FUNDS	**SERIES**	**OUTSTANDING BALANCE PER SERIES**	**RATE PER SERIES**	**RATINGS AGENCIES**	**FORMATION DATE**	**INITIAL BALANCE OF THE ASSETS**
Total		**485.583.311,36 €**				
SANTANDER CONSUMER	**Serie A**	186.654.020,25	Euribor 3M + 0.30%	Fitch / Moody´s España / S&P España	09/12/2002	850.000.000,00 €
FINANCE SPAIN 02-1 FTA	**Serie B**	11.914.089,60	Euribor 3M + 0.60%			
Total		**198.568.109,85 €**				
FTA CONSUMO SANTANDER 1	**Serie A**	82.003.557,60	Euribor 3M + 0.25%	S&P España / Moody´s España	04/03/2003	1.080.000.000,00 €
	Serie B	37.800.000,00	Euribor 3M + 0.43%			
	Serie C	35.100.000,00	Euribor 3M + 0.73%			
	Serie D	35.100.000,00	Euribor 3M + 1.40%			
Total		**190.003.557,60 €**				
FTA UCI 9	**Serie A**	399.939.797,07	Euribor 3M + 0.265%	S&P España / Moody´s España	16/06/2003	1.250.000.000,00 €
	Serie B	29.657.477,50	Euribor 3M + 0.65 %			
	Serie C	6.542.090,74	Euribor 3M + 1.20 %			
Total		**436.139.365,31 €**				
FTA FTPYME SANTANDER 1	**Serie A**	357.946.368,57	Euribor 3M + 0.25%	Fitch / Moody´s España	24/09/2003	1.800.000.000,00 €
	Serie B1(G)	537.100.000,00	Euribor 3M + 0.00%			
	Serie B2	134.300.000,00	Euribor 3M + 0.40%			
	Serie C	27.000.000,00	Euribor 3M + 0.90%			
	Serie D	87.300.000,00	Euribor 3M + 1.80%			
Total		**1.143.646.368,57 €**				
FTA SANTANDER	**Serie A**	989.355.396,48	Euribor 3M + 0.18%	S&P España / Moody´s España	11/06/2004	1.875.000.000,00 €
HIPOTECARIO 1	**Serie B**	53.400.000,00	Euribor 3M + 0.30%			
	Serie C	46.900.000,00	Euribor 3M + 0.50%			
	Serie D	56.300.000,00	Euribor 3M + 0.95%			
Total		**1.145.955.396,48 €**				
FTA FTPYME SANTANDER 2	**Serie A**	603.770.772,15	Euribor 3M + 0.20%	S&P España	21/10/2004	1.850.000.000,00 €
	Serie B	183.564.007,65	Euribor 3M + 0.00%			

ASSET SECURITISATION FUNDS						
FUNDS	**SERIES**	**OUTSTANDING BALANCE PER SERIES**	**RATE PER SERIES**	**RATINGS AGENCIES**	**FORMATION DATE**	**INITIAL BALANCE OF THE ASSETS**
	Serie C	81.000.000,00	Euribor 3M + 0.30%			
	Serie D	58.500.000,00	Euribor 3M + 0.70%			
	Serie E	58.500.000,00	Euribor 3M + 1.50%			
Total		**985.334.779,80 €**				
FTA UCI 11	**Serie A**	412.007.124,06	Euribor 3M + 0.14%	S&P España	17/11/2004	850.000.000,00 €
	Serie B	6.000.000,00	Euribor 3M + 0.33%			
	Serie C	22.900.000,00	Euribor 3M + 0.75%			
Total		**440.907.124,06 €**				
FTA SANTANDER PUBLICO 1	**Serie A**	1.158.363.954,30	Euribor 3M+ 0.039%	Fitch / Moody´s España	17/12/2004	1.850.000.000,00 €
	Serie B	37.000.000,00	Euribor 3M+ 0.30%			
Total		**1.195.363.954,30 €**				
FTA SANTANDER AUTO 1	**Serie Unica**	868.484.875,20	Euribor 3M + 0.059%	S&P España	07/04/2005	1.598.000.000,00 €
Total		**868.484.875,20 €**				
FTA SANTANDER EMPRESAS 1	**Serie A1**	223.775.796,48	Euribor 3M + 0.02%	S&P España / Fitch España	27/10/2005	3.100.000.000,00 €
	Serie A2	1.240.000.000,00	Euribor 3M + 0.12%			
	Serie B	80.600.000,00	Euribor 3M + 0.21%			
	Serie C	96.100.000,00	Euribor 3M + 0.29%			
	Serie D	170.500.000,00	Euribor 3M + 0.59%			
Total		**1.810.975.796,48 €**				
FTA UCI 14	**Serie A**	998.851.009,25	Euribor 3M + 0.15%	S&P España / Fitch España	30/11/2005	1.350.000.000,00 €
	Serie B	34.100.000,00	Euribor 3M + 0.29%			
	Serie C	38.400.000,00	Euribor 3M + 0.58%			
Total		**1.071.351.009,25 €**				
FTA UCI 15	**Serie A**	1.114.843.630,30	Euribor 3M + 0.14%	S&P España / Fitch España	28/04/2006	1.430.000.010,22 €
	Serie B	32.900.000,00	Euribor 3M + 0.27%			
	Serie C	56.500.000,00	Euribor 3M + 0.53%			
	Serie D	21.600.000,00	Euribor 3M + 0.58%			
Total		**1.225.843.630,30 €**				

ASSET SECURITISATION FUNDS

FUNDS	SERIES	OUTSTANDING BALANCE PER SERIES	RATE PER SERIES	RATINGS AGENCIES	FORMATION DATE	INITIAL BALANCE OF THE ASSETS
FTA SANTANDER HIPOTECARIO 2	**Serie A**	1.604.832.586,95	Euribor 3M + 0.15%	S&P España / Moody´s España	30/06/2006	1.758.332.586,95 €
	Serie B	51.800.000,00	Euribor 3M + 0.20%			
	Serie C	32.300.000,00	Euribor 3M + 0.30%			
	Serie D	49.800.000,00	Euribor 3M + 0.55%			
	Serie E	19.600.000,00	Euribor 3M + 2.10%			
	Serie F	17.600.000,00	Euribor 3M + 1.00%			
Total		**1.775.932.586,95 €**				
FTA SANTANDER CONSUMER SPAIN AUTO 06	**Serie A1**	1.282.500.000,00	Euribor 3M + 0.15%	S&P España / Fitch España	10/10/2006	1.350.000.000,00 €
	Serie A2	22.300.000,00	Euribor 3M + 0.20%			
	Serie B	22.300.000,00	Euribor 3M + 0.30%			
	Serie C	22.900.000,00	Euribor 3M + 0.55%			
	Serie D	10.200.000,00	Euribor 3M + 2.10%			
Total		**1.360.200.000,00 €**				
FTA UCI 16	**Serie A1**	323.175.487,00	Euribor 3M + 0.06%	S&P España / Fitch España	18/10/2006	1.800.000.000,00 €
	Serie A2	1.247.600.000,00	Euribor 3M + 0.15%			
	Serie B	72.000.000,00	Euribor 3M + 0.30%			
	Serie C	41.400.000,00	Euribor 3M + 0.55%			
	Serie D	9.000.000,00	Euribor 3M + 2.25%			
	Serie E	19.800.000,00	Euribor 3M + 2.30%			
Total		**1.712.975.487,00 €**				
FTA PYMES BANESTO 2	**Serie A1**	400.000.000,00 €	Euribor 3M + 0.13%	S&P España / Moody´s España	17/11/2006	1.000.000.000,00 €
	Serie A2	541.700.000,00 €	Euribor 3M + 0.16%	Fitch España		
	Serie B	24.300.000,00 €	Euribor 3M + 0.27%			
	Serie C	34.000.000,00 €	Euribor 3M + 0.54%			
Total		**1.000.000.000,00 €**				
FTA	**Serie A**	1.738.500.000,00	Euribor 3M + 0.15%	S&P España / Moody´s España	14/12/2006	1.900.000.000,00 €

THIS PROSPECTUS IS A NON-OFFICIAL AND NON-BINDING TRANSLATION INTO ENGLISH OF THE ORIGINAL "FOLLETO INFORMATIVO" DRAFTED IN SPANISH LANGUAGE AND REGISTERED WITH THE "COMISIÓN NACIONAL DEL MERCADO DE VALORES" (THE SPANISH SECURITIES MARKET COMMISSION, "CNMV") ON 21 JUNE 2007. THE "FOLLETO INFORMATIVO" DRAFTED IN SPANISH LANGUAGE IS THE ONLY OFFICIAL DOCUMENT.

ASSET SECURITISATION FUNDS						
FUNDS	**SERIES**	**OUTSTANDING BALANCE PER SERIES**	**RATE PER SERIES**	**RATINGS AGENCIES**	**FORMATION DATE**	**INITIAL BALANCE OF THE ASSETS**
SANTANDER FINANCIACION 1	**Serie B**	25.700.000,00	Euribor 3M + 0.20%			
	Serie C	61.700.000,00	Euribor 3M + 0.30%			
	Serie D	47.500.000,00	Euribor 3M + 0.55%			
	Serie E	26.600.000,00	Euribor 3M + 2.10%			
	Serie F	14.300.000,00	Euribor 3M + 1.00%			
Total		**1.914.300.000,00 €**				
FTA SANTANDER EMPRESAS 2	**Serie A1**	934.102.088,48	Euribor 3M + 0.05%	Fitch España/ Moody´s España	14/12/2006	2.534.002.088,48 €
	Serie A2	1.365.000.000,00	Euribor 3M + 0.16%			
	Serie B	84.100.000,00	Euribor 3M + 0.22%			
	Serie C	62.300.000,00	Euribor 3M + 0.32%			
	Serie D	59.500.000,00	Euribor 3M + 0.55%			
	Serie E	29.000.000,00	Euribor 3M + 2.10%			
	Serie F	53.700.000,00	Euribor 3M + 0.50%			
Total		**2.587.702.088,48 €**				
FTA SANTANDER HIPOTECARIO 3	**Serie A1**	613.300.000,00	Euribor 3M + 0,06%	Fitch España/ Moody´s España	04/04/2007	2.800.000.000,00 €
	Serie A2	1.540.000.000,00	Euribor 3M + 0,14%			
	Serie A3	420.000.000,00	Euribor 3M + 0,20%			
	Serie B	79.200.000,00	Euribor 3M + 0,22%			
	Serie C	47.500.000,00	Euribor 3M + 0,30%			
	Serie D	72.000.000,00	Euribor 3M + 0,55%			
	Serie E	28.000.000,00	Euribor 3M + 2,10%			
	Serie F	22.400.000,00	Euribor 3M + 0,50%			
Total		**2.822.400.000,00 €**				
FTA UCI 17	**Serie A1**	325.000.000,00	Euribor 3M + 0.10%	S&P España / Fitch España	07/05/2007	1.415.400.000,00 €
	Serie A2	974.200.000,00	Euribor 3M +			

ASSET SECURITISATION FUNDS						
FUNDS	**SERIES**	**OUTSTANDING BALANCE PER SERIES**	**RATE PER SERIES**	**RATINGS AGENCIES**	**FORMATION DATE**	**INITIAL BALANCE OF THE ASSETS**
			0.18%			
	Serie B	72.800.000,00	Euribor 3M + 0.35%			
	Serie C	28.000.000,00	Euribor 3M + 0.60%			
	Serie D	15.400.000,00	Euribor 3M + 2.25%			
Total		**1.415.400.000,00 €**				
FTA SANTANDER CONSUMER SPAIN AUTO 07-01	**Serie A**	1.902.000.000,00	Euribor 3M + 0.15%	S&P España / Fitch España	21/05/2007	2.000.000.000,00 €
	Serie B	78.000.000,00	Euribor 3M + 0.28%			
	Serie C	20.000.000,00	Euribor 3M + 0.60%			
	Serie D	40.000.000,00	Euribor 3M + 3.50%			
Total		**2.040.000.000,00 €**				
FTA SANTANDER EMPRESAS 3	**Serie A1**	800.000.000,00	Euribor 3M + 0.00%	S&P España / Moody´s España Fitch España	28/05/2007	3.500.000.000,00 €
	Serie A2	1.800.000.000,00	Euribor 3M + 0.17%			
	Serie A3	627.500.000,00	Euribor 3M + 0.25%			
	Serie B	39.700.000,00	Euribor 3M + 0.28%			
	Serie C	117.300.000,00	Euribor 3M + 0.32%			
	Serie D	70.000.000,00	Euribor 3M + 0.65%			
	Serie E	45.500.000,00	Euribor 3M + 2.30%			
	Serie F	45.500.000,00	Euribor 3M + 0.50%			
Total		**3.545.500.000,00 €**				
	TOTAL FTA	**37.299.038.075,64 €**				44.133.758.894,42 €

TOTAL (FTH+FTA)		**39.841.765.963,89 €**				51.125.844.442,24 €

d) Share capital.

(i) Nominal amount subscribed and paid in:

The share capital of the Gestora stands at nine hundred and one thousand six hundred and fifty euros (EUR 901,650), represented by fifteen thousand (15,000) registered shares with a nominal value of sixty point eleven euros (EUR 60.11) each, sequentially numbered from one (1) to fifteen thousand (15,000), all inclusive, all fully subscribed and paid up.

(ii) Share classes:

All of the shares are of the same class and carry identical financial, voting and other rights.

e) Management bodies.

According to its articles of association, the governance and management of the Gestora are the responsibility of the General Shareholders' Meeting and the Board of Directors. Their powers and authorities are those that rest with the said bodies according to the Spanish Public Limited Companies Act (Ley de Sociedades Anónimas), to Act 19/1992 and to Royal Decree 926/1998, in relation to the registered corporate object.

(i) Directors

The Board of Directors is composed of the following persons:

Chairman: Mr. José Antonio Álvarez Álvarez

Directors: Ms. Ana Bolado Valle

Mr. Emilio Osuna Heredia

Mr. Santos González Sánchez

Mr. Ignacio Ortega Gavara

Mr. Marcelo Alejandro Castro

Mr. Eduardo García Arroyo

Mr. Francisco Pérez Mansilla

Mr. Fermín Colomés Graell, and

Mr. José Antonio Soler Ramos

Non-Director Secretary: Ms. María José Olmedilla González

(ii) General Management

The General Manager of the Gestora is Mr. Ignacio Ortega Gavara.

(iii) The principal activities performed by the persons cited in section (i) above outside the Gestora, where significant with respect to the Fund, are described in the table below:

Name	Position in the Bank	**Company in which activities are carried on**	**Offices or functions performed in the Company**
Emilio Osuna Heredia	Director of Coordination SGC (Santander Global Connect)	AIAF, Mercado de Renta Fija	Director
		Asociación de Intermediarios Financieros	Chairman
Fermín Colomés Graell	Director of Operations and Service SCH	Open Bank Santander Consumer, S.A.	Director
		Geoban S.A.	Chairman
		Sercoban, S.L.	Chairman
Santos González Sánchez	Director of Mortgage Business SCH	Hipotebansa , EFC	Director and General Manager
Francisco Pérez Mansilla	Director of Corporations and SMEs SCH	Santander Central Hispano Lease, SA, EFC	Director
		Santander Central Hispano Multileasing, S.A., EFC	Director
		Santander Central Hispano, Factoring y Confirming, S.A., EFC	Director
Eduardo García Arroyo	Deputy General Manager SCH	Ingeniería de Software bancario, S.L.	Director
		Santander Consumer Finance	Director of Technology and Operations
Marcelo Alejandro Castro	Treasurer for Europe SCH	MEFF, Mercados Españoles Futuros Financieros	Director
		Holding Mercados S.A.	Director
José Antonio Álvarez Álvarez	Chief Financial Officer SCH	Santander Consumer Finance	Director
José Antonio Soler Ramos	Director of Finance Management SCH	Santander Commercial Paper SAU	Chairman
		Santander Perpetual SAU	Chairman
		Santander US Debt SAU	Chairman
		Santander Finance Preferred SAU	Director and Chairman
		Santander Issuances SAU	Director and Chairman
		Santander International Debt SAU	Director and Chairman
		Santander Finance Capital SAU	Director and Chairman

The persons cited in this section 6.1 do not hold, directly or indirectly, any share, convertible bond or other securities entitling their holder to acquire shares of the Gestora.

The business address of all of the persons cited in this section 6.1.e) is as follows:

Santander Titulización, S.G.F.T., S.A.

Ciudad Grupo Santander

Avda. de Cantabria s/n

28660 Boadilla del Monte (Madrid)

f) More than ten percent (10%) lenders to the Gestora.

The Gestora has not received any loan or credit from any person or entity. The long and short-term debts carried on the accompanying balance sheet are debts with the Bank because the Gestora is taxed under the consolidated tax rules with the parent company.

g) Litigation and significant disputes.

At the date of verification of this Prospectus, the Gestora is not involved in any insolvency or similar proceedings and there are no significant disputes or litigation which could affect its financial situation or, in the future, its capacity to discharge the Fund management and administration functions provided for in this Prospectus.

h) Economic information on the Gestora.

The annual financial statements of the Gestora for the years ended 31 December 2004, 2005 and 2006 were audited by the firm of Deloitte, S.L. and deposited with the Companies Registry of Madrid. The audit report for each of those annual financial statements contained no qualifications.

The Gestora does its accounting in accordance with the Spanish General Chart of Accounts (Plan General Contable) approved by Royal Decree 1643/1990 of 20 December.

Subsequently, it is detailed the audited balance sheet and income statement for the years 2004, 2005 and 2006.

Balance sheet at 31 December 2004, 2005 and 2006 (figures in EUR 000s)

ASSETS	2004	2005	2006
FIXED ASSETS:			
Intangible fixed assets	3	6	7
Tangible fixed assets	172	107	165
Total fixed assets	**175**	**113**	**172**
CURRENT ASSETS:			
Receivables	**125**	**178**	**209**
Loans to employees	59	89	130
Other receivables	66	89	79
Short-term financial investments			
Cash and cash equivalents	**6,687**	**10,307**	**11,623**
Accrual accounts	**589**	**821**	**967**
Total current assets	**7,401**	**11,306**	**12,590**
TOTAL ASSETS	**7,576**	**11,419**	**12,971**

EQUITY AND LIABILITIES	2004	2005	2006
CAPITAL AND RESERVES:			
Issued capital	902	902	902
Reserves	182	1.160	182
Profit for the year	2,628	3,298	3,768
Interim dividend	(1,650)	-	-
Total capital and reserves	**2,062**	**5,360**	**4,852**
LONG-TERM LIABILITIES:			
Debts to Group companies	3,833	4,068	5,858
	3,833	**4,068**	**5,858**
CURRENT LIABILITIES:			
Tax payables	37	41	40
Other accounts payable	13	14	27
Debts to Group companies	1,415	1,782	2,035
Accrual accounts	216	154	158
Total current liabilities	**1,681**	**1,991**	**2,261**
TOTAL EQUITY AND LIABILITIES	**7,576**	**11,419**	**12,971**

Income statements for the years ended 31 December 2004, 2005 and 2006 (figures in EUR 000s):

DEBIT	2004	2005	2006
EXPENSES:			
Personnel expenses			
Wages, salaries and similar items	827	880	867
Employee welfare benefits	127	137	137
Other personnel expenses	18	21	27
	972	1,038	1,031
Fixed asset depreciation and amortisation	110	145	82
Other operating expenses			
External services	198	84	119
Taxes other than income tax	-	2	9
Other ordinary operating expenses	107	147	149
	305	233	277
Operating income	**4,000**	**5,002**	**5,597**
Financial and similar expenses	-	-	-
Net financial income	**44**	**83**	**215**
Ordinary income	**4,044**	**5,085**	**5,812**
Extraordinary expenses	1	10	-
Extraordinary profits	-	-	-
Profit before tax	**4,043**	**5,080**	**5,803**
Company income tax	1,415	1,782	2,035
Profit for the year	**2,628**	**3,298**	**3,768**

CREDIT	2004	2005	2006
REVENUES:			
Net turnover			
Provision of services	5,387	6,418	6,986
Other interest and similar income	44	83	215
Extraordinary revenues	-	5	-
Net extraordinary loss	**1**	**5**	**-**

7. MAJOR SHAREHOLDERS OF THE GESTORA

(a) Ownership of the shares of the Gestora is distributed amongst the companies listed below, with an indication of the percentage interest held by each in the Gestora's share capital:

SHAREHOLDERS	% SHARE CAPITAL
Santander Investment, S.A.	19%
Banco Santander Central Hispano, S.A.	81%

b) Description of the nature of such control and of the measures in place to ensure that such control is not abused.

For the purposes of article 4 of the Spanish Securities Market Act, SANTANDER DE TITULIZACIÓN, S.G.F.T., S.A. forms part of the SANTANDER GROUP.

In order to ensure the absence of abuse of the Bank's control of the Gestora, the Gestora has approved an Internal Code of Conduct pursuant to the provisions of Chapter II of Royal Decree 629/1993 of 3 May 1993 on rules of conduct in securities markets and mandatory record keeping. This Code has been communicated to the CNMV.

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

8.1 Declaration regarding commencement of operations and financial statements of the Issuer prior to the date of the Registration Document.

The Gestora declares that as at the date of registration of this Registration Document, the Fund has not yet been established and, therefore, its operations have not commenced and it has prepared no financial statements.

8.2 Historical financial information.

Does not apply.

8.2.bis This paragraph may be used only for issues of asset backed securities having a denomination per unit of at least € 50,000.

Does not apply.

8.3 Legal and arbitration proceedings.

Does not apply.

8.4 Material adverse change in the Issuer's financial situation.

Does not apply.

9. THIRD PARTY INFORMATION, STATEMENTS BY EXPERTS AND DECLARATIONS OF INTEREST

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

Does not apply.

9.2 Information sourced from third parties.

Does not apply.

10. DOCUMENTS ON DISPLAY

The following documents (or copies) will be available for consultation by the public during the life of this Registration Document:

(a) **The articles and memorandum of association of the Gestora**.

(b) **This Prospectus**.

(c) **The Deed of Formation of the Fund**.

(d) **The Subordinated Loan for Formation Expenses Agreement, the Subordinated Loan for Reserve Fund Agreement, the Swap Contract, the Treasury Account Guaranteed Yield Reinvestment Agreement, the Principal Account Guaranteed Yield Reinvestment Agreement, the Paying Agency Agreement and the Issue Management, Underwriting and Distribution Agreement**.

(e) **The Audit Report on the portfolio of Loans** granted by the Bank from which there will be extracted the Assets to be assigned to the Fund, prepared by the firm of Deloitte, S.L.

(f) **Certification of the resolution adopted by the Bank's Executive Committee**, at its meeting of 14 May 2007, in which it was resolved to assign the Assets to the Fund, and **certifications of the resolutions adopted by the Gestora's Board of Directors** at its meetings of 14 May 2007 and 1 June 2007, in which it was resolved, amongst other matters, to establish the Fund, to have the Fund acquire the Assets assigned by the Bank and to issue the Bonds with a charge to the Fund**;**

(g) **The letters communicating the provisional ratings and the letters communicating the definitive ratings** given by Standard & Poor's and Moody's.

(h) **The Annual Financial Statements and the audit reports of the Gestora**.

A copy of all of the above documents may be consulted at the registered office of the Gestora.

In addition, a copy of all of the documents mentioned above, except those contained in subparagraphs a), d) and h) may be consulted at the CNMV at Paseo de la Castellana 19 in Madrid.

A copy of the Prospectus will be available for public consultation on the websites of the CNMV (www.cnmv.es) and AIAF (www.aiaf.es).

The Deed of Formation may be also be consulted by the public at Iberclear.

SECURITIES NOTE

This Securities Note has been prepared according to Annex XIII of Regulation (EC) 809/2004 and was registered by the Comisión Nacional del Mercado de Valores (Spanish Securities Markets Commission on 21 June 2007.

1. PERSONS RESPONSIBLE.

1.1 <u>Persons responsible for the information contained in the Securities Note and in the Additional Building Block</u>.

Mr. Ignacio Ortega Gavara, acting in the capacity of General Manager, by virtue of the powers vested in him by the Board of Directors at the meetings held on 14 May 2007 and 1 June 2007, and in the name and on behalf of SANTANDER DE TITULIZACIÓN, SGFT, S.A., with its registered address at Ciudad Grupo Santander, Avda. de Cantabria s/n. 28660, Boadilla del Monte (Madrid), assumes responsibility for the information contained in this Securities Note and in the Additional Building Block.

SANTANDER DE TITULIZACIÓN, S.G.F.T., S.A. is the sponsor of the FINANCIACIÓN BANESTO 1, FONDO DE TITULIZACIÓN DE ACTIVOS and will be responsible for its administration and legal representation.

1.2 <u>Statement of those responsible for the Securities Note and the Additional Building Block</u>.

Mr. Ignacio Ortega Gavara declares that, after applying reasonable diligence to ensure that this is so, the information contained in this Securities Note and in the Additional Building Block is, to his knowledge, consistent with the facts and contains no omissions that could affect its content.

2. RISK FACTORS.

The specific risk factors of the Assets backing the issue and of the securities are those described respectively in sections II and III of the “RISK FACTORS” document included at the beginning of this Prospectus.

3. KEY INFORMATION.

3.1 Interest of natural and legal persons involved in the issue.

The natural and legal persons involved in the issue are the following:

(a) SANTANDER DE TITULIZACIÓN, S.G.F.T., S.A. is acting as management company of the Fund and as legal and financial advisor in the arrangement of the operation.

(b) BANCO ESPAÑOL DE CRÉDITO, S.A. is acting as Seller of the Assets, as Lead Manager of the Bond issue, as Underwriter of the Bond issue, as Paying Agent and as the Fund’s counterparty in the Subordinated Loan for Formation Expenses Agreement, in the Subordinated Loan for Reserve Fund Agreement, in the Swap Contract, in the Treasury Account Guaranteed Yield Reinvestment Agreement and in the Principal Account Guaranteed Yield Reinvestment Agreement.

c) BARCLAYS BANK, PLC is acting as Lead Manager and the Underwriter of the Bond Issue.

d) J.P. MORGAN SECURITIES LTD. is acting as Lead Manager and Underwriter of the Bond issue.

e) STANDARD & POOR’S is acting as a Credit Rating Agency to rate the Bonds.

f) MOODY'S is acting as a Credit Rating Agency to rate the Bonds.

g) DELOITTE, S.L. is acting as auditor of the financial statements of the Gestora and of the Bank. It will also issue an audit report on the portfolio of Consumer Finance Loans that will make up the Fund and has been appointed as auditor of the financial statements of the Fund.

h) J&A GARRIGUES, S.L is acting as legal advisor on the structure of the operation.

The said persons have no interest, including conflicting ones, that are material to the issue, except those specifically described in section 5.2 of the Registration Document.

3.2 Purpose of the operation.

The proceeds of the Bond issue will be used exclusively to acquire the Assets pooled in the Fund.

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

4.1 Total amount of the securities.

(a) Total amount of the issue.

The total amount of the Bonds to be issued is EIGHT HUNDRED MILLION EUROS (€ 800,000,000), representing one hundred per cent (100%) of the nominal value of the Bonds, which are fully underwritten and represented by EIGHT THOUSAND (8,000) Bonds each with a nominal value of ONE HUNDRED THOUSAND EUROS (€ 100,000), divided into three (3) Series of Bonds (A, B and C), each of which will have the following total nominal amount:

- **Series A**: for a total nominal amount of SEVEN HUNDRED AND SIXTY MILLION EUROS (€ 760,000,000), is composed of SEVEN THOUSAND SIX HUNDRED (7,600) Bonds each with a nominal value of ONE HUNDRED THOUSAND EUROS (€ 100,000);
- **Series B**: for a total nominal amount of TWENTY-FOUR MILLION EUROS (€ 24,000,000), is composed of TWO HUNDRED AND FORTY (240) Bonds each with a nominal value of ONE HUNDRED THOUSAND EUROS (€ 100,000);
- **Series C**: for a total nominal amount of SIXTEEN MILLION EUROS (€ 16,000,000), is composed of ONE HUNDRED AND SIXTY (160) Bonds each with a nominal value of ONE HUNDRED THOUSAND EUROS (€ 100,000);

(b) Underwriting and Distribution.

The Underwriters will place the Bonds with qualified investors. In addition, each of the Underwriters will assume the obligations established in the Issue Management, Underwriting and Distribution Agreement.

By way of remuneration for the commitments assumed by the Underwriters, each will receive an underwriting and distribution fee, which constitutes part of the Fund's Formation Expenses. Underwriting fees payable are estimated at a maximum amount of FOUR HUNDRED THOUSAND EUROS (€ 400,000), equivalent to 0.05% of the total amount of the issue.

Series	Underwriting fee
Series A	0.05%
Series B	0.05%
Series C	0.05%

The commitment assumed by each Underwriter and Distributor in respect of its mutual involvement in underwriting and distributing the Bonds that will be detailed in the Issue Management, Underwriting and Distribution Agreement, is stated as follows:

Underwriters	Series A	Series B	Series B

J.P. Morgan Securities Ltd.	456.000.000	14.400.000	9.600.000
Banco Español de Crédito, S.A.	152.000.000	4.800.000	3.200.000
Barclays Bank, Plc	152.000.000	4.800.000	3.200.000
Total	**760.000.000**	**24.000.000**	**16.000.000**

The only events of termination set out in the Issue Management, Underwriting and Distribution Agreement are the lack of confirmation of the provisional ratings of the Bonds as final prior to the start of the Subscription Period or if any of the events provided under the current Spanish legislation occur.

The Bank, Barclays Bank PLC and J.P. Morgan Securities Ltd., in the capacity of Lead Managers, shall act as such pursuant to the terms and conditions detailed in section 5.2 of the Registration Document and shall receive no fees in this respect.

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

This Securities Note is issued for the purposes of the issue of securitisation bonds by the FINANCIACIÓN BANESTO 1, FONDO DE TITULIZACIÓN DE ACTIVOS.

The Bonds shall have the legal form of negotiable fixed-income securities, with an explicit yield, and shall be subject to the regime established in the Spanish Securities Market Act and its implementing regulations and are issued pursuant to Royal Decree 926/1998.

4.3 Legislation under which the securities are to be created.

The Bonds shall be issued pursuant to Spanish legislation applicable to the Fund and the Bonds. Specifically, the Bonds shall be issued in accordance with (i) the Deed of Formation, (ii) Royal Decree 926/1998 and its implementing provisions; (iii) Royal Decree 1310/2005, (iv) Act 19/1992, for all issues not covered by Royal Decree 926/1998 and provided applicable; (v) the Spanish Securities Market Act; (vi) Ministry of Economy and Finance Order EHA/3536/2005, and (vii) all other legal and regulatory provisions in force that may be applicable at the time.

This Securities Note has been prepared according to the models set out in Annex XIII of Regulation (EC) 809/2004.

4.4 Representation of the securities.

The Bonds will be represented by book entries according to the terms of Royal Decree 926/1998 and shall be constituted as such by virtue of entry in the relevant accounting register. The Deed of Formation shall have the effects provided for in article 6 of the Spanish Securities Market Act.

The Bondholders will be identified as such (for their own account or that of third parties) as indicated by the accounting record kept by Iberclear, with its registered office at Plaza de la Lealtad, 1 (Madrid), which will be appointed as the entity responsible for the bookkeeping for the Bonds in the Deed of Formation. Accordingly, clearing and settlement of the Bonds shall be carried out in accordance with the operating regulations that, with regards to securities admitted for trading on the AIAF Fixed Income Market and represented via book entries, are already established or may be approved in future by Iberclear.

4.5 Currency of the issue.

The Bonds will be denominated in EUROS.

4.6 Ranking of Payments.

The Gestora, in the name of the Fund, will on each Payment Date proceed to apply the amount of Available Funds to the following payments and withholdings, in accordance with the Ranking of Payments described in subsection 3.4.6.(b) of the Additional Building Block that, in relation to payment of interest and repayment of principal of the Bonds, may be summarised as follows, without prejudice to the Liquidation Ranking of Payments described in subsection 3.4.6.3 of the Additional Building Block:

(a) Interest payments:

a.1 Payment of the interest accrued on the Series A Bonds ranks fourth (4^{th}) in the Ranking of Payments.

a.2 Payment of the interest accrued on the Series B Bonds ranks fifth (5^{th}) in the Ranking of Payments, unless this payment is downgraded to eighth (8^{th}) place as described in subsection 3.4.6(b) of the Additional Building Block, and is therefore ranked below the payment of interest accrued by the Series A Bonds.

a.3 Payment of the interest accrued on the Series C Bonds ranks sixth (6^{th}) in the Ranking of Payments, unless this payment is downgraded to ninth (9^{th}) place as described in subsection 3.4.6(b) of the Additional Building Block, and is therefore ranked below the payment of interest accrued by the Series A and B Bonds.

(b) Redemption of principal:

At the end of the Renewal Period, the amount of the withholding of the Amount Accrued for Redemption, which will be used to redeem the Series A, B and C bonds, ranks seventh (7th) in the Ranking of Payments set out in subsection 3.4.6.(b) of the Additional Building Block. The redemption shall be carried out in accordance with the following rules of subordination between the three (3) Series:

b.1 The Funds Available for Redemption on each Payment Date will be used to repay the principal of Series A Bonds, until they are redeemed in full.

b.2 Once the Series A Bonds have been redeemed, all the Funds Available for Redemption on each Payment Date will be used to repay the principal of Series B Bonds, until they are redeemed in full.

b.3 Once the Series B Bonds have been redeemed, all the Funds Available for Redemption on each Payment Date will be used to repay the principal of Series C Bonds, until they are redeemed in full.

4.7 Description of the rights attached to the securities and procedure for exercise of the same.

In accordance with prevailing legislation, the Bonds described in this Securities Note will not carry any present or future voting rights in respect of the Fund for investors who acquire them.

The economic and financial rights for investors associated with the acquisition and holding of the Bonds will be those derived from the interest rates, yields and repayment conditions with which the Bonds are issued and which are detailed in sections 4.8 and 4.9 below.

The financial servicing of the Bonds that are issued with a charge to the Fund will be assumed by the Bank, in its capacity as Paying Agent, which, on each Payment Date of the Bonds, will proceed to pay the interest and repay the principal of the Bonds in accordance with the instructions received from the Gestora.

The payments to be made by the Paying Agent will be carried out through the relevant Iberclear affiliates in whose books the Bonds are registered, according to the prevailing procedures of that service.

Bondholders will not be permitted to contact the Gestora directly except in the event of the latter's failure to satisfy the obligations described in this Prospectus or established by law. The Gestora is the only entity authorised to represent the Fund before third parties and in any legal proceedings, in accordance with applicable legislation.

Any issue, difference or dispute regarding the Fund or the Bonds issued with a charge to the Fund that may arise during its operation or liquidation, whether amongst the Bondholders or between the Bondholders and the Gestora, shall be submitted to the courts and tribunals of Spain, with waiver of any other jurisdiction to which the parties may be entitled.

4.8 Nominal interest rate and provisions relating to interest payable.

The yield on the Bonds shall be determined, for each Series, on the basis of a variable interest rate, as described below:

(a) All the Bond Series will accrue interest at a nominal variable rate that will be paid quarterly on each Payment Date, provided that the Fund has sufficient resources in the Treasury Account, in accordance with the Ranking of Payments established for each Series in subsection 3.4.6.(b) of the Additional Building Block, or if applicable, in accordance with the Liquidation Ranking of the Payments established for each Series in subsection 3.4.6. (d) of the Additional Building Block.

The withholdings, contributions and taxes established or which may in the future be established on principal, interest or yields of the Bonds will be for the sole account of the Bondholders and the amount thereof will be deducted, where applicable, by the Gestora, on behalf and for the account of the Fund, through the Paying Agent, in the legally stipulated manner.

(b) The life of the Bond issue will be divided into successive Interest Accrual Periods encompassing the actual number of days between each Payment Date, with each Interest Accrual Period including the initial Payment Date but excluding the end Payment Date. In exception to the foregoing, the first Interest Accrual Period will have a term longer than one quarter, equal to the period from the Closing Date (inclusive) to the first Payment Date envisaged (exclusive). The last Interest Accrual Period will end on the Payment Date that coincides with the Statutory Maturity Date of the Fund.

c) The nominal interest rate applicable to the Bonds for each Interest Accrual Period will be determined by the Gestora, on behalf and on the account of the Fund, on the Rate Fixing Date, which will be the second Business Day, according to the calendar of TARGET (*TransEuropean Automated Real-time Gross Settlement Express Transfer System*), before each Payment Date, at 11.00 a.m (Madrid time) on the said date and will apply for the following Interest Accrual Period.

The nominal interest rate of the Bonds applying for the first Interest Accrual Period will be determined as described in section d) below, on the basis of the reference rate in force at 11.00 a.m. (Madrid time) on the Formation Date.

The nominal interest rates determined for all of the Bond Series for the successive Interest Accrual Periods will be notified to the Bondholders with the timing and in the manner provided in section 4 of the Additional Building Block.

The Gestora will communicate the nominal interest rate of the Bonds for the first Interest Accrual Period to the CNMV as additional information.

d) The nominal interest rate for each Interest Accrual Period will be the sum of: (i) the three (3) month EURIBOR reference rate

or, where applicable, the substitute reference interest rate (described in section e) below) below) and (ii) a margin for each of the Bond Series:

- Maximum of 0,18% for Series A Bonds;

- Maximum of 0,27% for Series B Bonds;
- Maximum of 0,40% for Series C Bonds;

rounded up or down to the nearest thousandth of a point, and upwards when equidistant from the two.

The definitive margins applicable to each of the Series will be fixed and notified to the Gestora on the date of the start of the Subscription Period (26 June 2007) by mutual agreement of the Lead Managers, before 10.00 a.m. (Madrid time). In the absence of the notice to be given by the Lead Managers, the Gestora will set the margin of Series A at 0,18%, the margin of Series B at 0,27%, and the margin of Series C at 0,40%.

The definitive margin applicable to each of the Series will be included in the payment record of the Bond Issue.

e) The reference rate will be as follows:

(i) Except for the first Interest Accrual Period, the EURIBOR (*Euro Interbank Borrowing Offered Rate*) is the benchmark rate of the euro money market for deposits with a three (3) month maturity. The three (3) month EURIBOR rate will the taken from the REUTERS screen, page "EURIBOR01" (or such other page as may replace it in this service) on the relevant Rate Fixing Date.

By way of exception, the reference interest rate for the first Interest Accrual Period will the result of a linear interpolation of the three (3) month EURIBOR and the four (4) month EURIBOR, fixed at 11:00 a.m. (CET) on the Formation Date, taking into account the number of days in the first Interest Accrual Period.

The reference interest rate for the first Interest Accrual Period will be calculated using the following formula:

$$R = E3 + \left[\frac{(E4 - E3)}{d4 - d3}\right] \times (dt - d3)$$

R = Reference interest rate for the first Interest Accrual Period.

dt = Number of days in the first Interest Accrual Period.

D3 = number of days corresponding to the three (3) month Euribor.

D4 = number of days corresponding to the four (4) month Euribor.

E3 = Three (3) month Euribor.

E4 = Four (4) month Euribor.

(ii) In the absence of rates according to the provisions of paragraph (i) above, there shall apply as substitute reference interest rate the interest rate equal to the simple arithmetic mean of the interbank offering rates for euro deposit transactions (EURIBOR) with a maturity of three months, (excepting the first Interest Accrual Period where the type of interest shall be interpolated according to the formula established in the previous (i) subsection), quoted as soon as possible after the relevant Rate Fixing Date by the banks indicated below:

- Banco Santander Central Hispano, S.A., London Branch
- Bank of America N.R. & S.A., London Branch
- JPMorgan Chase Bank, N.A.

rounded up or down to the nearest thousandth of a point.

If it proves impossible to apply the above substitute reference interest rate because one of the banks does not give continuous rate quotes, there shall apply the interest rate obtained by calculating the simple arithmetic mean of the interest rates quoted by the two (2) remaining banks.

If one of the two (2) remaining banks mentioned above no longer gives quotations, there shall apply the last nominal interest rate applicable to the last Interest Accrual Period, and so on for successive Interest Accrual Periods, for so long as the said situation is maintained. The interest for the First Interest Accrual Period shall be the result of a linear interpolation of the three (3) month EURIBOR and the four (4) month EURIBOR (in accordance with the stated formula in the previous (i) subsection.

If at least two (2) of the aforesaid banks resume providing quotations, there shall once again apply the alternative secondary substitute reference interest rate according to the above rules.

The Gestora shall retain the printouts of the content of the REUTERS screens or, if applicable, the quotations provided by the aforesaid banks, as documents evidencing the applicable rate.

On each Rate Fixing Date, the Paying Agent will notify the Gestora of the reference interest rate that will serve as benchmark for calculating the nominal interest rate applicable to each Series of Bonds.

f) The Nominal Interest Rate will accrue on the basis of the actual number of days in each Interest Accrual Period for which it was determined, calculated on the basis of a year of three hundred sixty (360) days.

g) The interest accrued by the Bonds of each Series will be payable quarterly on the relevant Payment Dates, that is, on 19 January, 19 April, 19 July and 19 October of each year, until the Bonds are redeemed in full, provided that the Fund has sufficient Available Funds in the Treasury Account, in accordance with the Ranking of Payments established for each Series in subsection 3.4.6.(b) of the Additional Building Block, or if applicable, in accordance with the Liquidation Ranking of the Payments established for each Series in subsection 3.4.6. (d) of the Additional Building Block.

Should any of the dates established in the previous paragraph not be a Business Day, the interest will be paid on the immediately following Business Day, with interest accruing to the current Interest Accrual Period until the aforementioned first Business Day (non inclusive).

h) The first interest payment for the Bonds of all Series will be paid on 19 October 2007, with interest accruing at the corresponding nominal interest rate from the Payment Date (inclusive) until 19 October 2007 (exclusive).

i) The interest payable for each Series of Bonds on each Payment Date for each Interest Accrual Period will be calculated according to the following formula:

$$I = P*R/100*d/360$$

Where:

I = Interest payable on a given Payment Date.

P = Outstanding Principal Balance of the Bonds on the Determination Date for that Payment Date.

R = Nominal interest rate expressed as an annual percentage.

d = Actual number of days in each Interest Accrual Period.

Both the interest payable to the Bondholders, calculated as provided above, and the amount of interest accrued and not paid, will be notified to the Bondholders in the manner described in section 4 of the Additional Building Block to the Securities Note at least one (1) calendar day in advance of each Payment Date.

j) Interest accrued will be paid on each Payment Date, provided that the Fund has sufficient Available Funds for such purpose in the Treasury Account, in accordance with the Ranking of Payments established in subsection 3.4.6.(b) of the Additional Building Block, or if applicable, in accordance with the Liquidation Ranking of the Payments established for each Series in subsection 3.4.6. (d) of the Additional Building Block.

4.8.1 Period in which interest may be claimed.

Interest will be paid on the Bonds until their redemption on each Payment Date, provided that the Fund has sufficient Available Funds for such purpose, in accordance with the Ranking of Payments established in subsection 3.4.6.(b) of the Additional Building Block, or if applicable, in accordance with the Liquidation Ranking of the Payments established for each Series in subsection 3.4.6. (d) of the Additional Building Block.

If on a Payment Date the Fund cannot pay all or part of the interest accrued on the Bonds of any of the Series according to the Ranking of Payments stipulated in subsection 3.4.6.(b) of the Additional Building Block, or if applicable, in accordance with the Liquidation Ranking of the Payments established for each Series in subsection 3.4.6. (d) of the Additional Building Block, the amounts not received by the Bondholders will be added on the next Payment Date to the interest for that Series payable on that Payment Date, accruing interest at a rate equal to that applied to the Bonds of the Series in question, and will be paid subject to the aforesaid Ranking of Payments and in order of maturity if it is not possible to pay the whole of such interest due to insufficiency of Available Funds, without the debt being capitalised.

The Fund, through its Gestora, cannot defer interest payments on the Bonds beyond the Statutory Maturity Date, or, if this date is not a Business Day, the next Business Day.

4.8.2 Description of the underlying and historical information on the same.

Purely for information purposes, shown below are data on the three (3), and on the three (3) and four (4) months EURIBOR, supplied by REUTERS on the indicated dates, including a recent update, which in any event would be two Business Days before the 19th of each month, along with the rates that would apply to all of the Bond Series:

The margin used as reference in the following table consists of the margin the Gestora would fix in the event of failure of the Lead Managers to provide the final margins according to the terms of subsection 4.8.d above.

Dates	3 MONTH EURIBOR	Series A Bonds	Series B Bonds	Series C Bonds
17/07/2006	3.100%	3.270%	3.350%	3.500%
17/08/2006	3.234%	3.404%	3.484%	3.634%
15/09/2006	3.335%	3.505%	3.585%	3.735%
17/10/2006	3.503%	3.673%	3.753%	3.903%
17/11/2006	3.604%	3.774%	3.854%	4.004%
15/12/2006	3.686%	3.856%	3.936%	4.086%
17/01/2007	3.747%	3.917%	3.997%	4.147%
16/02/2007	3.826%	3.996%	4.076%	4.226%
16/03/2007	3.896%	4.066%	4.146%	4.296%
17/04/2007	3.978%	4.148%	4.228%	4.378%
17/05/2007	4.073%	4.243%	4.323%	4.473%
11/06/2007	4.140%	4.320%	4.41%	4.54%

Dates	3 MONTH EURIBOR	4 MONTH EURIBOR
17/07/2006	3.100%	3.158%
17/08/2006	3.234%	3.289%
15/09/2006	3.335%	3.427%
17/10/2006	3.503%	3.555%
17/11/2006	3.604%	3.655%
15/12/2006	3.686%	3.726%
17/01/2007	3.747%	3.795%
16/02/2007	3.826%	3.858%
16/03/2007	3.896%	3.943%
17/04/2007	3.978%	4.026%
17/05/2007	4.073%	4.115%
11/06/2007	4.140%	4.196%

4.8.3 Description of any episode of distortion in the underlying's market.

Does not apply.

4.8.4 Rules for adjustment of the underlying.

Does not apply.

4.8.5 Calculation Agent

Does not apply.

4.9 Redemption price and provisions relating to the maturity of the securities.

4.9.1 Redemption price.

The Bonds will be redeemed at par value.

4.9.2 Redemption date and procedures

Until the end of the Renewal Period, the Fund shall acquire New Assets from the Seller, quarterly on each Payment Date, such that, during the Renewal Period, the Funds Available for Redemption shall be used exclusively to acquire New Assets.

At the end of the Renewal Period, all the Funds Available for Redemption will be used to redeem the Series A, B and C Bonds. The Bonds will be redeemed via a reduction in their nominal value on 19 January, 19 April, 19 July and 19 October of each year (or the next Business Day) until redeemed in full, in accordance with the ordinary redemption rules established below.

The "**Funds Available for Redemption**" on each Determination Date (that is, the fifth (5^{th}) Business Day before each Payment Date) shall be the lower of the following amounts:

(i) the Amount Accrued for Redemption of the Series A, B and C Bonds, that is, for each Payment Date and without distinction between Series A, B and C, the difference (if positive) between (a) the sum of the Outstanding Principal Balance of the Series A, B and C Bonds on the Determination Date prior to each Payment Date and (b) the sum of (i) the Outstanding Balance of the Non-Defaulted Loans on each Determination Date and (ii) the remainder of the "Funds Available for Redemption" not used to acquire New Assets on the previous Payment Date and still deposited in the Principal Account; and

(ii) depending on the "Funds Available" on each Determination Date, the remaining Funds Available (as described in subsection 2.4.6.(a) of the Additional Building Block), after deduction of the amounts applied pursuant to points 1 to 6 of the Ranking of Payment established in subsection 3.4.6(b) of the Additional Building Block.

Notwithstanding the above, until the Payment Date immediately preceding the end of the Renewal Period (inclusive), "Funds Available for Redemption" on each Payment Date shall be the sum of:

a) the remainder of the "Funds Available for Redemption" not used to acquire New Assets on the previous Payment Date and still deposited in the Principal Account, and

(b) The lower of the amounts described in points (i) and (ii) of the previous paragraph.

- **Redemption of Series A Bonds:**

  The principal of the Series A Bonds will be redeemed via partial repayments on each Payment Date, starting from the Payment Date on which the redemption commences until the entire nominal amount is repaid, depending on the Funds Available for Redemption until the bonds are redeemed in full.

  The first principal repayment for Series A Bonds will be made on 19 October 2009 (unless the Renewal Period is definitively closed in advance of this date in any of the circumstances provided in subsection 3.3.A)(b)(b.1) of the Additional Building Block).

- **Redemption of Series B Bonds:**

  Once the Series A Bonds have been redeemed, all the Funds Available for Redemption will be used each quarter to repay the principal of the Series B Bonds, via partial repayments on each Payment Date starting from the Payment Date on which the redemption commences until the entire nominal amount is repaid.

- **Redemption of Series C Bonds:**

  Once the Series B Bonds have been redeemed, all the Funds Available for Redemption will be used each quarter to repay the principal of the Series C Bonds, via partial repayments on each Payment Date starting from the Payment Date on which the redemption commences until the entire nominal amount is repaid.

Notwithstanding the above, the Gestora is authorised to carry out the Early Liquidation of the Fund and, hence, the Early Redemption of the Bonds on a Payment Date of the whole of the Bond Issue, on the terms established in subsection 4.4.c) of the Registration Document.

The Fund, through its Gestora, cannot defer principal repayments on the Bonds beyond the Statutory Maturity Date, that is to say, 19 October 2019 or, if this date is not a Business Day, the next Business Day.

4.10 Indication of yield for the investor and calculation method

The IRR for the Bondholders of each Series will be calculated by means of the following formula:

$$100.000 = \sum_{i=1}^{N} ai(1+I)^{-[ni/365]}$$

Where:

I = IRR expressed as an annual rate, as a decimal fraction of 1.

ai = ai = Total amount of redemption and interest payments to be received by investors.

(a1 .... aN)

***ni* = *ni* =** Number of days between the Closing Date of the issue and the Payment Dates, not inclusive.

The key characteristic of the Bonds is their periodic redemption, such that their average life and duration depends mainly on the speed with which the Debtors decide to repay their respective Consumer Finance Loans.

In this regard, any early repayments that the Debtors may decide to make are subject to continual changes and are estimated in this Prospectus using various CPRs, which will impact directly on the speed of repayment of the Assets and on the average life and duration of the Bonds.

Other variables, also subject to continual change, also affect the average life and duration of the Bonds. These variables and their hypothetical values assumed in all the tables in this section are as follows:

(i) Interest rate of the Asset portfolio: 7.98%;

(ii) Delinquency of the Assets portfolio: 1.7% annually, with a recovery rate of 65% within fifteen (15) months of becoming delinquent;

(iii) Defaults of the Asset portfolio: 0,60%;

(iv) The Closing Date for paying in the Bonds is 29 June 2007;

(v) There is no Renewal Period; and;

(vi) The CPR remains constant over the life of the Bonds.

The above variables and hypotheses and the CPRs detailed below are based on historical information provided by the Seller and are reasonable for this portfolio of Consumer Finance Loans.

Lastly, the duration of the Bonds will depend on the variable interest rate applicable, which in all the tables included in this section is assumed to be fixed at 4.320% for Series A, 4.410% for Series B and 4.540% for Series C, based on the sum of the EURIBOR reference rate on 11 June 2007 established in subsection 4.8.2 plus the margins applicable to each Series in accordance with the provisions of subsection 4.8.d) above.

Assuming that the Gestora, acting for the account of the Fund, proceeds to the Early Liquidation of the Fund provided for in subsection 4.4.c) of the Registration Document when the Outstanding Balance of the Assets is less than ten percent (10%) of the initial principal of the Assets, the average life, duration and maturity of the Bonds would be as follows for different CPRs:

CPRs	**17%**	**19%**	**21%**
SERIES A			
ESTIMATED AVERAGE LIFE	3.73	3.68	3.62
ESTIMATED DURATION	3.30	3.25	3.20
ESTIMATED MATURITY	19/10/2013	19/10/2013	19/07/2013
IRR	4.806%	4.814%	4.817%
SERIES B			
ESTIMATED AVERAGE LIFE	6.31	6.31	6.06
ESTIMATED DURATION	5.31	5.31	5.12
ESTIMATED MATURITY	19/10/2013	19/10/2013	19/07/2013
IRR	4.559%	4.599%	4.599%
SERIE C			
ESTIMATED AVERAGE LIFE	6.31	6.31	6.06
ESTIMATED DURATION	5.28	5.28	5.10
ESTIMATED MATURITY	19/10/2013	19/10/2013	19/07/2013
IRR	4.737%	4.737%	4.737%

The above figures have been calculated using the following formulas:

Average life of the Bonds

$$A = \frac{\sum(B \times d)}{C} \times \frac{1}{365}$$

Where:

A = Average life of each Series of issued Bonds expressed in years.

B = Principal of each Series of Bonds to be repaid on each Payment Date.

d = Number of days elapsed from the Closing Date until the Payment Date in question.

C = Total volume of euros in each Series of Bonds.

Duration of the Bonds** (adjusted Macaulay formula)**:

$$D = \frac{\sum(P \times VA)}{PE} \times \frac{1}{(1+I)}$$

Where:

D = Duration of each Series of Bonds expressed in years.

P = Time (in years) between the Closing Date and each of the Payment Dates in question.

VA= Present value of each of the amounts of principal and gross interest, payable on each of the Payment Dates, discounted at IRR.

***PE*=** Price of the Bond issue, one hundred thousand euros (€100,000).

***I* =** IRR for each Series of Bonds.

The Gestora expressly states that the tables of the financial servicing of each of the Series which appear below are purely theoretical and for illustrative purposes and do not constitute any payment obligation, noting that:

- the CPR remains constant all over the life of the Bonds;
- The Outstanding Principal Balance of the Bonds of each Series on each Payment Dates, and, therefore, the interest to be paid on each of them, will depend on the rates of early repayment, delinquency and default of the Consumer Finance Loans.
- The nominal interest rate of the Bonds is assumed to be constant for each Series. In all cases the hypothetical values mentioned at the start of this section are assumed to apply;
- It is assumed that the repayment of the principal of the Bonds is performed in accordance with the general rules established in section 4.9 of this Securities Notes and that the repayment profile of the portfolio on the date on which the Bonds begin to be redeemed (end of the Renewal Period) will be the same as the repayment profile of the current portfolio;
- It is assumed that the Gestora will exercise the option of Early Liquidation of the Fund and thus Early Redemption of the Bond issue, when the Outstanding Balance of the Assets is less than ten per cent (10%) of the principal of the Assets.

Below are financial servicing tables for each of the Series, for CPRs of 17%, 19% and 21%:

FLOWS FOR EACH BONDS WITHOUT WITHHOLDING FOR THE BOND HOLDER (IN EUROS)

CPR = 17%

	GROSS AMORTIZ.	BRUTO	TOTAL	AMORTIZ.	GROSS BRUTO	TOTAL	AMORTIZ.	GROSS BRUTO	TOTAL
	REDEMPTION SERIES A	**INTEREST SERIES A**	**TOTAL SERIES A**	**REDEMPTION. SERIES B**	**INTEREST SERIES B**	**TOTAL SERIES B**	**REDEMPTION SERIES C**	**INTEREST SERIES C**	**TOTAL SERIES C**
29-jun-07									
19-oct-07	0,00	1.344,00	1.344,00	0,00	1.372,00	1.372,00	0,00	1.412,44	1.412,44
19-jan-08	0,00	1.104,00	1.104,00	0,00	1.127,00	1.127,00	0,00	1.160,22	1.160,22
19-apr-08	0,00	1.092,00	1.092,00	0,00	1.114,75	1.114,75	0,00	1.147,61	1.147,61
19-jul-08	0,00	1.092,00	1.092,00	0,00	1.114,75	1.114,75	0,00	1.147,61	1.147,61
19-oct-08	0,00	1.104,00	1.104,00	0,00	1.127,00	1.127,00	0,00	1.160,22	1.160,22
19-jan-09	0,00	1.104,00	1.104,00	0,00	1.127,00	1.127,00	0,00	1.160,22	1.160,22
19-apr-09	0,00	1.080,00	1.080,00	0,00	1.102,50	1.102,50	0,00	1.135,00	1.135,00
19-jul-09	0,00	1.092,00	1.092,00	0,00	1.114,75	1.114,75	0,00	1.147,61	1.147,61
19-oct-09	11.713,31	1.104,00	12.817,31	0,00	1.127,00	1.127,00	0,00	1.160,22	1.160,22
19-jan-10	10.597,22	1.104,00	11.701,22	0,00	1.127,00	1.127,00	0,00	1.160,22	1.160,22
19-apr-10	9.717,20	953,50	10.670,70	0,00	1.102,50	1.102,50	0,00	1.135,00	1.135,00
19-jul-10	8.784,00	848,37	9.632,37	0,00	1.114,75	1.114,75	0,00	1.147,61	1.147,61
19-oct-10	8.064,84	750,41	8.815,25	0,00	1.127,00	1.127,00	0,00	1.160,22	1.160,22
19-jan-11	7.176,05	653,44	7.829,49	0,00	1.127,00	1.127,00	0,00	1.160,22	1.160,22
19-apr-11	6.495,92	552,13	7.048,05	0,00	1.102,50	1.102,50	0,00	1.135,00	1.135,00
19-jul-11	5.776,21	479,91	6.256,11	0,00	1.114,75	1.114,75	0,00	1.147,61	1.147,61
19-oct-11	5.182,60	413,46	5.596,06	0,00	1.127,00	1.127,00	0,00	1.160,22	1.160,22
19-jan-12	4.537,27	349,69	4.886,97	0,00	1.127,00	1.127,00	0,00	1.160,22	1.160,22
19-apr-12	4.012,22	289,30	4.301,52	0,00	1.114,75	1.114,75	0,00	1.147,61	1.147,61
19-jul-12	3.520,76	239,75	3.760,51	0,00	1.114,75	1.114,75	0,00	1.147,61	1.147,61
19-oct-12	3.115,48	198,09	3.313,57	0,00	1.127,00	1.127,00	0,00	1.160,22	1.160,22
19-jan-13	2.698,62	159,22	2.857,84	0,00	1.127,00	1.127,00	0,00	1.160,22	1.160,22
19-apr-13	2.325,65	122,11	2.447,77	0,00	1.102,50	1.102,50	0,00	1.135,00	1.135,00
19-jul-13	1.992,72	94,00	2.086,72	0,00	1.114,75	1.114,75	0,00	1.147,61	1.147,61
19-oct-13	4.289,92	47,36	4.337,28	100.000,00	1.127,00	101.127,00	100.000,00	1.160,22	101.160,22
	100.000,00	17.370,76	117.370,76	100.000,00	28.224,00	128.224,00	100.000,00	29.056,00	129.056,00

FLOWS FOR EACH BONDS WITHOUT WITHHOLDING FOR THE BOND HOLDER (IN EUROS)

CPR = 19%

	AMORTIZ.	**GROSS BRUTO**	**TOTAL**	**AMORTIZ.**	**GROSS BRUTO**	**TOTAL**	**AMORTIZ.**	**GROSS BRUTO**	**TOTAL**
	REDEMPTION	**INTEREST**	**TOTAL**	**REDEMPTION.**	**INTEREST**	**TOTAL**	**REDEMPTION**	**INTEREST**	**TOTAL**
	SERIES A	**SERIES A**	**SERIES A**	**SERIES B**	**SERIES B**	**SERIES B**	**SERIES C**	**SERIES C**	**SERIES C**
29-jun-07									
19-oct-07	0,00	1.344,00	1.344,00	0,00	1.372,00	1.372,00	0,00	1.412,44	1.412,44
19-jan-08	0,00	1.104,00	1.104,00	0,00	1.127,00	1.127,00	0,00	1.160,22	1.160,22
19-apr-08	0,00	1.092,00	1.092,00	0,00	1.114,75	1.114,75	0,00	1.147,61	1.147,61
19-jul-08	0,00	1.092,00	1.092,00	0,00	1.114,75	1.114,75	0,00	1.147,61	1.147,61
19-oct-08	0,00	1.104,00	1.104,00	0,00	1.127,00	1.127,00	0,00	1.160,22	1.160,22
19-jan-09	0,00	1.104,00	1.104,00	0,00	1.127,00	1.127,00	0,00	1.160,22	1.160,22
19-apr-09	0,00	1.080,00	1.080,00	0,00	1.102,50	1.102,50	0,00	1.135,00	1.135,00
19-jul-09	0,00	1.092,00	1.092,00	0,00	1.114,75	1.114,75	0,00	1.147,61	1.147,61
19-oct-09	12.282,03	1.104,00	13.386,03	0,00	1.127,00	1.127,00	0,00	1.160,22	1.160,22
19-jan-10	11.034,03	1.104,00	12.138,03	0,00	1.127,00	1.127,00	0,00	1.160,22	1.160,22
19-apr-10	10.039,24	947,35	10.986,59	0,00	1.102,50	1.102,50	0,00	1.135,00	1.135,00
19-jul-10	9.009,49	837,39	9.846,88	0,00	1.114,75	1.114,75	0,00	1.147,61	1.147,61
19-oct-10	8.205,09	735,76	8.940,85	0,00	1.127,00	1.127,00	0,00	1.160,22	1.160,22
19-jan-11	7.250,74	636,29	7.887,03	0,00	1.127,00	1.127,00	0,00	1.160,22	1.160,22
19-apr-11	6.512,89	533,85	7.046,73	0,00	1.102,50	1.102,50	0,00	1.135,00	1.135,00
19-jul-11	5.750,01	460,60	6.210,61	0,00	1.114,75	1.114,75	0,00	1.147,61	1.147,61
19-oct-11	5.119,70	393,76	5.513,46	0,00	1.127,00	1.127,00	0,00	1.160,22	1.160,22
19-jan-12	4.451,60	330,28	4.781,88	0,00	1.127,00	1.127,00	0,00	1.160,22	1.160,22
19-apr-12	3.907,60	270,78	4.178,38	0,00	1.114,75	1.114,75	0,00	1.147,61	1.147,61
19-jul-12	3.404,25	222,17	3.626,42	0,00	1.114,75	1.114,75	0,00	1.147,61	1.147,61
19-oct-12	2.989,27	181,47	3.170,74	0,00	1.127,00	1.127,00	0,00	1.160,22	1.160,22
19-jan-13	2.570,85	143,89	2.714,74	0,00	1.127,00	1.127,00	0,00	1.160,22	1.160,22
19-apr-13	2.199,80	108,48	2.308,27	0,00	1.102,50	1.102,50	0,00	1.135,00	1.135,00
19-jul-13	1.871,53	81,61	1.953,14	0,00	1.114,75	1.114,75	0,00	1.147,61	1.147,61
19-oct-13	3.401,88	58,22	3.460,10	100.000,00	1.127,00	101.127,00	100.000,00	1.160,22	101.160,22
	100.000,00	17.161,88	117.161,88	100.000,00	28.224,00	128.224,00	100.000,00	29.056,00	129.056,00

FLOWS FOR EACH BONDS WITHOUT WITHHOLDING FOR THE BOND HOLDER (IN EUROS)

CPR = 21%

	AMORTIZ. REDEMPTION SERIES A	GROSS BRUTO INTEREST SERIES A	TOTAL TOTAL SERIES A	AMORTIZ. REDEMPTION. SERIES B	GROSS BRUTO INTEREST SERIES B	TOTAL TOTAL SERIES B	AMORTIZ. REDEMPTION SERIES C	GROSS BRUTO INTEREST SERIES C	TOTAL TOTAL SERIES C
29-jun-07									
19-oct-07	0,00	1.344,00	1.344,00	0,00	1.372,00	1.372,00	0,00	1.412,44	1.412,44
19-jan-08	0,00	1.104,00	1.104,00	0,00	1.127,00	1.127,00	0,00	1.160,22	1.160,22
19-apr-08	0,00	1.092,00	1.092,00	0,00	1.114,75	1.114,75	0,00	1.147,61	1.147,61
19-jul-08	0,00	1.092,00	1.092,00	0,00	1.114,75	1.114,75	0,00	1.147,61	1.147,61
19-oct-08	0,00	1.104,00	1.104,00	0,00	1.127,00	1.127,00	0,00	1.160,22	1.160,22
19-jan-09	0,00	1.104,00	1.104,00	0,00	1.127,00	1.127,00	0,00	1.160,22	1.160,22
19-apr-09	0,00	1.080,00	1.080,00	0,00	1.102,50	1.102,50	0,00	1.135,00	1.135,00
19-jul-09	0,00	1.092,00	1.092,00	0,00	1.114,75	1.114,75	0,00	1.147,61	1.147,61
19-oct-09	12.861,38	1.104,00	13.965,38	0,00	1.127,00	1.127,00	0,00	1.160,22	1.160,22
19-jan-10	11.472,70	1.104,00	12.576,70	0,00	1.127,00	1.127,00	0,00	1.160,22	1.160,22
19-apr-10	10.357,00	941,10	11.298,10	0,00	1.102,50	1.102,50	0,00	1.135,00	1.135,00
19-jul-10	9.226,76	826,27	10.053,03	0,00	1.114,75	1.114,75	0,00	1.147,61	1.147,61
19-oct-10	8.334,93	721,01	9.055,94	0,00	1.127,00	1.127,00	0,00	1.160,22	1.160,22
19-jan-11	7.314,15	619,15	7.933,29	0,00	1.127,00	1.127,00	0,00	1.160,22	1.160,22
19-apr-11	6.518,80	515,67	7.034,47	0,00	1.102,50	1.102,50	0,00	1.135,00	1.135,00
19-jul-11	5.713,66	441,53	6.155,19	0,00	1.114,75	1.114,75	0,00	1.147,61	1.147,61
19-oct-11	5.048,15	374,41	5.422,57	0,00	1.127,00	1.127,00	0,00	1.160,22	1.160,22
19-jan-12	4.358,93	311,33	4.670,26	0,00	1.127,00	1.127,00	0,00	1.160,22	1.160,22
19-apr-12	3.797,86	252,83	4.050,68	0,00	1.114,75	1.114,75	0,00	1.147,61	1.147,61
19-jul-12	3.284,48	205,23	3.489,71	0,00	1.114,75	1.114,75	0,00	1.147,61	1.147,61
19-oct-12	2.861,74	165,55	3.027,30	0,00	1.127,00	1.127,00	0,00	1.160,22	1.160,22
19-jan-13	2.443,38	129,29	2.572,68	0,00	1.127,00	1.127,00	0,00	1.160,22	1.160,22
19-apr-13	2.075,63	95,57	2.171,21	0,00	1.102,50	1.102,50	0,00	1.135,00	1.135,00
19-jul-13	4.330,44	69,95	4.400,40	100.000,00	1.114,75	101.114,75	100.000,00	1.147,61	101.147,61
	100.000,00	16.888,90	116.888,90	100.000,00	27.097,00	127.097,00	100.000,00	27.895,78	127.895,78

4.11 Representation of security holders.

No Syndicate of Bondholders will be established for the securitisation Bonds.

Under the terms of article 12 of Royal Decree 926/1998 it falls to the Gestora, as manager of third-party funds, to represent and safeguard the interests of holders of the Bonds issued with a charge to the Fund and the interests of the rest of the ordinary creditors thereof. Consequently, the Gestora's actions shall be subordinated to the defence of these interests and must comply with the provisions established for this purpose from time to time.

4.12 Statement of the resolutions, authorisations and approvals by virtue of which the securities are issued.

The resolutions, authorisations and approvals by virtue of which this Bond issue is carried out are as set forth below:

(a) Corporate resolutions:

a.1 Resolutions of the meeting of the Bank's Executive Committee of 14 May 2007.

a.2 Resolutions of the Board of Directors of the Gestora, approved on 14 May 2007 and on 1 June 2007.

(b) Registration of this Prospectus with the CNMV, which took place on 19 June 2007.

c) Execution of the Deed of Formation, which will take place on 25 June 2007, a copy of which will be sent to the CNMV and Iberclear before the start of the Subscription Period.

4.13 Issue date.

The issue date of the Bonds, which shall be the Formation Date of the Fund, will be 25 June 2007.

4.13.1 Pool of potential investors.

The Bonds will be marketed exclusively to qualified investors, as defined in article 39 of Royal Decree 1310/2005 or under the definition given by applicable local regulations, that is, for illustrative purposes and on a non-exhaustive basis, legal entities authorised and regulated to operate on the financial markets, including credit institutions, investment services companies, insurance companies, collective investment undertakings and their management companies, pension funds and their management companies, other authorised and regulated financial institutions, etc.

Once the issue has been sold in full and the Bonds have been admitted for trading on AIAF, the Bonds may be freely acquired on this market in accordance with the market's trading regulations.

Subscription of the Bonds implies for each Bondholder the acceptance of the Deed of Formation and of this Prospectus.

4.13.2 Subscription Period.

The Subscription Period will commence at 12.00 p.m. (Madrid time) on 26 June 2007 and end at 2.00 p.m. (Madrid time) on the same day.

4.13.3 Where and with whom the subscription can be arranged.

Subscription requests must be submitted during the Subscription Period to the entities mentioned in section 5.2 of the Registration Document, using any medium permitted by law and in accordance with the procedure detailed below. Subscribing for or holding one Series does not imply subscription for or holding of another Series.

4.13.4 Distribution and allotment of the Bonds

The Underwriters will proceed freely to accept or reject the subscription requests received, endeavouring in all events to ensure that no discriminatory treatment be applied between requests of similar characteristics. Nevertheless, the Underwriters may give priority to the applications from their clients which they deem to be the most appropriate or expedient.

The Underwriters undertake to subscribe for, on their own account, at the end of the Subscription Period, the quantity of Bonds necessary to arrive at the figure corresponding to their underwriting commitment as determined in the Issue Management, Underwriting and Distribution Agreement.

4.13.5 Procedure and Closing Date

The Closing Date will be 29 June 2007.

The investors to whom Bonds are allotted must make payment to the relevant Underwriter, prior to 12:00 noon (Madrid time) on the Closing Date, for value that same day, of the issue price applicable to each Bond allotted thereto, issued at one hundred per cent (100%) of its nominal value.

On the Closing Date, the Underwriters shall credit the sum that each has guaranteed, less their underwriting fee, to the account opened in the name of the Fund with the Paying Agent, for value the same date, before 2.00 p.m. (Madrid time).

4.14 Restrictions on the free transferability of the securities.

The Bonds may be freely transferred by any medium permitted by Law and in accordance with AIAF regulations. Ownership of each Bond will be transferred by accounting transfer. Registration of the transfer in favour of the buyer in the accounting register shall have the same effect as the transfer of the securities and the transfer shall be enforceable against third parties as of this time. On this point, no claims may be enforced against third parties who acquire for consideration Bonds represented by book entries from a person that, according to the entries in the accounting register, appears authorised to sell the Bonds, unless the said party has acted in bad faith or committed gross misconduct in the acquisition.

The constitution of limited pledges or any other type of lien on the Bonds must be recorded on the corresponding account. The registration of the pledge shall be equivalent to the transfer of title.

The constitution of the lien shall be enforceable against third parties as soon as the corresponding entry had been recorded.

5. ADMISSION TO TRADING AND DEALING ARRANGEMENTS.

5.1 Market where the securities will be traded.

Immediately after the Formation Deed is granted and, at any case, before the payment of the bonds, the Gestora will apply to have the Bond issue admitted for trading in the AIAF Market, created by the Spanish Association of Financial Intermediaries. The Gestora will also apply, on behalf and for the account of the Fund, to have the issue included in the accounting record managed by Iberclear, so that clearing and settlement of the Bonds is done according to the operating rules established or which may in the future be approved by Iberclear for securities admitted for trading in AIAF and represented by book entries.

The Gestora expects that the admission of the issue for trading in AIAF is concluded within thirty (30) days of the Closing Date, once the corresponding authorisation is obtained.

If the above time limit is not met, the Gestora will report the causes of such failure to the CNMV and to the public by placing a notice in a newspaper with nationwide circulation or in the Daily Trading Bulleting (Boletín Diario de Operaciones) of the AIAF Fixed Income Market, or in any medium generally accepted by the market that guarantees adequate dissemination of the information, in due time, setting out both the reasons for the failure and the new date scheduled for the admission for trading of the securities issued, without prejudice to such liabilities as may be incurred as a result of the failure.

The Gestora places on record that it knows the requirements and conditions for admission to trading, continued trading and delisting of the Bonds in AIAF according to the applicable laws, as well as the requirements of its governing bodies, and agrees to comply with the same.

The appointment of an entity to facilitate the liquidity of the Bonds during the life of the issue is not envisaged.

5.2 Paying Agent and Depository Agents.

(a) Paying Agent:

The Gestora, on behalf and for the account of the Fund, appoints the Bank, which accepts, as Paying Agent for the performance of the financial servicing of the Bond issue. The obligations assumed by the Bank, in the capacity of Paying Agent**,** under the Paying Agency Agreement are summarised below:

- **Payment of the issue.**

  The Paying Agent will proceed to pay to the Fund before 3:00 p.m. (Madrid time) on the Closing Date, for value that same day, the amount which according to the terms of the Paying Agency Agreement are paid to it by the Underwriters, plus its underwriting commitment, less its underwriting fee, by means of payment into the Treasury Account of the Fund.

- **Communication of the EURIBOR Reference Rate.**

  On each Rate Fixing Date, the Paying Agent will notify the Gestora of the reference interest rate that will serve as the benchmark for calculating the nominal interest rate applicable to each Series of Bonds.

- **Payments with a charge to the Fund.**

  On each of the Bond Payment Dates, the Paying Agent will proceed to pay the interest and repay the principal of the Bonds according to the instructions received from the Gestora.

  The payments to be made by the Paying Agent will be carried out through the relevant Iberclear affiliates in whose books the Bonds are registered, according to the prevailing procedures of that service.

  If on a Payment Date there are no Available Funds in the Treasury Account or in the Principal Account, the Paying Agent will not be obliged to make any payment.

- **Obligations in the event of a ratings downgrade**

  In the event that the rating of the unsubordinated, unsecured debt of the Bank is at any time during the life of the Bond issue downgraded to below A-1 or P-1 for short-term debt (on the Standard & Poor's and Moody's rating scales, respectively), or to below A+ on the Standard & Poor's scale for long-term debt if at any time no short-term debt rating is available, the Gestora will have a maximum of thirty (30) Business Days from the time of the downgrade within which to adopt one of the required options of those described below that allow an adequate level of guarantee to be maintained with respect to the commitments derived from the functions contained in the Paying Agency Agreement and that no impairment be suffered in the rating granted to the Bonds by the Rating Agencies:

i. Obtain guarantees or similar commitments, pursuant to Standard & Poor's criteria, from a credit institution or institutions whose debt has a rating not lower than A-1 for short-term debt and not lower than A+ for long-term debt (if no short-term rating is available) on the Standard & Poor's rating scale and P-1 on the Moody's scale that guarantee the commitments assumed by the Paying Agent; or

ii. Replace the Paying Agent with a credit institution whose debt has a rating not lower than A-1 for short-term debt or A+ for long-term debt (if no short-term rating is available) on the Standard & Poor's rating scale, and P-1 on the Moody's rating scale in order for it to assume the functions of Paying Agent on the same terms and conditions, with all costs and expenses arising from the substitution process being for the account of the replaced Paying Agent.

In no event will the appointment of the Bank as Paying Agent be revoked unless a new credit institution has been appointed as Paying Agent.

In its capacity of Paying Agent, from the time at which the downgrade occurs, the Bank undertakes to make all reasonable commercial endeavours to ensure that the Gestora can adopt one of the foregoing options.

If the Bank is replaced as Paying Agent, the Gestora is authorised to agree the fee payable to the substitute entity. The Bank shall receive no fee whatsoever in its capacity as Paying Agent.

All costs, expenses and taxes incurred due to non-performance of the above obligations will be for the account of the Paying Agent.

(b) Depository agents:

Does not apply.

6. EXPENSES OF THE OFFER AND OF THE ADMISSION TO TRADING.

The projected expenses are as follows:

(a) Formation expenses (documentation expenses and official fees):

	euros
• CNMV fees (for the offer and admission to trading):	€ 48,993.66
• AIAF fees:	€ 52,200.00
• Iberclear fees:	€ 1,740.00
• Ratings Agencies:	€ 562,600.00
• Other (legal advice, notary and audit fees):	€ 134,466.34
Subtotal (0.10**%):**	**€** 800,000.00

b) Issuance expenses:

euros

Underwriting fee:	€ 400,000.00
Subtotal (0.05%):	€ 400,000.00
TOTAL GENERAL (0.15%):	**€ 1,200,000.00**

The formation and issuance expenses set out above will be paid with a charge to the Subordinated Loan for Formation Expenses Agreement described in subsection 3.4.3.a) of the Additional Building Block.

The expenses occasioned by the liquidation of the Fund shall be borne by the Fund.

7. ADDITIONAL INFORMATION.

7.1 Persons and entities involved in the issue as advisors.

(a) SANTANDER DE TITULIZACIÓN, S.G.F.T., S.A. is acting as legal and financial advisor in the arrangement of the operation.

(b) J&A GARRIGUES, S.L is acting as legal advisor on the structure of the operation, in the capacity of independent expert.

7.2 Information of the Securities Note reviewed by the auditors.

Does not apply.

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

Deloitte, S.L. whose name, address and registry particulars are given in section 2.1 of the Registration Document, has prepared a report on its review of the main attributes of the Assets, which is contained in section 2.2 of the Additional Building Block to the Securities Note, and has conducted the audit of the annual financial statements of the Gestora and of the Bank for the last three years closed and has been appointed auditor of the financial statements of the Fund.

7.4 Information sourced from third parties.

As part of the work of verifying the information contained in this Prospectus, the Gestora has received confirmation from the Seller as to the accuracy of the characteristics of the Seller and of the Assets, which are reproduced in subsection 2.2.8. of the Additional Building Block, as well as of the rest of the information on the Seller and the Assets contained in this Prospectus. In the Deed of Formation of the Fund and, subsequently, on each date of assignment of New Assets, the Seller will confirm with the Gestora fulfilment of those characteristics as at the Formation Date or, in the case of New Assets, as at the date of their respective assignment.

The Gestora confirms that the information provided by the Seller on the Assets has been accurately reproduced and that, to the best of its knowledge and as far as it can confirm from the information provided by the Bank, nothing has been omitted which would render the information reproduced herein inexact or misleading, and this Prospectus does not omit material facts or data that could be of significance to investors.

7.5 Ratings.

The Bonds included in this Securities Note have been assigned the following provisional ratings by the credit rating agencies:

	Standard & Poor's	Moody's
Series A	AAA	Aaa
Series B	AA	Aa3
Series C	A	A3

Observations concerning ratings

The above credit ratings do not constitute recommendations to buy, sell or hold the securities. Credit ratings may be revised, suspended or withdrawn by the rating agency at any time.

The aforementioned credit ratings are only an estimate and do not release potential investors from the need to make their own analysis of the securities to be acquired.

The rating according to the Standard & Poor's definition is an opinion of the agency on the Fund's credit risk, its capacity to make timely payment of interest on each scheduled Payment Date and repayment of the principal during the life of the operation and, in all events, prior to its statutory maturity date.

The ratings assigned to each of the Bond Series by Moody's are a measure of expected loss prior to the Statutory Maturity Date. In Moody's opinion, the structure allows for the timely payment of interest and the repayment of principal during the life of the operation and, in all events, prior to the Statutory Maturity Date for Series A, B and C. The ratings of the Ratings Agencies take into account the structure of the Bond issue, the legal aspects of the issue and of the Fund, the attributes of the loans selected for assignment to the Fund and the regularity and continuity of flows from the operation.

The ratings of the Rating Agencies do not constitute an assessment of the probability of the Debtors making early principal repayments, nor do they reflect the extent to which such early repayments may differ from those originally envisaged. The ratings are in no way an indication of the current rate of return.

The assigned ratings, as well as any review or suspension thereof:

(i) are prepared by the Rating Agencies on the basis of extensive information they receive, the accuracy and completeness of which is not guaranteed, such that the Ratings Agencies may in no way be considered to be responsible therefor; and

(ii) do not constitute and, therefore, cannot be interpreted in any way as an invitation, recommendation or inducement directed to investors to carry out any type of transaction involving the Bonds or, in particular, to purchase, retain, pledge or sell the Bonds.

To carry out the process of rating and tracking, Rating Agencies rely on the accuracy and completeness of the information provided to them by the Bank, the Gestora, the auditors, the legal advisors and other experts.

If before the start of the Subscription Period, the Rating Agencies do not confirm as final any of the provisional ratings, this circumstance will be reported immediately to the CNMV and will be publicly disclosed in the manner stipulated in section 4 of the Additional Building Block to the Securities Note. Such situation will also give rise to the cancellation of the formation of the Fund, of the Bond issue, and of the agreements, with the exception of the part of the Subordinated Loan for Formation Expenses Agreement referring to Fund formation and Bond issue expenses.

The final ratings given may be revised, suspended or withdrawn at any time by the Rating Agencies, based on any information coming to their attention. These situations, which are not events of Early Liquidation of the Fund, will be made known to both the CNMV and the Bondholders immediately, as provided for in section 4b) of the Additional Building Block.

ADDITIONAL BUILDING BLOCK TO THE SECURITIES NOTE

(Annex VIII of Commission Regulation (EC) 809/2004)

1. SECURITIES

1.1 Value of the issue.

The Fund will be composed of the Loans that the Bank assigns to the Fund on the Formation Date, and subsequently, during the Renewal Period, the principal of which shall be equal to or slightly higher than EIGHT HUNDRED MILLION EUROS (€ 800,000,000 and will, on the Formation Date, issue securities for a total amount of EIGHT HUNDRED MILLION EUROS (€ 800,000,000).

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

Does not apply.

2. UNDERLYING ASSETS

2.1 Confirmation of the capacity of the Assets to produce the funds payable on the securities.

The Gestora confirms that the streams of principal, interest and any other sums generated by the Assets will allow, according to their contractual terms, for the payments due on the issued Bonds to be made as they fall due.

Nevertheless, to cover possible payment defaults by the Debtors, a series of credit enhancement operations are planned to mitigate the risk of default on the principal and interest of the Bonds. These are described in subsections 3.4.2, 3.4.3 and 3.4.4 of this Additional Building Block. In exceptional situations, the credit enhancements could prove insufficient.

Not all of the Bonds have the same default risk as this is stated in the different credit ratings assigned to the different series of Bonds, as detailed in section 7.5 of the Securities Note.

When by reason of a change in the prevailing laws and regulations or occurrence of exceptional circumstances, there arises, in the opinion of the Gestora, a substantial disruption or a permanent impairment of the financial balance of the Fund or there occurs a non-payment indicating a serious and permanent imbalance in relation to any of the Bonds or such non-payment is expected, the Gestora may proceed to the Early Liquidation of the Fund and the consequent Early Redemption of the Bond issue on the terms provided in subsection 4.4.c) of the Registration Document.

2.2 Information regarding the pool of discrete assets backing the issue.

2.2.1 Legal jurisdiction by which the pool of Assets is governed.

The Assets are governed by the laws of Spain.

In particular, the Assets are governed by Spanish legislation regulating banking procedure, and specifically, but not exclusively, by Act 7/1995, of 23 March, (the Consumer Credit Act) and Bank of Spain Circular 8/1990, of 7 September, on the transparency of transactions and client protection, and, insofar as applicable, Act 26/1984, of 28 July, (the Spanish General Consumer Protection Act), as amended by Act 44/2006, of 29 December, and Act 7/1998, of 13 April, on General Terms and Conditions of Trading.

In accordance with the provisions of article 11 of the aforementioned Act 7/1995, of 23 March, (the Consumer Credit Act), consumers may enforce against the Fund the same exceptions that would have been enforceable against the Seller, including, where applicable, the right of setoff, pursuant to article 1,198 of the Civil Code.

2.2.2 Debtors general characteristics

The Consumer Finance Loans underlying the Assets to be assigned to the Fund are loans granted by the Bank's Commercial Banking Division to retail customers resident in Spain to finance consumption, consumption being understood for the present purposes to mean transactions carried out for purposes other than business investments, that are not secured by mortgage or collateral of any kind.

Consumer finance includes, but is not limited to, the acquisition of consumer goods in the broadest possible sense, the acquisition of property, home improvements and the acquisition of new and used cars.

The Loans have been granted through the Bank's branch network and were not agreed by intermediaries or commercial institutions.

All the Consumer Finance Loans were granted in accordance with the award criteria established by the Bank, which are set out in subsection 2.2.7 of this Additional Building Block.

With regards to guarantees, the Consumer Finance Loans are not secured by mortgages or collateral of any kind, but are personal loans that the borrower or borrowers undertake(s) to repay using all their present and future assets, with certain loans also being guaranteed by sureties granted by persons other than the borrower or borrowers.

The Bank may ask for third-party guarantees (sureties) when the funding rate (amount of the Loan requested plus other financial charges/total net revenue) is higher than 40% but less than 50%.

Audit Report of the Assets

The preliminary portfolio of Consumer Finance Loans at 17 May 2007 was the subject to an audit report prepared by the firm of Deloitte, S.L., which examines a series of qualitative and quantitative aspects of a sample of the preliminary portfolio and, specifically:

- The Identity of the debtor assigned
- The type of debtor assigned
- Issue date of the Loan
- Maturity date of the Loan
- Purpose of the Loan
- Initial Amount of the Loan
- Current balance of the Loan
- Formalisation of the Loan
- Reference interest rate or index
- Interest rate spread
- Interest rate applied
- Payments regular recurrence
- Redemption systems
- Payment arrears
- Fulfilment of the settled risks policy

- Free transfer of Loans
- Personal guarantees

a) **Highest, lowest and average values of the principal of the Loans.**

The following table shows the distribution of the outstanding principal of the Consumer Finance Loans:

Outstanding balance (euros)	Outstanding balance	% Outstanding balance	No. of Loans	% No. of Loans
0 - 10000	354,052,847.27	38.01%	92,675	74.79%
10000 - 20000	305,369,318.48	32.78%	21,777	17.57%
20000 - 30000	157,368,977.93	16.89%	6,490	5.24%
30000 - 40000	69,514,486.13	7.46%	2,034	1.64%
40000 - 50000	29,038,947.53	3.12%	667	0.54%
50000 - 60000	11,286,351.21	1.21%	205	0.17%
60000 - 70000	2,880,278.53	0.31%	46	0.04%
70000 - 80000	1,176,147.28	0.13%	16	0.01%
80000 - 90000	593,383.89	0.06%	7	0.01%
90000 - 100000	272,667.42	0.03%	3	0.00%
		0.00%		
Totals	931,553,405.67	100.00%	123,920	100.00%

Highest outstanding principal: € 91,350.00

Average outstanding principal: € 7,517.38

Lowest outstanding principal: € 0

During the last months prior to the registration of the present document, the Bank has been dealt and overseen a particular portfolio. At the date of the audit review, there are certain Loans that have an outstanding principal of zero (0) euros due to their maturity or redemption date took place before auditing the preliminary portfolio dated on17 May 2007. At that time, those loans were not set aside from the preliminary portfolio due to the Bank unsubscribes the loans after one month in order to collect those loans that are in arrears up to one month, in which case, such loans could be assigned to the Fund.

As a consequence of being already redeemed, the loans mentioned in the above paragraph will not be assigned to the Fund at the Formation Date thereof.

The amount of Loans that have a outstanding principal of zero (0) euros is 142. The loan, whose Lowest Outstanding Principal is not zero (0) euros, has a outstanding principal of 4,32 euros.

b) **Distribution of the Loans in terms of concentration by Debtor.**

The following table shows the concentration of the twelve (12) biggest Debtors with the greatest weighting in the portfolio of Loans:

Top 12 Debtors	Outstanding balance	% Outstanding balance	No. of Loans	No. of Loans
1	189,593.35	0.02%	4	0.00%
2	178,375.90	0.02%	6	0.00%
3	136,632.64	0.01%	2	0.00%

4	135,208.78	0.01%	6	0.00%
5	135,050.11	0.01%	5	0.00%
6	134,270.10	0.01%	3	0.00%
7	127,426.48	0.01%	3	0.00%
8	120,280.31	0.01%	3	0.00%
9	115,087.53	0.01%	2	0.00%
10	113,347.29	0.01%	3	0.00%
11	113,203.26	0.01%	3	0.00%
12	110,221.02	0.01%	2	0.00%
Others	929,944,708.90	99.83%	123,878	99.97%
		0.00%		
Totals	931,553,405.67	100.00%	123,920	100.00%

c) Initial amount

The following table shows the distribution of the Loans by its initial amount:

Initial balance (euros)	Outstanding balance	% Outstanding balance	No. of Loans	% No. of Loans
0 – 10,000	226,436,231.98	24.31%	71,526	57.72%
10,000 – 20,000	324,579,602.60	34.84%	34,749	28.04%
20,000 – 30,000	178,299,431.77	19.14%	10,447	8.43%
30,000 – 40,000	118,930,512.77	12.77%	4,997	4.03%
40,000 – 50,000	57,677,529.57	6.19%	1,643	1.33%
50,000 – 60,000	8,639,288,14	0.93%	212	0.17%
60,000 – 70,000	11,791,745.70	1.27%	244	0.20%
70,000 – 80,000	2,428,260.97	0.26%	46	0.04%
80,000 – 90,000	525,758.32	0.06%	11	0.01%
90,000 – 100,000	1,356,205.06	0.15%	24	0.02%
Higher than 100,000>	888,838.79	0.10%	21	0.02%
Total:	**931,553,405.67**	**100.00%**	**123,920**	**100.00%**

Highest initial principal: € 180,303.63

Average initial principal: € 10,994.12

Lowest initial principal: € 109.34

d) Effective interest rate applicable or current financial burden: highest, lowest and average rates of the Loans.

The Loans in respect of which the credit rights are to be assigned to the Fund are Loans granted at fixed or variable interest rates.

The following table shows the distribution of the Loans between fixed and variable rates.

Benchmark index	Outstanding balance	% Outstanding balance	No. of Loans	No. of Loans
Fixed	922,463,813.39	99.02%	123,341	99.53%
Variable	9,089.592.28	0.98%	579	0.47%

		0.00%		
Totals	931,553.405.67	100.00%	123,920	100.00%

The Loans with a variable interest rate are referenced to a financial indicator (generally, EURIBOR) according to the declaration (9) in subsection 2.2.8.

The following table shows the distribution of the Loans by current nominal interest rate.

Interest rate (%)	Outstanding balance	Outstanding balance (%)	No. of Loans	No. of Loans (%)
0 – 2.5	5,397,752.07	0.58%	7.632	6.16%
2.5 – 3	3,738.99	0.00%	1	0.00%
3 - 3.5	41,920.98	0.00%	5	0.00%
3.5 – 4	101,575.38	0.01%	40	0.03%
4 - 4.5	809,692.70	0.09%	59	0.05%
4.5 – 5	2,201,238.64	0.24%	176	0.14%
5 - 5.5	3,088,756.12	0.33%	309	0.25%
5.5 – 6	26,069,645.44	2.80%	2,404	1.94%
6 - 6.5	30,411,901.84	3.26%	3,061	2.47%
6.5 – 7	101,149,670.12	10.86%	9,399	7.58%
7 - 7.5	143,673,046.49	15.42%	15,761	12.72%
7.5 – 8	219,169,004.06	23.53%	24,538	19.80%
8 - 8.5	127,608,714.86	13.70%	15,705	12.67%
8.5 – 9	107,795,589.09	11.57%	14,921	12.04%
9 - 9.5	51,428,111.72	5.52%	7,241	5.84%
9.5 - 10	45,105,976.01	4.84%	5,823	4.70%
10 - 10.5	4,684,044.36	0.50%	2,517	2.03%
10.5 - 11	15,101,614.71	1.62%	2,547	2.06%
11 - 11.5	18,186,909.67	1.95%	5,875	4.74%
11.5 - 12	9,096,643.55	0.98%	1,615	1.30%
12 - 12.5	3,587,505.08	0.39%	539	0.43%
12.5 - 13	69,418.43	0.01%	9	0.01%
13 - 13.5	608,312.52	0.07%	49	0.04%
13.5 - 14	3,156,784.32	0.34%	280	0.23%
14 - 14.5	24,660.00	0.00%	1	0.00%
15 - 15.5	8,980,841,70	0.96%	2,396	1.93%
15.5 - 16	988,854.72	0.11%	314	0.25%
16 - 16.5	481,828.29	0.05%	235	0.19%
16.5 - 18.5	2,529,653.81	0.27%	468	0.38%
		0.00%		
Totals	931,553,405.67	100.00%	123,920	100.00%

Highest interest rate: 18.00%
Weighted average interest rate: 7.98%
Lowest interest rate: 0%

According to the previous table, the amount of Loans whose type of interest is zero (0) euros are 7.632, including those that have already been redeemed as it is stated in the previous (a) table.

Loans with a type of interest of zero (0) euros are granted as a consequence of the application of the commercial policy of the Bank in certain circumstances.

e) Distribution of the Loans by year of issue of the Consumer Finance Loans.

Year of issue	Outstanding balance	Outstanding balance (%)	No. of Loans	No. of Loans (%)
1999	111,068.67	0.01%	93	0.08%
2000	869,411.43	0.09%	270	0.22%
2001	2,028,581.45	0.22%	434	0.35%
2002	5,065,128.36	0.54%	2,438	1.97%
2003	32,053,698.68	3.44%	7,939	6.41%
2004	96,681,313.44	10.38%	15,510	12.52%
2005	214,631,293.36	23.04%	30,923	24.95%
2006	521,270,598.39	55.96%	61,055	49.27%
2007	58,842,311.89	6.32%	5,258	4.24%
Totals	931,553,405.67	100.00%	123,920	100.00%

Oldest:	21.01.1999
Weighted average age:	08.01.2006
Minimum age:	31.01.2007

f) Final maturity date.

The Consumer Finance Loans are repaid over their entire remaining life until they have been repaid in full, during which period the Debtors must pay instalments composed of principal and interest payments.

The following table shows the distribution of the Consumer Finance Loans by final due date, divided into annual periods:

Year of maturity	Outstanding balance	Outstanding balance (%)	No. of Loans	No. of Loans (%)
2007	12,815,045.97	1.38%	11,337	9.15%
2008	55,796,411.46	5.99%	21,524	17.37%
2009	115,539,539.08	12.40%	27,746	22.39%
2010	145,486,392.28	15.62%	20,490	16.53%
2011	203,932,348.85	21.89%	20,271	16.36%
2012	98,720,697.13	10.60%	7,359	5.94%
2013	92,244,989.36	9.90%	5,437	4.39%
2014	180,277,264.39	19.35%	8,650	6.98%
2015	26,740,717.15	2.87%	1,106	0.89%
Totals	931,553,405.67	100.00%	123,920	100.00%

Longest maturity date:	19/10/2015
Weighted average maturity date:	16/11/2011
Shortest maturity date:	30/04/2007
Weighted average term to maturity:	54 months

Excepting those Loans whose Maturity Date had took place before 17 May of 2007, according to the previous table a), and those that have already been redeemed or are in arrears, the next Maturity Date for all Loans is on June 2008

g) Indication of geographical distribution by Autonomous Region.

The following table shows the geographical distribution of the Loans according to the Autonomous Region in which the Debtor is resident, as at 17 May 2007.

Autonomous Region	Outstanding balance	Outstanding balance (%)	No. of Loans	No. of Loans (%)
Andalusia	177,937,168.56	19.10%	24,129	19.47%
Aragon	13,605,106.31	1.46%	1,978	1.60%
Asturias	30,089,851.11	3.23%	3,713	3.00%
Balearic Islands	14,740,975.71	1.58%	1,876	1.51%
Canary Islands	45,658,314.59	4.90%	6,012	4.85%
Cantabria	16,517,786.54	1.77%	2,228	1.80%
Castilla La Mancha	62,651,308.09	6.73%	8,365	6.75%
Castilla y León	37,893,787.38	4.07%	5,869	4.74%
Catalonia	88,431,226.59	9.49%	10,605	8.56%
Ceuta	1,963,893.21	0.21%	256	0.21%
Extremadura	37,287,271.16	4.00%	5,895	4.76%
Galicia	86,970,978.76	9.34%	11,301	9.12%
La Rioja	7,516,375.69	0.81%	1,197	0.97%
Madrid	154,632,663.50	16.60%	19,614	15.83%
Melilla	3,058,882.65	0.33%	374	0.30%
Murcia	16,535,192.50	1.78%	2,141	1.73%
Navarre	7,629,710.59	0.82%	1,045	0.84%
Not available	811,144.26	0.09%	102	0.08%
Basque Country	23,356,583.53	2.51%	2,804	2.26%
Valencia	104,265,184.94	11.19%	14,416	11.63%
Totals	931.553.405.67	100.00%	123,920	100.00%

h) Non-performing loan rates for the preliminary portfolio of Loans.

The Bank guarantees, in accordance with the representations contained in subsection 2.2.8 of the Additional Building Block, that none of the Loans that will be assigned to the Fund will have payments past due by more than 30 days on the Fund's Formation Date or at the time of their subsequent assignment to the Fund, in the case of Loans assigned during the Renewal Period.

Length of delinquency	Outstanding balance	Outstanding balance as %	No. of loans	No. of loans as %)
Up-to-date	839,665,862.81	90.14%	111,793	90.21%
Overdue less than 15 days	83,592.02	0.01%	29	0.02%
Overdue between 15 and 30 days	66,451,024.45	7.13%	8,751	7.06%
Overdue between 30 and 60 days	17,829,780.37	1.91%	2,393	1.93%
Overdue between 60 and 90 days	7,523,146.02	0.81%	954	0.77%
Totals	931,553,405.67	100.00%	123,920	100.00%

i) Recurrence of payment.

The following table shows the Loans distributed among its recurrence of payment of the outstanding principal and the interests:

Recurrence of payment	Outstanding Balance	% Outstanding Balance	No. of Loans	% of No. of Loans
Mensual	917.720.987,26	98.52%	123.185	99.51%
Annual	5.197.157,75	0.56%	279	0.23%
At maturity	5.120.762,98	0.55%	216	0.17%
Semiannual	2.137.734,17	0.23%	139	0.11%
Quarterly	1.376.763,51	0.15%	101	0.08%
Total:	931.553.405,67	100.00%	123.920	100.00%

j) Redemption System:

The following table shows the Loans distributed among its redemption systems thereof:

Redemption System	Outstanding Balance	% Outstanding Balance	No. of Loans	% of No. of Loans
French	917.545.455,42	98,50%	121.037	97,67%
Residual Quota	7.388.601,57	0,79%	623	0,50%
On maturity	5.015.596,09	0,54%	189	0,15%
Anticipated Payments	1.603.752,59	0,17%	2.071	1,67%
Total	931.553.405,67	100,00%	123.920	100,00%

In connection to the above stated:

"Residual Quota" means that a particular Loan follows the French Redemption System and it is established a final quota with a value that could be (i) up to 40% of such Loan for transactions that are 2 or 3 years long, (ii) up to 30% of such Loan for transactions that are from 3 years and 1 month long to 6 years long, and (iii) up to 20% of such Loan for transactions that are from 6 years and 1 month long to 8 years long, "Anticipated Payment" means that a particular loan is partially redeemed at the beginning of the transaction with an amount between 3% and 10% of the total value and, thereafter, the redemption schedule is divided into equal quotas in respect of the installment.

2.2.3 Legal nature of the Assets.

The Assets subject to securitisation by means of their assignment to the Fund are credit rights arising under Consumer Finance Loans granted by the Bank.

The Consumer Finance Loans are not secured by mortgages or collateral of any kind, but are personal loans that the borrower or borrowers undertake(s) to repay from their present and future assets, with certain loans also been guaranteed by sureties granted by persons other than the borrower or borrowers.

The requirements that must be fulfilled by the Assets and New Assets to be assigned to the Fund, the rules for successive assignments of New Assets during the Renewal Period and the terms and conditions for the assignment of the Assets and New Assets are described below in section 3.3 of this Additional Building Block.

2.2.4 Expiry or maturity date(s) of the Assets.

All the Consumer Finance Loans underlying the Initial Assets mature on or before 19 October 2015 and all the Consumer Finance Loans underlying all New Assets acquired will mature on or before 19 October 2017.

The Loans will have an average term to maturity of 4.5 years.

2.2.5 Amount of the Assets.

The Fund will be composed of Loans that the Bank will assign to the Fund on the Formation Date, and subsequently, on each Payment Date during the Renewal Period, the principal of which shall be equal to or slightly higher than EIGHT HUNDRED MILLION EUROS (€ 800,000,000), which constitutes the Fund's Maximum Asset Amount.

2.2.6 Ratio of outstanding balance of the principal to appraisal value or level of overcollateralisation.

There is no overcollateralisation in the Fund, since the Outstanding Balance of the Assets deriving from the Loans that the Bank will assign to the Fund on the Formation Date will be either equal to or slightly higher than, EIGHT HUNDDRED MILLION EUROS (€ 800,000,000), an amount equivalent to the aggregate nominal value of the Series A, B and C Bonds.

During the Renewal Period, the Outstanding Balance of the Assets deriving from the Loans could be equal to , slightly higher than or even lower than EIGHT HUNDDRED MILLION EUROS (€ 800,000,000) and, thereafter, there will not be overcollateralisation either.

2.2.7 Description of the procedures established by the Bank for issuing loans and credit to retail customers with personal guarantees ("Internal Memorandum").

The procedures established by the Bank's Consumer Unit for the analysis of risk and issue of consumer loans to retail customers with personal guarantees, where applicable, are summarised below:

1.- Preselection:

The Investment and Risk Unit defines an objective profile of potential clients by which the Bank wishes to work with. Subsequently, the Bank sets up a criteria based on specific parameters and financial indicators to determine whether a client fits to objective profile of potential clients or, on the contrary, such client is considered as a risky client.

Among the clients under the objective profile of clients shall be found:

- Wage earners or self employed
- Clients with a consolidated or stable socio-economic situation
- Clients with a sufficient current and future capacity of reimbursement
- Clients with future perspectives of stability.
- Clients with a good credit record.
- Clients with sufficient solvency to deal with their risks
- Clients without any complaint of relevant default of payments.

With reference to the profile of potential clients drawn up by the Investment and Risk Unit and the exclusion criteria defined by the Bank, the branches of the commercial Bank Network select those clients who, based on their personal details, may be of interest to the Bank are pre-selected and a list of potential clients drawn up. The branches apply the exclusion test, defined by the Investment and Risk Unit, upon the list of potential clients. Such test excludes on a general basis the following client profiles:

- Clients that do not comply with the risk requirements established by the Bank
- Clients that the Bank shall have negative information
- Transactions that do not fit with the criteria established by the Bank in terms of their aim, amount and/or guaranties.
- Transactions of which the purpose of their funds are unknown

Since the exclusion test has been applied, it is obtained a final list of potential clients by which the Bank's relationship managers more actively market its consumer finance loans in order to finance the consumption expenses of such clients.

2.- Loan application and analysis

When, either on his/her own initiative or as a consequence of the sales team's marketing efforts to preselected clients, a client applies for one or more loans from the Bank, the Bank proceeds to analyse the application.

There are two stages to this analysis. The first phase consists of applying know-your-client policy and is performed in the Bank's branches via direct contact with the client and consultation of both in-house tools (TRIAD, internal alert network C) and external systems (RAI, ASNEF, CIRBE). All the documentation required for the second stage is obtained in this first phase.

The second phases consists of analysing the risk associated with the loan, using the client analysis system (SAPA). This system contains all relevant information on the client and produces a rating of the proposed transaction. The client relationship manager adds to this all the information collected from direct contacts with the client and from the consultancy of both external and internal systems and complete the SAPA system with the drawn conclusions from all the information available.

As a result of the foregoing process, an automatic decision on the proposed loan is produced using the Proposals Management model of the StrategyWare system. The automated decision issued by the StrategyWare system may be one of three types:

- Viable: in which case, after its approval by the branch, the loan is issued
- Doubtful: in which case, the branch may decided to submit the application to the Risk Analysis Centre (RAC)

- Not viable: in which case, the application is refused, except where, due to exceptional circumstances, the branch decides to submit the application to the RAC.

The system is designed so that is can be used in the presence of the client, who should thus be able to leave the branch with a clear indication as to the likelihood of the loan being granted.

The RAC is responsible for analysing and issuing decisions on those applications submitted to it from the branches. Staffed by analysts specialising in specific client segments, the RAC has the remit of standardising the Bank's risk policy and providing advice to the branches on their clients.

In some cases, the RAC may return applications to the branches so that additional information may be solicited. The return of an application for additional information shall not under any circumstances mean that the application has been refused.

3.- Loan issue

Once an application has been assessed as viable (either by the automated system or by the RAC), the branch will prepare the necessary documentation to be signed by the client and the branch personnel with the relevant powers. The standard forms approved by the Bank shall be used for this purpose and special clauses may be included only if approved by the body that authorised the loan. Moreover, the Bank has a internal policy under which the contract shall be granted in public deed or private contract depending on the amount and the characteristics of the transaction.

2.2.8 Representations and collaterals given to the Issuer relating to the Assets.

As owner of the Loans underlying the Assets to be assigned to the Fund, the Bank declares and guarantees to the Gestora, in the name and on behalf of the Fond and in relation to the Fund's Formation Date and each Payment Date on which Net Assets are assigned to the Fund, the following:

(a) In relation to the Bank:

(1) That the Bank is a credit institution duly incorporated and existing under the prevailing Spanish laws and is registered in the Companies Registry of Madrid.

(2) That the corporate bodies of the Bank have validly adopted all company resolutions required for the assignment of the Assets to the Fund and for execution of its Deed of Formation and the Contracts.

(3) That the Bank is authorised to grant all of the Loans underlying the Assets assigned by virtue of the Deed of Formation and all of the New Assets that will be assigned to the Fund by means of the Service Cifradoc/CNMV in each Payment Dates that New Assets are to be assigned thereto.

(4) That neither as of the date of this Prospectus nor at any time since its incorporation has the Bank been in a situation of insolvency, creditors' arrangements, suspension of payments or bankruptcy.

(5) That it has financial statements for the last three years (2004, 2005, 2006) closed and duly audited and that the audit report for the last such year (at the Formation Date, 2006) contains no qualifications. The audited financial statements for the last three years have been filed with the Companies Registry and presented to the CNMV.

(b) In relation to all of the Assets:

(1) That the Initial Assets exist, and are valid and enforceable, as will be the New Assets, at their time of assignment, in accordance with applicable legislation, and that all prevailing legal provisions were observed in their constitution.

(2) That the data relating to the Initial Assets included in the Prospectus accurately reflect their status as of the date of portfolio selection and contain no errors.

(3) That since the time they were granted, the Loans have been and are being administered by the Bank in accordance with the customary procedures it has established.

(4) That the Bank faithfully adhered to the lending policy contained in the Internal Memorandum and summarised in subsection 2.2.7 of this Additional Building Block when awarding each and every one of the Loans.

(5) That all the Debtors are natural persons resident in Spain.

(6) That the Assets arise from loans granted by the Bank's Commercial Banking Division to retail customers resident in Spain to finance consumption, consumption being understood for the present purposes to mean transactions carried out for purposes other than business investments, that are not secured by mortgage or collateral of any kind. Consumer finance includes, but is not limited to, the acquisition of consumer goods in the broadest possible sense, the acquisition of property, home improvements and the acquisition of new and used cars.

(7) That the Loans are denominated and payable in euros.

(8) That the Loans are not secured by mortgages or collateral of any kind, but are personal loans that the borrower or borrowers undertake(s) to repay from their present and future assets, although certain loans are also secured by the guarantee of a person other than the borrower or borrowers.

(9) That the Assets shall accrue interest at a fixed rate or a variable rate referenced to a market index, without any upper or lower limit on the applicable interest rate being established in any case.

(10) That all the Initial Assets mature on or before the 19 October 2015 and that all the New Assets shall mature on or before 19 October 2017.

(11) That the Assets have been and will be originated in the ordinary course of the Bank's business and no Loan has or will be granted through intermediaries.

(12) That the Bank holds title to the Assets, free and clear of liens and claims, and the Bank has not received notice of any claim or setoff prior to their assignment to the Fund.

(13) That the Debtor's payments under the Consumer Finance Loans are not subject to any tax deduction or withholding.

(14) That there is no impediment whatsoever to their free assignment to the Fund or, if the consent of the Debtor is needed, that such consent has been obtained.

(15) That the Loan constitutes a valid and binding payment obligation for the Debtor and is enforceable in accordance with the specific terms and conditions attached thereto.

(16) That the Loans have a payment regular recurrence of the outstanding principal and their interests based on a monthly, quarterly, half-yearly basis or at the Maturity Date.

(17) That the system adopted for the repayment of the Loan is a system of repayment via regular instalments (e.g. the French method), early repayment and residual quotas or repayment on maturity.

(18) That the payment of principal and interest instalments on the Assets is effected by direct bank debits applied automatically and authorised by the respective Debtor at the time the loan was concluded.

(19) That the Assets are governed by Spanish law.

(20) That the Loans are duly documented and are formalised in private contracts or deeds certified by a public certifying officer, and that all conform to the requirements established under Act 7/95 of 23 March (the Consumer Credit Act) and all are duly stored in archives suitable for the purpose at the Bank and are available for consultation by the Gestora.

(21) That no person has rights in respect of the Assets with preference over the rights of the Fund.

(22) That at the time of their assignment, the Assets will not have any payments more than thirty (30) days past due.

(23) That on the Payment Date of the Renewal Period in which their assignment to the Fund takes places, all New Assets shall comply with all the New Asset Selection Requirements established for this purpose and set out in subsection 3.3.A)b)(b.2) of this Additional Building Block.

(24) That the Bank has no knowledge of any of the Debtors holding a credit right against the Bank that entitles it to a right of setoff that could adversely affect the Assets.

(25) That, as of the date of the assignment, it had received no notices of any full or partial early repayment of the Loans.

(26) That at the time of the assignment of the Loans to the Fund, the Debtors have a paid a minimum of one (1) instalment, excepting those whose Loans are to be repaid on the Maturity Date.

(27) That none of the Loans are in the form of a financial lease contract.

(28) That the debtor is not an employee of the Bank.

2.2.9 Substitution of the Assets

In the event of early redemption of the Assets due to the early repayment of the principal of the corresponding Consumer Finance Loan, there will be no direct substitution of the Assets affected, without prejudice to the Fund's right to acquire New Assets during the Renewal Period.

If any of the Assets is affected by a hidden defect because it does not fulfil the requirements which the Initial Assets (on the Formation Date) and the New Assets (on the Payment Date of the Renewal Period in which their assignment takes place) must satisfy to be eligible for assignment to the Fund and the representations made to that effect by the Bank to the Gestora and reproduced in section 2.2.8 of this Additional Building Block to the Securities Note, or does not at that date conform to the characteristics communicated by the Bank to the Gestora, the party which learns of such circumstance shall given written notice thereof to the other, and the two parties must within the following ten (10) Business Days proceed to remedy the hidden defect or, if the hidden defect is not capable of remedy, to substitute the affected Asset by another or others with an outstanding balance equal to or slightly less than the substituted Asset, and which must comply with the representations reproduced in subsection 2.2.8 above and the Individual and Global Selection Requirements set out in subsection 3.3.A.(b)(b.2) and be uniform as to residual maturity, interest rate, repayment method and value of outstanding principal, such that the financial equilibrium of the Fund is not affected by the substitution.

The substitution shall be effected via simultaneous cancellation of the assignment of the Asset affected by the hidden defect and assignment to the Fund of the Asset(s) replacing it.

The substitution of Initial Assets shall be effected by conclusion of a New Consumer Finance Loans Assignment Agreement and execution of a deed of amendment of the Deed of Formation, a copy of which shall be filed with the CNMV. The substitution of New Assets shall be effected via the same procedures established for the assignment of New Assets in subsection 3.3.A)(b) and in the Deed of Formation. Both cases of substitution shall be notified to the CNMV and Ratings Agencies.

The Bank must reimburse the Fund for all amounts unpaid in respect of the substituted Asset by means of payment thereof into the Treasury Account. Also, if the Outstanding Balance of the substitute Asset is slightly lower than that of the substituted Asset, the Bank must reimburse the Fund for the difference, by means of payment thereof into the Treasury Account on the relevant date.

If the said substitution cannot be performed or cannot be completed within ten (10) Business Days, the Gestora will cancel the assignment of the Asset affected by the hidden defect, in which case the Bank must reimburse the Fund for the Outstanding Balance thereof, together with interest accrued but not fallen due thereon, as well as any sums left unpaid in respect of that Asset, by means of payment thereof into the Treasury Account. Cancellations of the assignment of the Assets affected shall also be notified to the CNMV and Ratings Agencies.

2.2.10 Relevant insurance policies relating to the Loans.

Does not apply.

2.2.11 Information on the Debtors in those cases where the Assets comprise obligations of five (5) or fewer Debtors which are legal persons, or if a single Debtor accounts for 20% or more of the Assets, or if a single Debtor accounts for a material portion of the Assets.

Does not apply.

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

For the purposes of the Bond issue, there is no relationship between the Fund, the Seller, the Gestora and the other parties involved other than as set out in section 5.2 of the Registration Document and 3.2 of this Additional Building Block to the Securities Note.

2.2.13 If the Assets comprise fixed-income securities, a description of the principal terms and conditions.

Does not apply.

2.2.14 If the Assets comprise equity securities, a description of the principal terms and conditions.

Does not apply.

2.2.15 If more than ten per cent (10%) of the Assets are equity securities that are not traded on a regulated or equivalent market, a description of the principal terms and conditions.

Does not apply.

2.2.16 Where a material portion of the Assets are secured on real property, valuation reports setting out the valuation of the property and cash flow/income streams.

Does not apply.

2.3 Actively managed assets backing the issue.

Does not apply.

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

Does not apply.

3. STRUCTURE AND CASH FLOW

3.1 Description of the structure of the transaction.

This transaction will be formally executed by means of various instruments concluded at different times:

(a) On the Formation Date:

Through this securitisation operation, the Bank will transfer the Initial Assets to the Fund on the Formation Date. The Fund will acquire the Initial Assets and will issue three (3) Series of Bonds (A, B and C). This transaction will be formally executed by means of the Deed of Formation to be granted by the Gestora, on behalf and for the account of the Fund, and by the Bank. Thus, by virtue of the Deed of Formation of the Fund, the following will be effected:

(a) The assignment to the Fund of the Initial Assets arising from the Loans for an amount equal to or slightly less than EIGHT HUNDRED MILLION EURO (€ €800,000,000); and

(b) The issue of eight thousand (8,000) Bonds, divided into the three (3) Bond Series A, B and C.

A copy of the Deed of Formation will be filed with the CNMV and Iberclear prior to the opening of the Bond Subscription Period.

Also, under the Deed of Formation, the Initial Assets will be assigned to the Fund.

By virtue of the Deed of Formation, the Gestora, in the name and on behalf of the Fund, and the Bank will formally execute an Asset Assignment Agreement with the following characteristics:

(i) Assignment of the Initial Assets, together with their guarantees (or sureties, as applicable), upon formation of the Fund.

(ii) Undertaking on the part of the Gestora, acting on behalf of the Fund, to request from the Bank and acquire for the Fund, on each of the Payment Dates falling within the Renewal Period, New Assets, with the guarantees (securities, as applicable) attached thereto, for an amount no greater than the Funds Available for Redemption existing on each Determination Date, except in the event of one of the circumstances causing the early termination of the Renewal Period pursuant to the provisions of subsection 3.3.A)b)(b.1) of the Additional Building Block.

(iii) Undertaking on the part of the Bank to offer and assign to the Fund, on each of the Payment Dates falling within the Renewal Period, New Assets for an amount no greater than the Funds Available for Redemption existing on each Determination Date, that satisfy the Selection Requirements established in subsection 3.3.A)b)(b.2) of the Additional Building Block, except in the event of one of the circumstances causing early termination of the Renewal Period pursuant to the provisions of subsection 3.3.A)b)(b.1) of the Additional Building Block.

b) <u>On each Payment Date during the Renewal Period:</u>

On each Payment Date during the Renewal Period, provided that the Selection Requirement are met, the Gestora will carry out successive acquisitions of New Assets to make up the reduction in the Outstanding Balance of the Assets, for a maximum amount equivalent to the Maximum Acquisition Amount on the corresponding Payment Date.

Meanwhile, with a view to strengthening its financial structure and ensuring the best possible cover of the risks associated with the issue, the Gestora, on the account of the Fund, will proceed to conclude, inter alia, the agreements described below. To ensure that the Fund's operations are carried out in accordance with the terms and conditions established in legislation in force at any time, the Gestora shall be permitted to extend or amend these agreements, replace any of the Fund's service providers and also, should it prove necessary, conclude additional agreements, provided the CNMV is informed in advance, and in such cases obtain the corresponding authorisation, provided that this is not prejudicial to the rights of the Bondholders and, in particular, provided that it does not result in a downgrade of the Bonds' ratings.

The Gestora shall conclude the following agreements with the Bank:

(i) a Paying Agency Agreement, whereunder the Bank shall assume responsibility for the financial servicing of the Bond issue;

(ii) a Subordinated Loan for Reserve Fund Agreement that will be used to establish the Reserve Fund;

(iii) a Subordinated Loan for Formation Expenses Agreement that will be used to cover the expenses incurred in setting up the Fund and issuing the Bonds and to fund part of the acquisition of the Assets;

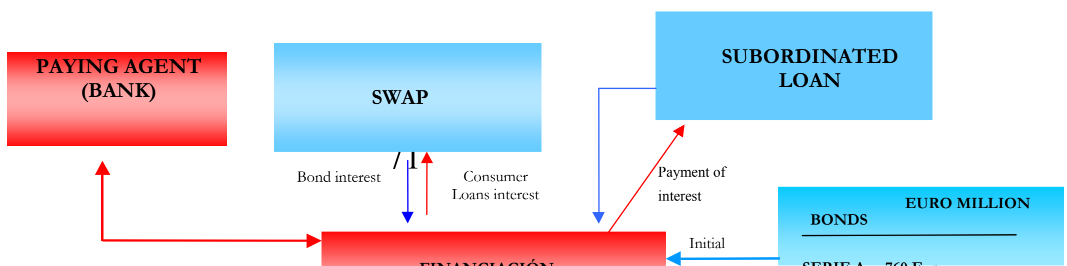
(iv) a Swap Contract, in accordance with the Financial Transactions Master Agreement (CMOF) form;

(v) a Treasury Account Guaranteed Yield Reinvestment Agreement, whereunder the Bank will guarantee a variable yield on the amounts deposited by the Fund (through its Gestora) in the Treasury Account.

(vi) a Principal Account Guaranteed Yield Reinvestment Agreement, whereunder the Bank will guarantee a variable yield on the amounts deposited by the Fund (through its Gestora) in the Principal Account.

Lastly, on behalf and for the account of the Fund, the Gestora will also enter into an Issue Management, Underwriting and Distribution Agreement with the Underwriters and Lead Managers. The description of the contracts included in this section and in subsections 4.1.b) and 5.2 of the Securities Note and 3.4.3.a), 3.4.4, and 3.4.7 of this Additional Building Block to the Securities Note faithfully reflects the most significant information contained in those contracts, omitting no data or information that could prove significant for the investor.

The operation is depicted in the following schematic diagram:



Initial balance sheet of the Fund

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

ASSETS		LIABILITIES	
FIXED ASSETS	€	BOND ISSUE	€ 800,000,000
Assets	€ 800,000,000	**Series A Bonds**	€ 760,000,000
		Series B Bonds	€ 24,000,000
Formation Expenses	€ 1,200,000	Series C Bonds	€ 16,000,000
Issuance expenses			
CURRENT ASSETS	€ 801,200,000		

Treasury Fund/Reserve Fund.	€ 9,600,000	OTHER L-T LIABILITIES	€ 10,800,000
		Subordinated Loan for Formation Expenses	€ 1,200,000
		Subordinated Loan for Reserve Fund	€ 9,600,000
TOTAL:	**€ 810,800,000**	**TOTAL:**	**€ 810,800,000**

The Memorandum accounts shall show the amounts in respect of the signed Swap Agreement which is referred in subsection 3.4.7 of the Additinonal Building Block to Securities Note

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

The description of the entities participating in the operation and their functions are given in section 5.2 of the Registration Document and section 3.1 of the Securities Note.

3.3 Description of the method and date of sale, transfer, novation or assignment of the Assets.

A) Assignment of the Assets.

The assignment of the Assets arising from the Loans will be effected in different manners for the Initial Assets and the New Assets.

(a) Assignment of the Initial Assets:

Upon the formation of the Fund, the Seller shall assign the Initial Assets by virtue of the Deed of Formation.

The assignment will be full and unconditional and shall be effective for the entire residual term to maturity of the Initial Assets that are assigned, from the time of signature of the Deed of Formation.

(b) Assignment of the New Assets:

After its formation, the Fund, represented by the Gestora, will on each Payment Date during the Renewal Period described in section (b.1) below make successive acquisitions of New Assets to cover the reduction in the Outstanding Balance of the Assets that have been repaid or have become Defaulted Loans.

The assignment of the New Assets to the fund shall be executed via the issue of sale offers and their acceptance by the Fund, in accordance with the provisions of the Deed of Formation.

All expenses and taxes generated in respect of the execution of the successive assignments shall be for the account of the Fund.

On the occasion of each acquisition of New Assets, the Gestora must submit the following documents to the CNMV within ten (10) business days after New Assets are acquired at every Payment Date:

1. Via the Cifradoc system, details of the New Assets assigned to the Fund and their key features.
2. Written representation by the Gestora, signed also by the Bank, that the New Assets fulfil all of the New Asset Selection Requirements

established for their assignment to the Fund in subsection 3.3.A) b)(b.2) of this Additional Building Block.

For the foregoing purposes, the Gestora has signed up for the new CNMV's Cifradoc Service for telematic reporting of the details of the New Assets, by means of submission of electronic files.

The assignment will be full and unconditional and shall be effective for the entire residual term to maturity of the New Assets that are assigned, from the Payment Date on which they are acquired and paid for by the Fund.

(b.1) Renewal Period:

The Gestora, in the name and on the account of the fund, shall effect the acquisition of New Assets on each Payment Date during the Renewal Period, that is, the period extending from the Closing Date to 19 July 2009 (inclusive) or, if this is not a Business day, the next Business Day, except in the event of any of the circumstances described below. The first Payment Date in the Renewal Period will be 19 October 2007.

Notwithstanding the above, the early and definitive termination of the Renewal Period will be effected on the Payment Date of the Renewal Period on which any of the following circumstances takes place:

(a) the Outstanding balance of the "Non-Performing Loans" divided by the Outstanding Balance of the Non-Defaulted Loans is more than two and a quarter per cent (2.25%);

(b) The aggregate balance of Defaulted Loans since the Formation Date, without taking recoveries into account, is, on each Payment Date, higher than the following percentages:

- On the first Payment Date, zero point three one per cent (0.31%) of the Initial Balance of the Assets;
- On the second Payment Date, zero point six two per cent (0.62%) of the Initial Balance of the Assets;
- On the third Payment Date, zero point nine three per cent (0.93%) of the Initial Balance of the Assets;
- On the fourth Payment Date, one point two four per cent (1.24%) of the Initial Balance of the Assets;
- On the fifth Payment Date, one point five five per cent (1.55%) of the Initial Balance of the Assets;
- On the sixth Payment Date, one point eight six five per cent (1.86%) of the Initial Balance of the Assets;
- On the seventh Payment Date, two point one seven per cent (2.17%) of the Initial Balance of the Assets;
- On the eighth Payment Date, two point four eight per cent (2.48%) of the Initial Balance of the Assets;

(c) The Reserve Fund is not going to be made up to the Required Level on the Payment Date;

(d) The Seller is involved in insolvency proceedings or creditor arrangements, or that the authorisations it needs to carry on its activities have been withdrawn;

(e) The Seller relinquishes or is replaced in its role as Asset Administrator;

(f) If Spanish tax laws have changed such as to render assignment of the New Assets excessively costly for the Seller.

(g) The Swap Contract is cancelled and no substitute contract, guarantee or alternative solution acceptable according to the Rating Agencies' criteria is found within the next fifteen (15) days;

(h) If interest accrued on the Series A, B and C Bonds is not paid due to insufficiency of Available Funds on the Payment Date on which the interest payments are due;

(i) If on any Payment Date the Outstanding Balance of the Non-Defaulted Loans is less than eighty per cent (80%) of the aggregate Outstanding Principal Balance of the Bonds of Series A, B and C;

j) If on any two (2) consecutive Payment Dates the Outstanding Balance of the Non-Defaulted Loans is less than ninety per cent (90%) of the aggregate Outstanding Principal Balance of the Bonds of Series A, B and C.

k) if the Seller fails to fulfil any of its obligations with regard to the Fund or under the Deed of Formation or under any of the contracts granted in relation to the formation of the Fund or assignment of New Assets; and

l) if any of the audit reports issued during the Renewal Period (that is to say, the accounts of the closed years 2007 and 2008) contains qualifications which affect either the solvency of the Bank or the kind of Assets that could be assigned to the Fund

(b.2) Selection Requirements

In order to be assigned to and incorporated within the Fund, on the Payment Date on which their assignment takes place, in addition to the representations and guarantees contained in subsection 2.2.8(b) above, the New Assets must satisfy each and every one of the Individual and Global Selection Requirements described in this section, as follows**:**

(i) <u>Individual Selection Requirements:</u>

The requirements that each of the New Assets must satisfy individually in order to be assigned to the Fund, in addition to the representation and guarantees contained in subsection 2.2.8(b) above, are the following:

a) That the payments due under the Loan are credited to a bank account agreed with the Debtor at the time the Loan agreement was signed.

b) That the Outstanding Balance of the Loan is less than or equal to one hundred thousand euros (€ 100,000).

(ii) <u>Global Selection Requirements</u>:

In addition to satisfying each of the Individual Selection Requirements, the Assets in aggregate (including New Assets to be assigned to the Fund on a specific Payment Date) must satisfy all of the following requirements to be assigned to the Fund:

a) The weighted average interest rate of the Assets much be no lower than six per cent (6.00%).

b) The weighted average age of the Assets must be six (6) years or less.

c) The weighted average term to maturity of the Assets must be seventy-two months of less.

d) The maximum concentration per Debtor must not exceed zero point zero two per cent (0.02%) of the total value of the Assets.

e) The percentage of Loans in the portfolio using a repayment method other than the French method must not exceed three per cent (3%) of the total value of the Assets.

f) The percentage of Loans with instalments paid monthly or quarterly must be at least ninety-seven (97%) of the total value of the Assets.

g) The percentage of Loans with agreements permitting the deferment of payments (principal and/or interest) after the date of assignment must not exceed five per cent (5%) of the total value of the Assets.

h) The percentage of Loans with Debtors resident in any one Autonomous Region must be no more than twenty-five per cent (25%) of the total value of the Assets.

(b.3) Procedure for acquisition of New Assets:

On each Offer Solicitation Date (that is, the dates corresponding to the fifth (5th) Business day prior to each Payment Date in the Renewal Period on which New Assets are acquired), the Gestora will send the Seller a written notice requesting the assignment of New Assets to the Fund, indicating the Funds Available for Redemption that will be used to acquire New Assets on the next Payment Date, that is, the Maximum Acquisition Amount, and the Payment Date on which there shall be made the assignment to the Fund and the payment for the assignment.

Before 5.00 p.m. on the Offer Date, (that is the fourth (4th) Business Day prior to each Payment Date in the Renewal Period on which New Assets are acquired), the Bank will send the Gestora the Assignment Offer, that is the notice of the offer to assign New Assets, accompanied by a computer file containing an itemised list of the Loans that have been selected and satisfy the Selection Requirements. On the third (3rd) Business Day before the Payment Date, the Gestora will send the Bank written notice of acceptance of the assignment of the New Assets, accompanied with a computer file containing an itemised list of the New Assets accepted and their characteristics, as communicated by the Bank.

To decide which New Assets to accept, the Gestora will:

(a) Check that the Consumer Finance Loans included in the Assignment Offer satisfy the Individual and Global Selection Requirements on the basis of the information provided by they Bank, without this constituting confirmation of the absence of hidden defects in the New Assets assigned.

(b) Select the New Assets that are acceptable and suitable for assignment to the Fund, subject to a ceiling equivalent to the value of the Funds Available for Redemption.

Each year the Gestora will commission, for the account of the Fund, an audit of the features of the New Assets acquired during the years 2008 and 2009, and which remain outstanding at 31 December of each of those years. This audit will review the same attributes reviewed in the audit described in section 2.2 of the Additional Building Block, and will be performed by an audit firm registered in the Official Register of Account Auditors (Registro Oficial de Auditores de Cuentas — ROAC) and sent to the CNMV within the first six (6) months of the year.

B) Price set for the sale or assignment of the Assets.

(i) Initial Assets

The Initial Assets will be sold or assigned at par value, that is, the Outstanding Balance of the Assets pooled in the Fund on the Formation Date.

(ii) New Assets

The New Assets will be sold or assigned at par value, that is, at the Outstanding Balance of the New Assets that are pooled in the Fund on the corresponding Payment Date during the Renewal Period.

The amount that the Gestora allocates to the acquisition of New Assets on each Payment Date shall not exceed the Maximum Acquisition Amount, that is, the value of the Funds Available for Redemption on the said Payment Date, but may be lower than the said amount.

During the Renewal Period, the remaining amount of the Funds Available for Redemption not used to acquire New Assets will remain on deposit in the Principal Account.

Should the formation of the Fund and, therefore, the sale of the Assets be rescinded, (i) the Fund's obligation to pay the price established for the sale of the Assets will be extinguished, and (ii) the Gestora will be required to restore to the Bank any rights that have accrued in favour of the Fund by reason of sale of the Initial Assets.

C) Description of the rights over the Loans backing the Assets conferred by the Assets on their owners.

The Fund, as owner of the Assets, will hold the rights recognised to the assignee in article 1528 of the Civil Code.

Specifically, the Assets confer the following rights:

(a) The right to receive all amounts accrued from the repayment of the principal of the Assets;

(b) the right to receive all amounts accrued in respect of ordinary interest on the Assets;

c) The right to receive all amounts accrued in respect of default interest on the Assets;

d) all possible rights or indemnities which may arise for the benefit of the Bank, including but not limited to those arising from insurance contracts, where such exist, and additional guarantees (collateral), where applicable.

The assignment of the Initial Assets shall encompass the entire Outstanding Balance of the Initial Assets, that is, principal amounts accrued and not paid to the Fund together with the principal amounts not yet due and pending maturity of the Initial Assets. The assignment of the Initial Assets shall also encompass all ordinary and default interest accrued since the Formation Date of the Fund.

The assignment of the New Assets shall encompass the entire Outstanding Balance of the New Assets to be assigned on each Payment Date, that is, principal amounts accrued and not paid to the Fund together with principal amounts not yet due and pending maturity of the Initial Assets that are to be assigned to the fund on each Payment Date. The assignment of the New Assets shall also encompass all ordinary and default interest accrued since the Payment Date on which the New Assets in question are assigned to the Fund.

Fees and commissions arising from the assigned Assets are not subject to assignment to the Fund.

All the abovementioned rights shall accrue in favour of the Fund from (i) the Formation Date, in the case of Initial Assets and (ii) the Payment Date on which the corresponding assignment is made, in the case of New Assets.

The interests of the Loans that are to accrue before their actual Fund’s assignment date shall be given back to the Bank at the next Payment Date without taking into account the Ranking of Payments of the Fund.

The Fund’s rights arising from the Assets will be tied to the payments made by the Debtors against the Loans and, therefore, are directly affected by developments, delays, prepayments and any other incident relating to the Loans.

3.4 Explanation of the flow of funds, including:

3.4.1 How the cash flows from the Assets will be used to meet the issuer’s obligations to the holders of the securities.

The sums received by the Fund in respect of the Assets will be paid by the Administrator into the Treasury Account in all cases by no later than forty-eight (48) hours after the date on which they were received. Accordingly, the Fund will be receiving deposits in the Treasury Account on practically a daily basis.

The weighted average interest rate on the Loans selected as at 17 May 2007, as described in subsection 2.2.2.d) above is seven point nine eight per cent (7.98%), which is higher than the four point three two seven per cent (4,327%) weighted average nominal rate that has been hypothetically assumed for the Bonds. However, the Swap Contract mitigates the interest rate risk to which the Fund is exposed because the Loans have fixed and variable rates with different reference indices, different repricing timetables and different settlement periods than the yields on the Bonds, which are benchmarked to the three month Euribor and have quarterly accrual and payment periods, as wells as the risk arising from possible renegotiations of the interest rate of the Loans which could in some cases result in their novation at a fixed interest rate.

3.4.2 Information on credit enhancements.

3.4.2.1 Credit enhancements

With the aim of strengthening the Fund’s financial structure, enhancing the certainty or regularity of the Bond payments, covering temporary timing differences between the principal and interest payment schedules for the Loans and the Bonds and, in general, transforming the financial characteristics of the Loans and supporting the administration of the Fund, the Gestora, as representative of the Fund, will proceed upon the execution of the Deed of Formation to enter into the contracts and operations indicated below in accordance with applicable laws and regulations:

The credit enhancement operations incorporated within the structure of the fund are as follows:

a) Reserve Fund:

This Fund mitigates the credit risk associated with arrears and defaults on the Loans. The Reserve Fund is described in subsection 3.4.2.2 of this Additional Building Block below.

b) Interest Rate Swap:

The IRS mitigates the interest rate risk arising as a result of the spread between the interest rate of the Assets and the yield on the Bonds.

c) Subordination and postponement of payment of principal and interest among the Bonds of the various Series.

The Bond Series will be redeemed sequentially, such that the redemption of any one Series will not commence until the more senior Series has first been redeemed in full.

3.4.2.2 Reserve Fund

The Gestora, on behalf and for the account of the Fund, will establish a Reserve Fund, charged against the Subordinated Loan for Reserve Fund, with the following characteristics:

a) Required Level:

The Reserve Fund shall have an initial balance of NINE MILLION SIX HUNDRED THOUSAND EUROS (€ 9,600,000.00), an amount equivalent to one point two per cent (1.2%) of the initial amount of the Bonds of Series A, B and C.

The Required Level of the Reserve Fund at any given time is detailed below:

(i) The value of the Reserve Fund may not fall to below two point four per cent (2.4%) of the Outstanding Principal Balance of the Series A, B and C Bonds.

(ii) Once the level mentioned in the previous paragraph has been reached, the Reserve fund shall be maintained at this percentage of the Outstanding Principal Balance of the Series A, B and C Bonds, until it reaches the minimum value of FIVE MILLION EUROS (€ 5.000.000), equivalent to zero point six two five per cent (0.625%) of the Initial Balance of the Series A, B and C Bonds.

However, the Required Level of the Reserve Fund may not be reduced in the two (2) year immediately following the formation of the Fund. In addition, the Required Level of the Reserve Fund may not be reduced in any of the following circumstances:

- If on the previous Payment Date the Reserve Fund was short of the Required Level;
- If on the Determination Date immediately before the Payment Date, the Outstanding Balance of Non-Performing Loans is higher than one per cent (1%) of the Outstanding Balance of the Assets not considered Defaulted Loans;

(ii) Application:

The Reserve Fund will, on each Payment Date, be used to satisfy the payment obligations contained in the Ranking of Payments set out in subsection 3.4.6.2.1.(b) below, or if applicable, in accordance with the Liquidation Ranking of the Payments established for each Series in subsection 3.4.6. (d) of the Additional Building Block..

(iii) Yield:

The amount of the Reserve Fund will be credited to the Treasury Account on the Closing Date and will be the subject of the Treasury Account Guaranteed Yield Reinvestment Agreement to be concluded with the Bank pursuant to the terms and conditions described in subsection 3.4.5 of this Additional Building Block.

3.4.3 Details of any subordinated debt financing.

(a) Subordinated Loan for Formation Expenses Agreement

The Gestora, on behalf and for the account of the Fund, will enter into the Subordinated Loan for Formation Expenses Agreement with the Bank for a commercial loan of ONE MILLION TWO HUNDRED THOUSAND EUROS (€1,200,000.00) that will be used to pay the Fund formation and Bond issuance expenses, and to part fund the acquisition of the Initial Assets.

The amount of the Subordinated Loan for Formation Expenses will be disbursed to the Treasury Account on the Closing Date.

The loan will accrue nominal annual interest, determined quarterly for each Interest Accrual Period, which will be equal to the sum of: (i) the reference interest rate determined for the Bonds, and (ii) a margin of one percent (1%), which will be paid only if the Fund has sufficient Available Funds in accordance with the Ranking of Payments set out in subsection 3.4.6.(b) of this Additional Building Block or, if applicable, in accordance with the Liquidation Ranking of Payments set out in section 3.4.6.(d) of this Additional Building Block. The accrued interest payable on a given Payment Date will be calculated on the basis of: (i) the actual number of days contained in each Interest Accrual Period and (ii) a year composed of three hundred and sixty (360) days.

Interest accrued and not paid on a Payment Date will be accumulated and bear interest at the same rate as the nominal interest rate of the Subordinated Loan For Formation Expenses and will be paid, provided the Fund has sufficient Available Funds and in accordance with the Ranking of Payments set out in section 3.4.6.(b) of this Additional Building Block, on the next following Payment Date, or, if applicable, on the date of application of the Liquidation Ranking of Payments set out in section 3.4.6(d) of this Additional Building Block.

The part of the Subordinated Loan for Formation Expenses used to pay for the formation expenses of the Fund and the part used to pay the Bond issuance expenses will be repaid quarterly, as those expenses are amortised, during the first three (3) years from the establishment of the Fund and issuance of the Bonds. The part of the Subordinated Loan for Formation Expenses destined to pay for part of the acquisition of the Assets will be repaid on the last Payment Date of the Fund and, in all events, prior to the Statutory Maturity Date of the Fund. The part of the Subordinated Loan for Formation Expenses that is surplus to the funds needed to cover the foregoing applications will be settled in advance on the first Payment Date. All the above will hold provided that the Fund has sufficient Available Funds, in accordance with the Ranking of Payments set out in section 3.4.6 (b) of the Additional Building Block, or if applicable, in accordance with the Liquidation Ranking of the Payments established for each Series in subsection 3.4.6. (d) of the Additional Building Block.

Given its junior status, the Subordinated Loan will be ranked below the Fund's other creditors (including but not limited to the Bondholders) pursuant to the terms and conditions established in subsection 3.4.6.(b) of this Additional Building Block, or if applicable, in accordance with the Liquidation Ranking of the Payments established for each Series in subsection 3.4.6. (d) of the Additional Building Block.

If, prior to the start of the Subscription Period, the Rating Agencies do not give confirmation as final to any of the provisional ratings assigned, this will give rise to the termination of the Subordinated Loan for Formation Expenses Agreement except in relation to the initial expenses of setting up the Fund and issuing the Bonds.

The Bank expressly and irrevocably waives any right of setoff in respect of the Fund that it might otherwise enjoy by virtue of any agreement it has with the Fund.

(b) Subordinated Loan for Reserve Fund Agreement

The Gestora, on behalf and for the account of the Fund, will enter into the Subordinated Loan for Reserve Fund Agreement with the Bank for a commercial loan of NINE MILLION SIX HUNDRED THOUSAND EUROS (€ 9,600,000.00) that will be used to establish the Reserve Fund.

The amount of the Subordinated Loan for Reserve Fund will be disbursed to the Treasury Account on the Closing Date.

The loan will accrue nominal annual interest, determined quarterly for each Interest Accrual Period, which will be equal to the sum of: (i) the reference interest rate determined for the Bonds, and (ii) a margin of one point eight zero per cent (1.80%), which will be paid only if the Fund has sufficient Available Funds in accordance with the Ranking of Payments set out in subsection 3.4.6.(b) of this Additional Building Block or, if applicable, in accordance with the Liquidation Ranking of Payments set out in section 3.4.6.(d) of this Additional Building Block. The accrued interest payable on a given Payment Date will be calculated on the basis of: (i) the actual number of days contained in each Interest Accrual Period and (ii) a year composed of three hundred sixty (360) days.

Interest accrued and not paid on a Payment Date will be accumulated and bear interest at the same rate as the nominal interest rate of the Subordinated Loan for Reserve Fund (without this implying capitalisation of the debt or accrual of default interest) and will be paid, provided the Fund has sufficient Available Funds and in accordance with the Ranking of Payments set out in subsection 3.4.6.(b) of this Additional Building Block, on the next following Payment Date or, if applicable, on the date of application of the Liquidation Ranking of Payments set out in subsection 3.4.6.(d) of this Additional Building Block to the Securities Note.

The Subordinated Loan for Reserve Fund will be repaid on each of the Payment Dates in an amount equal to the difference between the amounts of the required balances of the Reserve Fund on the two (2) Determination Dates immediately preceding the Payment Date in question. All of the above will hold provided the Fund has sufficient liquidity in accordance with the Ranking of Payments established in subsection 3.4.6.(b) of this Additional Building Block or, if applicable, in accordance with the Liquidation Ranking of Payments established in subsection 3.4.6.(d) of this Additional Building Block to the Securities Note.

This loan, given its junior status, will be ranked below the Fund's other creditors (including, but not limited to, the Bondholders, and excluding the creditor under the Subordinated Loan for Formation Expenses) on the terms and conditions established in subsection 3.4.6.(b) of this Additional Building Block or, if applicable, in accordance with the Liquidation Ranking of Payments established in subsection 3.4.6.(d) of this Additional Building Block to the Securities Note.

If, prior to the start of the Subscription Period, the Rating Agencies do not give confirmation as final to any of the provisional ratings assigned, this will give rise to the termination of the Subordinated Loan for Reserve Fund Agreement.

The Bank expressly and irrevocably waives any right of setoff in respect of the Fund that it might otherwise enjoy by virtue of any agreement it has with the Fund.

c) Rules of subordination between the Bonds.

(i) Interest payments:

- Payment of the interest accrued on the Series A Bonds ranks fourth (4^{th}) in the Ranking of Payments set out in subsection 3.4.6.(b) of this Additional Building Block.
- Payment of the interest accrued on the Series B Bonds ranks fifth (5^{th}) in the Ranking of Payments set out in subsection 3.4.6.(b) of this Additional Building Block, and is therefore ranked below the payment of interest accrued by the Series A Bonds.
- Payment of the interest accrued on the Series C Bonds ranks sixth (6^{th}) in the Ranking of Payments set out in subsection 3.4.6.(b) of this Additional Building Block, and is therefore ranked below the payment of interest accrued by the Series A and B Bonds.

The foregoing shall apply without prejudice to the special subordination rules set out in subsection 3.4.6.c) of this Additional Building Block, or if applicable, in accordance with the Liquidation Ranking of the Payments established for each Series in subsection 3.4.6. (d) of the Additional Building Block.

(ii) Redemption of principal:

Retention of the Amount Accrued for Redemption ranks seventh (7^{th}) in the Ranking of Payments set out in subsection 3.4.6.(b) of this Additional Building Block. Once the Renewal Period is over (whether ended at the scheduled time or in advance), the Funds Available for Redemption on each Payment Date will be used to repay the principal of Series A Bonds, until they are redeemed in full. The Series B Bonds are ranked below the Series A bonds for the repayment of principal and the Series C bonds are ranked below both Series A and B.

The foregoing shall apply without prejudice to the special subordination rules set out in subsection 3.4.6.c) of this Additional Building Block to the Securities Note, or if applicable, in accordance with the Liquidation Ranking of the Payments established for each Series in subsection 3.4.6. (d) of the Additional Building Block.

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

The Gestora, on behalf and for the account of the Fund, and the Bank will enter into a Treasury Account Guaranteed Yield Reinvestment Agreement whereunder the Bank will guarantee a return on the amounts deposited by the Fund through its Gestora in the Treasury Account and a Principal Account Guaranteed Yield Reinvestment Agreement whereunder the Bank will guarantee a return on the amounts deposited by the Fund through its Gestora in the Principal Account. Specifically, the Treasury Account Guaranteed Yield Reinvestment Agreement will stipulate that the sums received by the Fund in respect of:

(i) principal and interest of the Assets;

(ii) any other amounts received for any reason other than payment of principal or ordinary and default interest of the Assets;

(iii) the sums contained from time to time in the Reserve Fund;

(iv) the sums paid, where such is the case, to the Fund under the Swap Contract; and

(v) The aggregate returns obtained on the balance of the Treasury Account;

(vi) Where applicable, the amounts drawn under the credit line that the Gestora is empowered to contract for the purpose of performing the Early Liquidation of the Fund,

will be deposited in the Treasury Account.

The Treasury Account will be used to centralise all collections and payments during the entire life of the Fund, except for those that, in accordance with the provision of this Registration Document, are to be assigned to the Principal Account.

The Principal Account Guaranteed Yield Reinvestment Agreement will stipulate that the sums corresponding to Funds Available for Redemption shall be transferred from the Treasury Account to the Principal Account, with the amount deposited in the said account being used exclusively to acquire New Assets during the Renewal Period and to redeem the Bonds, once such acquisitions have been concluded. The amounts deposited in the Principal Account that are not used to acquire New Assets will remain deposited in the Principal Account.

On the Closing Date the Treasury Account will receive the cash amount of the payment for subscription of the Bond issue, net of commissions, and the initial amount of the Subordinated Loan for Formation Expenses and the amount of the Subordinated Loan for Reserve Fund and will pay the price of acquiring the Initial Assets assigned by the Bank and the Fund formation, Bond issuance and Reserve Fund expenses.

The Bank guarantees the Fund, through its Gestora, an annual return variable quarterly and settled monthly on the amounts deposited in the Treasury Account and the amounts deposited in the Principal Account, equal to the reference interest rate of the Bonds in each Interest Accrual Period, applicable to the payment periods of the Treasury Account and the Principal Account, which for the most part are the same as each Interest Accrual Period. In exception to the foregoing, for the first Interest Accrual Period, the interest rate applicable will be the reference interest rate of the Bonds corresponding to the period in question.

The return on the balance of the Treasury Account and the Principal Account will be calculated with reference to the actual number of days and on the basis of a three hundred and sixty-five (365) day year. Interest will be paid monthly, for value on the 14 of each month. The first settlement date will be 14 October 2007.

In pursuit of the best possible return on the balance of the Treasury Account and the Principal Account, or of the Provisional Account, the Gestora may invest the balances in short-term fixed-income securities denominated in euros, issued by credit institution that have a rating of at least A-1 for their short-term, unsubordinated, unsecured debt or A+ for long-term debt (if at any time no short-term rating is available) on the Standard &Poor's ratings scale and P-1 for short-term debt on the Moody's rating scale, provided that the investment period is less than thirty (30) days or, for investment periods of more than thirty (30) days, of at least A1+ and P-1 (on the aforesaid rating scales). Such securities must in all cases mature prior to the next Payment Date and must offer a net return in excess of or equal to that provided by the Treasury Account and the Principal Account, respectively.

In the event that the rating of the unsubordinated, unsecured debt of the Bank is at any time during the life of the Bond issue downgraded to below A-1 or P-1 for short-term debt (on the Standard & Poor's and Moody's rating scales, respectively), or, if at any time its debt is not given a short-term rating, to below A+ for long-term debt on the Standard & Poor's scale, the Gestora will have a maximum of thirty (30) Business Days after the time of the downgrade within which to adopt one of the following options:

(i) To transfer the Fund's Treasury Account and Principal Account to a credit institution whose unsubordinated, unsecured debt is rated at least A-1 for short-term debt or (if its debt is not given a short-term rating) at least A+ for the long-term debt on the

Standard & Poor's scale and at least P-1 for short-term debt on the Moody's rating scale, with the Gestora contracting the maximum possible return for the balance thereof, which may differ from the return contracted with the Bank, with authority for a subsequent transfer to the Bank once its short-term, unsubordinated, unsecured debt regains the A-1 or A+ or P-1 rating (on the said rating scales); or

(ii) Require the Bank to obtain guarantees or similar commitments, pursuant to Rating Agency criteria, from a credit institution whose unsubordinated, unsecured debt has a rating no lower than A-1 for short-term debt and no lower than A+ for long-term debt (if no short-term rating is available) on the Standard & Poor's rating scale and P-1 on the Moody's scale with the Rating Agencies in all cases being given prior notice thereof. This surety will guarantee timely payment by the Bank of its obligations to refund the amounts deposited in the Treasury Account and in the Principal Account, throughout the period in which its rating remains below A-1 or A+ and P-1 (on the aforesaid ratings scales).

From the time at which the downgrade occurs, the Bank undertakes to take all reasonable commercial endeavours to ensure that the Gestora can adopt one of the foregoing options.

If during this maximum period of thirty (30) Business Days, it has not been possible to adopt either of the foregoing options (i) or (ii), the Gestora will transfer the balances of the Treasury Account and of the Principal Account to a "**Provisional Account**" held with another credit institution whose debt has a rating no lower than A-1 for short-term debt or A+ for long-term debt (if no short-term rating is available) on the Standard & Poor's rating scale, and P-1 on the Moody's rating scale, contracting the maximum possible return of the balances thereof which shall be at least equal to the return contracted for the Treasury Account and the Principal Account and also the same settlement terms and conditions as for the Treasury Account and the Principal Account until such time as it has been possible to adopt one of the foregoing measures (i) and (ii).

If the new credit institution with which the Provisional Account is opened loses its short-term A-1 rating or long-term A+ rating (if no short-term rating is available) on the Standard &Poor's rating sale and its P-1 rating on the Moody's rating scale, the Gestora will have a maximum of thirty (30) Calendar Days to find a new credit institution with a short-term A-1 rating or long-term A+ rating (if no short-term rating is available) on the Standard &Poor's rating scale and a P-1 rating on the Moody's rating scale and therefore not prejudicial to the ratings assigned to the Bonds. The Gestora will notify Standard & Poor's and Moody's as far in advance as possible of the likelihood of this situation arising.

All the amounts mentioned in this Prospectus as being deposited in the Treasury Account or in the Principal Account will also include those sums that have been transferred to the Provisional Account.

All costs, expenses and taxes incurred due to non-performance of the above obligations will be for the account of the Bank.

The Bank expressly and irrevocably waives any right of setoff in respect of the Fund that it might otherwise enjoy by virtue of any agreement it has with the Fund.

3.4.5 How payments relating to the Assets are collected

The Bank, as Administrator of the Assets, will apply the same diligence and procedures when claiming amounts owed and not paid on the Assets as it does for all other the loans in its loan book.

The Bank applies the following claims procedure for loans in its loan book:

- As soon as any payment instalment due on the loan become more than thirty (30) days past due, the management of the branch network meets with the management of Gescoban, an external company specialising in recoveries. Gescoban's recovery actions will last for a period of one hundred (120) days, although if the amount of the loan is high, this period may be shortened.

- At the end of this period, monitoring the loan becomes the responsibility of the Procedural Management Centre and those responsible for judicial proceedings (the Complaints Centre, outside attorneys and Monitoring Agencies) and action may be taken against the assets of the debtor or those of the guarantor, where one exists.

(a) **<u>Enforcement action against the Debtors of the Assets.</u>**

The Fund, as owner of the Assets, will have the right to take any legal actions arising from ownership of the Assets under the applicable laws and regulations. Such action shall be pursued by the relevant judicial proceedings according to the terms of articles 517 et seq. of the Spanish Civil Procedure Act (Ley de Enjuiciamiento Civil).

For the above purposes, in the same act in which the Fund's Deed of Formation is executed, the Gestora will grant a power of attorney as ample and sufficient as required by law to the Bank so that the latter, acting through any of its legal representatives with sufficient powers for such purpose, may, for and on behalf of the Gestora, demand from the Debtors of any of the Assets payment of their debt and pursue court action against them, as well as any other powers needed to perform its functions as Administrator. These powers may also be granted in a separate document to the Deed of Formation or be expanded if necessary for the performance of those functions.

(b) **<u>Action against the Administrator</u>**

The Gestora, on behalf and for the account of the Fund, will be entitled to pursue enforcement actions against the Administrator to enforce payment on the maturity of the Assets of principal and interest, if the default on the payment obligation in respect thereof is not the result of lack of payment by the Debtors of the Assets.

Also, in the event that the Bank fails to perform the obligations described in subsection 3.7.1 of this Additional Building Block, the Fund, through the Gestora, will be entitled to bring a declaratory action against the Bank for non-performance of those obligations in relation to the Loans, all in accordance with the procedures stipulated for such proceedings in the Civil Procedure Act.

Once the Assets have been cancelled, the Fund, through its Gestora, will reserve a right of action against the Administrator until its obligations have been discharged.

3.4.6 Source and application of funds.

(a) **Source:** The Available Funds calculated on the Determination Date prior to the specific Payment Date (that is, on the fifth (5^{th}) Business Day before each Payment Date) shall be the amounts deposited in the Treasury Account corresponding to the following items:

(i) The sums received in respect of principal of the Assets in each Determination Period preceding the Payment Date. The Determination Period shall mean each period between two consecutive Determination Dates, including in each Determination Period the initial Determination Date of the corresponding period but excluding the final determination Date of the said period. In exception to the foregoing, the first Determination Period shall have a duration equivalent to the period between the Formation Date and the Determination Date prior to the first Payment Date.

(ii) The interest collected on the Assets during each Determination Period preceding the Payment Date (including, where applicable, default interest).

(iii) The returns obtained during each preceding Determination Period from reinvestment of the Reserve Fund and from the rest of the sums deposited in the Treasury Account and in the Principal Account, which shall be paid monthly, on the 14th of each month.

(iv) The Reserve Fund, as described in subsection 3.4.2.2 of this Additional Building Block.

(v) The net amount received according to the terms of the Swap Contract, as described in section 3.4.7 of this Additional Building Block.

(vi) All other sums which the Fund may receive, including, but not limited to, those arising from enforcing the guarantees of the Loans, where such exist.

The sums that are deposited in the Principal Account shall be only aimed to acquire New Assets during the Renovation Period and at the redemption of the Bonds once such period has finished.

(b) Application: The Gestora, in the name of the Fund, will on each Payment Date proceed to apply the amount of Available Funds to the following payments and withholdings, in accordance with the following Ranking of Payments:

1st. Payment to the Gestora of ordinary (excepting the management fee which is placed at the second position in the Preferred Order of Payments) and extraordinary Fund expenses and administration fees, if the Seller has been replaced in the role of administrator.

2nd. Payment to the Gestora of the periodic management fee.

3rd. Payment to the Bank of the net amount of the Swap (except in the case of termination due to non-performance by the Bank).

4th. Payment of interest accrued on Series A Bonds.

5th. Payment of interest accrued on the Series B Bonds, except where this payment is downgraded to eighth (8th) place in the Ranking of Payments as described in subsection 3.4.6,(c) of this Additional Building Block,

5th. Payment of interest accrued on the Series C Bonds, except where this payment is downgraded to ninth (9th) place in the Ranking of Payments as described in subsection 3.4.6.(c) of this Additional Building Block.

7th. Withholding of the Amount Accrued for Redemption, which will be used to acquire New Assets during the Renewal Period and, after that period ends, for redemption of the Bonds of Series A, B and C in the order described in sections 4.6.b) and 4.9 of the Securities Note.

8th. Payment of interest accrued on the Series B Bonds, when this payment is downgraded from fifth (5th) place in the Ranking of Payments as described in this section.

9th. Payment of interest accrued on the Series C Bonds, when this payment is downgraded from sixth (6th) place in the Ranking of Payments as described in this section.

10th. Withholding of the amount needed to maintain the Reserve Fund at the Required Level, in accordance with the provision of subsection 3.4.2.2 of this Additional Building Block.

11th. Payment of the amount due on termination of the Swap, due to non-performance on the part of the Bank.

12th. Repayment of principal and payment of interest accrued under the Subordinated Loan for Reserve Fund.

13th. Repayment of principal and payment of interest accrued under the Subordinated Loan for Formation Expenses.

14th. Payment to the Seller of the Administration fee.

If the Seller has been replaced in the role of Administrator of the Assets by another credit institution, payment of the administration fee that will accrue to the new third-party administrator will be ranked first in the above order, together with the other payments ranked in first place.

15th Payment of the Financial Intermediation Income.

The expenses set out in the first position of the above Ranking of Payments break down as follows:

Ordinary Expenses consist of:

- Expenses arising from the annual audits of the Fund's accounts;
- Expenses arising from the tax audit during the Renewal Period;
- Expenses arising from maintenance of the ratings of the three (3) Series of Bonds;
- Expenses arising from redemption of the Bonds;
- Expenses relating to the notices that, pursuant to the provisions of this Prospectus, must be sent to the Bondholders;
- In general, all other expenses borne by the Gestora as a result of its work in representing and managing the Fund.
- Paying Agency fee, if applicable.

Extraordinary Expenses consist of:

- If applicable, the expenses arising in respect of the presentation and formalisation of amendments to the Deed of Formation and the agreements, as well as the execution of additional agreements;
- The expenses needed to foreclose the loans underlying the Assets.
- In general, all other extraordinary expenses borne by the Fund or by the Gestora on behalf and for the account of the Fund.

The Gestora estimates that the Fund will have annual ordinary costs of 260.000, during the first year, including the sum of the administration fee of the Gestora and other ordinary costs. It is also estimated that the expenses will decrease due to some of the ordinary costs are related to the Outstanding Principal of the Bonds.

(c) Exceptions to the ranking of payments to be borne by the Fund.

Payment of interest on Series B bonds will be downgraded to the eight (8º) position in respect with the withholding of the Amount Accrued for Redemption in the Ranking of Payments if on the corresponding Payment Date the outstanding cumulative balance of Defaulted Loans without taking into account amounts recovered since the formation of the Fund is greater than nine per cent (9%) of the initial amount of the Assets.

Such downgrading will not take place if the Series A Bonds have already been redeemed or are due to be redeemed on the Payment Date in question.

Payment of interest on Series C bonds will be downgraded if on the corresponding Payment Date the outstanding cumulative balance of Defaulted Loans without taking into account amounts recovered since the formation of the Fund is greater than seven per cent (7%) of the initial amount of the Assets.

Such downgrading will not take place if the Series A and B Bonds have already been redeemed or are due to be redeemed on the Payment Date in question.

(d) Liquidation Ranking of Payments.

The Gestora will proceed to liquidate the Fund on the Statutory Maturity Date or on the Payment Date on which its Early Liquidation takes place, pursuant to the provisions of subsection 4.4.c) of the Registration Document, by applying the Funds Available for Liquidation according to the following ranking order:

1st. Payment to the Gestora of ordinary (excepting the management fee which has the second (2º) position in the Preferred Order of Payments) and extraordinary Fund expenses and administration fees, if the Seller has been replaced in the role of administrator.

2nd. Payment to the Gestora of the periodic administration fee.

3rd. Payment to the Bank of the net amount of the Swap (except in the case of termination due to non-performance by the Bank).

4th. Payment of interest accrued on Series A Bonds.

5th Repayment of the principal of Series B Bonds.

6th. Payment of interest accrued on Series B Bonds.

7th Repayment of the principal of Series B Bonds.

8th. Payment of interest accrued on Series C Bonds.

9th Repayment of the principal of Series C Bonds.

10th. If a credit line intended exclusively to be used for the early redemption of the Bond issue pursuant to the provisions of subsection 4.4.c.3(iv) of the Registration Document has been agreed, payment of interest accrued and repayment of the principal of the credit drawn down.

11th. Payment of the amount due on termination of the Swap due to non-performance on the part of the Bank.

12th. Repayment of principal and payment of interest accrued under the Subordinated Loan for Reserve Fund.

13th. Repayment of principal and payment of interest accrued under the Subordinated Loan for Formation Expenses.

14th. Payment to the Seller of the Administration fee.

If the Seller has been replaced in the role of Administrator of the Assets by another credit institution, payment of the administration fee that will accrue to the new third-party administrator will be ranked first in the above order, together with the other payments ranked in first place.

15th Payment of Financial Intermediation Income.

The Funds Available for Liquidation will be composed of the following:

(a) Available Funds:

(b) The amounts that the Fund will obtain on the sale of the remaining Assets and any other assets, as applicable, in the event of the Early Liquidation of the Fund in accordance with the prerequisites established in subsection 4.3.c) of the Registration Document; and

c) Where applicable, the amount drawn down under the line of credit intended exclusively for the final redemption of the Bonds pursuant to the provisions established in subsection 4.3.c) (iv) of the Registration Document.

(e) Financial Intermediation Income.

The Seller will be entitled to receive variable and subordinated compensation to compensate the Seller for the financial intermediation procedures which has enabled the Fund to achieve its financial purposes and obtain the ratings for its Series of Bonds (the "**Financial Intermediation Income**") from the Fund, which shall be determined and shall accrue, except in the first period, upon conclusion of each quarterly period, in an amount equal to the positive difference, if any, between revenues and expenses, including losses from prior periods, if any, incurred by the Fund in accordance with its financial statements prior to the close of the months of September, December, March and June.

Payment of the Financial Intermediation Income accrued at the ends of the months of September, December, March and June will be made on the Payment Date immediately following the last day of each of those months, provided that the Fund has sufficient liquidity, in accordance with the Ranking of Payments or, if applicable, in accordance with the Liquidation Ranking of Payments for the Fund.

By way of exception, the first period for accrual of Financial Intermediation Income will cover the period from Fund's Formation Date until 30 September 2007 inclusive, which corresponds to the last day of the month prior to the first Payment Date. The first date of payment of the Financial Intermediation Income will occur on the first Payment Date, i.e. 19 October 2007.

If on a given Payment Date the Fund, in accordance with the Ranking of Payments, does not have sufficient liquidity to pay all of the Financial Intermediation Income, the unpaid amount will be added, without penalty, to the Financial Intermediation Income, if any, accruing in the next quarterly period, and will be paid on the following Payment Date when the Available Funds allow payment in accordance with the Ranking of Payments or, if applicable, in accordance with the Liquidation Ranking of Payments. The amounts of Financial Intermediation Income not paid on prior Payment Dates will be paid in priority to the amount of Financial Intermediation Income due to be paid on the corresponding Payment Date.

3.4.7 Details of other arrangements upon which payments of interest and principal to Bondholders are dependent.

The Gestora, on behalf and for the account of the Fund, and the Bank will enter into an Interest Rate Swap Contract as per the model Financial Transactions Master Agreement, the key terms and conditions of which are described below.

The Interest Rate Swap is entered into due to the need to mitigate the interest rate risk to which the Fund is exposed because the Assets are subject to fixed and variable interest rates with different reference indices and different repricing and payment timetables than those for the variable interest rates established for each of the Bond Series issued with a charge to the Fund.

Under the Interest Rate Swap, the Fund will make payments to the Bank calculated on the interest rate of the Assets and, as counterparty, the Bank will make payments to the Fund calculated on the weighted average nominal interest rate of the Bond Series, all as described below.

Party A: The Fund, represented by the Gestora.

Party B: The Bank.

Settlement Dates.

The Settlement Dates will be the same as the Payment Dates of the Bonds, that is, 19 January, 19 April, 19 June and 19 October or, if any of these days is not a Business Day, the immediately following Business Day. The first Settlement Date will be 19 October 2007.

Settlement Periods.

The Settlement Periods for Party A and for Party B are exactly the same, being based on the number of days actually contained in the period between two consecutive Determination Dates, including the first but excluding the last. By way of exception, the first Settlement Period for each of the parties will have a duration equal to the actual number of days between 29 June 2007 (inclusive) and the first Determination Date immediately before the First Payment Date, which will be 11 October 2007 (exclusive).

Sum payable by Party A.

On each Settlement Date, this will be the sum of ordinary interest accrued on the Assets and paid to the Fund during the Settlement Period immediately before the Settlement Date.

On each Settlement Date, this will be the result of applying the Party B Interest Rate to the Swap Notional according to the number of days actually elapsed since the previous Payment Date (that is, equal or equivalent to: number of day/360).

Party B Interest Rate.

For each Settlement Period this will be the nominal annual interest rate calculated as the sum of (i) the reference interest rate of the Bonds determined for the Interest Accrual Period that concludes on the Settlement Date, plus (ii) a margin of three per cent (3.15%).

Swap Notional.

The daily average Outstanding Balance of the Loans that are up to date on their payments during the Settlement Period of reference.

Events of breach of the Swap.

If on a Payment Date Party A has insufficient Available Funds to pay the whole of the net amount (in the event the sum payable by Party A to Party B is greater than the sum payable by Party B to Party A) payable by Party A to Party B, the part of the net amount not paid will be carried forward and will not accrue default interest, and will be paid on the next Payment Date on which the Fund has sufficient Available Funds in accordance with the ranking of payments, so that the Swap is not terminated.

If on a Payment Date Party B fails to pay the net amount it is due to pay to Party A in full, the Gestora may terminate the Swap. In such event, Party B shall assume, in such event, the obligation of paying the settlement amount stipulated in the Swap.

The settlement amount will be paid, in case it would be addressed to the Fund, in accordance with the Ranking of Payments established in subsection 3.4.6.(b) above, or if applicable, in accordance with the Liquidation Ranking of the Payments established for each Series in subsection 3.4.6. (d) of the Additional Building Block, and will be calculated by the Bank, as Swap calculation agent, according to the market value of the Swap

(a) Change of Party B's rating

1. Moody's criteria

(i) If at any time during the life of the Securitisation Bond Issue, neither Party B nor any of its guarantors have the First Level Rating Required ("First Level Rating Failure"), Party B shall take the following measures within thirty (30) Business Days of the said failure:

1) It must obtain a Substitute with the First Level Rating Required (or at least a Substitute with a Guarantor with the First Level Rating Required).

2) Obtain a Guarantor with the First Level Rating Required.

3) Make a deposit of cash or securities for a calculated sum in respect of, among other factors, the Market Value of the Swap Contract for the benefit of the Fund that shall not have a negative impact on the ratings of the Bonds with an entity whose unsubordinated, unsecured short-term debt is rated at least P-1 on the Moody's rating scale.

(ii) If at any time during the life of the Securitisation Bond Issue, neither Party B nor any of its Guarantors satisfy the Second Level Rating Required ("Second Level Rating Failure"), Party B shall take all due measures to, as quickly as possible, (A) obtain a Guarantor with the Second Level Rating Required; or (B) obtain a Substitute with the Second Level Rating Required (or at least a Substitute with a Guarantor with the Second Level Rating Required).

Until the alternatives described above have been implemented, Party B must, within thirty (30) Business Days of the occurrence of the Second Level Rating Failure, make a deposit of cash or securities for a calculated sum in respect of, among other factors, the Market Value of the Swap Contract for the benefit of the Fund that shall not have a negative impact on the ratings of the Bonds with an entity whose unsubordinated, unsecured short-term debt is rated at least P-1 on the Moody's rating scale.

The obligations assumed by Party B under sections (i) and (ii) above, as well as the Additional Termination Events deriving from them shall remain in effect only whilst the reasons for the First Level Rating Failure or Second Level Rating Failure remain in place. The amount of the deposit that may be established by Party B under section (i) and (ii) above will be returned to Party B when the reasons for the First Level Rating Failure or Second Level Ratings Failure cease to exist.

"**Guarantor**" means any entity that provides an unconditional, irrevocable first-demand guarantee for the present and future obligations of Party B (the "**Guarantee**"), provided that (A) a firm of lawyers provide a legal opinion confirming that none of the payment made by the said Party to Party A under the Guarantee are subject to tax deductions or withholdings; or (B) the Guarantee stipulates that, if such deduction or withholding should exist, the payment made by the said entity will be increased in the amount needed to make the net payment received by Party A equal to the amount that Party A would have received if the said deduction or withholding had not been applicable.

"**Substitute**" means any entity that assumes the contractual responsibility of Party B on the Financial Swap Contract or enters into a new financial swap with Party A, on terms and conditions identical to those of the original Swap Contract (which Party A will take due measures to confirm) and provided that (A) a firm of lawyers provides a legal opinion confirming that none of the payment made by the said Party to Party A are subject to tax deductions or withholdings; or (B) if such deduction or withholding should exist, the payment made by the said entity is increased in the amount needed to make the net payment received by Party A equal to the amount that Party A would have received if the said deduction or withholding had not been applicable. This entity shall for all intents and purposes be assumed equivalent to Party B in the Financial Swap in any new financial swap that may be concluded.

A credit institution shall satisfy the "**First Level Rating Required**" (A) if it has a Moody's rating of P-1 for its short-term unsubordinated, unsecured debt and a Moody's rating of at least A2 for its long-term unsubordinated, unsecured debt and (B) if the said entity has no Moody's rating for its short-term unsubordinated, unsecured debt but has a Moody's rating of at least A1 for its long-term unsubordinated, unsecured debt.

A credit institution shall be considered to satisfy the "**Second Level Rating Required**" (A) if it has a Moody's rating of at least P-2 for its short-term unsubordinated, unsecured debt and a Moody's rating of at least A3 for its long-term unsubordinated, unsecured debt and (B) if the said entity has no Moody's rating for its short-term unsubordinated, unsecured debt but has a Moody's rating of at least A3 for its long-term unsubordinated, unsecured debt.

2. Standard & Poor's Criteria

If Party B's unsubordinated, unsecured debt is at any time in the life of the Bond Issue downgraded to below A-1 for short-term debt or, if at any time no short-term rating is available and its long-term Standard & Poor's rating is downgraded to less than A+, Party B hereby assumes the irrevocable undertaking to take the following measures within sixty (60) Business Days of the date on which notice of such event is received, to retain the ratings awarded to each of the Bond Series by Standard & Poor's:

(i) to seek a third-party credit institution with a minimum rating of A-1 for short-term or A+ for long-term debt (if no short-term rating is available) on the Standard &Poor's rating scale for unsubordinated, unsecured debt, to guarantee the obligations deriving from the Financial Swap on terms and conditions deemed acceptable by the Gestora and Standard & Poor's and thereby guarantee maintenance of the ratings awarded to the Securitisation Bonds by Standard & Poor's, in line with the requirements laid down in the Standard & Poor's Swap Criteria in effect at the time (for such purposes the **Standard & Poor's Swap Criteria** will be the official published Standard & Poor's criteria in effect at the time that establish the procedure for calculating the amount of the aforesaid deposit, currently set out in the document entitled "*Revised*

Framework for Applying Counterparty and Supporting Party Criteria", of 8 May 2007); or

(ii) assign its contractual responsibilities in the Financial Swap to a third-party credit institution with a minimum rating of A-1 for short-term debt or A+ for long-term debt (if no short-term rating is available) on the Standard &Poor's ratings scale for unsubordinated, unsecured debt; or

(iii) make a deposit of cash or securities for the benefit of the Fund in an account opened with another credit institution with a minimum rating of A-1 for short-term debt or A+ for long-term debt (if no short-term rating is available) on the Standard & Poor's rating scale for unsubordinated, unsecured debt, to guarantee performance of the contractual obligations and for an amount calculated on the basis of 100% of the market value of the Financial Swap (including administration fees if BANESTO has been replaced as administrator), that ensures that the ratings awarded to each Series of Bonds pursuant to the Standard & Poor's Swap Criteria in effect at the time are maintained.

If Party B's unsubordinated, unsecured debt is at any time in the life of the Bond Issue downgraded to below A-2 for short-term debt or, if at any time no short-term rating is available and its long-term Standard & Poor's rating is downgraded to less than BBB+, such situation constituting an "**Event Subsequent to the Rating**", Party B must take all due steps to perform, instead of the measures described above, and in all cases within ten (10) Business Days of the date of the Event Subsequent to the Rating and at its own expense, the following measures:

(i) assign its contractual responsibilities in the Financial Swap to a third-party credit institution with a minimum rating of A-1 for short-term debt or A+ for long-term debt (if no short-term rating is available) on the Standard &Poor's rating scale for unsubordinated, unsecured debt; or

(ii) to seek a third-party credit institution with a minimum rating of A-1 for short-term or A+ for long-term debt (if no short-term rating is available) on the Standard &Poor's rating scale for unsubordinated, unsecured debt, to guarantee the obligations deriving from the Financial Swap on the terms and conditions deemed expedient by the Gestora and Standard & Poor's and thereby ensure that the ratings awarded to the Securisation Bonds by Standard & Poor's are maintained; or.

Until one or either of measures (i) and (ii) above are completed, Party B shall, at its own expense, as quickly as possible and in all case within 10 days of the occurrence of the Event Subsequent to Rating, proceed to make a deposit of cash or securities for the benefit of the Fund in an account opened with another credit institution with a minimum rating of A-1 for short-term debt or A+ for long-term debt (if no short-term rating is available) on the Standard &Poor's rating scale for unsubordinated, unsecured debt, to guarantee performance of its contractual obligations and for an amount calculated on the basis of 125% of the market value of the Financial Swap (including administration fees if BANESTO has been replaced as administrator), that ensures that the ratings awarded to each Series of Bonds pursuant to the Standard & Poor's Swap Criteria in effect at the time are maintained.

From the time at which the Event Subsequent to Rating occurs, Party B undertakes to take all reasonable commercial endeavours to ensure that the Gestora can adopt one of the foregoing options (i) and (ii).

All costs, including termination costs and the premiums of the new counterparty in the Swap Contract, expenses and taxes incurred due to non-performance of the above obligations will be for the account of Party B.

In the event that more than one of the rating criteria above apply to Party B, the measures to be adopted by Party B must satisfy the rating criteria established by both Moody's and Standard & Poor's.

In all events of early termination, Party B, in such event, shall assume the obligation of paying the settlement amount stipulated in the Swap Contract. In the event that payment of the settlement amount of the corresponding interest rate swap is the responsibility of the Fund (Party A) and not Party B, payment of the said amount by the Fund (Party A) will be made in accordance with the Ranking of Payment set out above.

Without prejudice of the above mentioned, the Gestora shall try to take out a new Swap Agreement with the same conditions as the dissolved Swap Agreement unless the financial conditions of the Fund are constantly changing.

3.5 Name, address and significant business activities of the Seller.

The Seller of the Assets is Banco Español de Crédito, S.A.

The primary financial activities of the Bank are those proper to all banks, according to the specific nature of such entities and to the applicable legal provisions. In this regard, the following basic activities bear mention:

- Raising funds (through passbook savings accounts, term deposits, investment funds, pension plans, insured plans, assignment of assets, issuance of securities, unit linked products and annuities, amongst others);
- Finance activities, mainly through personal loans, mortgage loans, credit accounts, discounting of bills, guarantees and lease, confirming and factoring transactions;
- Provision of services such as credit and debit cards, retail outlet payment systems, collections services, direct deposit and standing transfer and debit orders, wealth management, currency exchange, etc.

Shown below is the audited and selected financial information of the BANESTO Group for the years ended 31 December 2005 and 2006 and the non audited information at 31 March 2006 and 2007.

The information in millions of euros has been prepared according to the International Financial Reporting Standards that apply under EC Regulation 1606/2002 and Bank of Spain Circular 4/2004.

EURO MILLION	**31.03.2007**	**31.03.2006**	**Δ%**	**31.12.2006**	**31.12.2005**	**Δ%**
BALANCE SHEET						
Total Assets	102,544	85,702	19.7%	105,348	88,042	19.65%
Assets weighted by risk	66,161	56,596	16.9%	64,151	54,858	16.9%
Capital and reserves	4,495	3,602	24.8%	4,315	3,426	26.0%
Loans and advances	65,791	41,431	27.9%	61,135	47,855	27.75%
Total funds managed	85,707	72,743	17.8%	84,409	68,712	22.8%
INCOME STATEMENT						
Net interest income	349,5	295,9	18.1%	1,233,38	1,107,02	11.41%
Ordinary income	551,4	483,1	14.1%	1,993,06	1,791,66	11.24%
Net operating income	314,6	260,0	21.0%	1,078,78	932,90	15.63%
Pre-tax profit	265,1	217,9	21.7%	657,16	778,02	(15.54%)
Net profit	187,5	149,2	25.7%	1,550,32	654,80	136.76%
Group profit	187,5	168,7	11.1%	1,451,26	570,36	154.44%
RATIOS						
NPL ratio	0.42	0.46	-8.7%	0,46	0,49	-6.12%
NPL cover	390	389	0.3%	393	372	5.70%
Efficiency ratio	38.1	40.3	-5.5%	37.7	40.0	-5.80%
Strict efficiency ratio	38.1	40.3	-5.5%	37.7	40.0	-5.80%
Solvency ratio	11.0	11.2	-1.8%	11.2	11.3	-0.90%
Total capital						
Tier I shareholders' equity	7.3	7.1	2.8%	7.4	7.0	5.70%
Core shareholders' equity	6.5	6.2	4.8%	6.6	6.1	8.20%
BRANCHES AND HEADCOUNT						
Branches	1.892	1.705	11.0%	1,844	1,703	8.30%
Headcount	9.991	9.458	5.6%	9,708	9,468	2.50%

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

Does not apply.

3.7 Administrator and functions of the Seller as administrator.

3.7.1 Administrator.

The Bank, whose name, address and significant activities are detailed in section 3.5 above, in the capacity of Seller of the Assets, in accordance with the terms of article 2.2. of Royal Decree 926/1998 undertakes to exercise custody and administration of the Assets, with the relations between the Bank and the Fund being regulated by this Prospectus.

The Bank will accept the mandate received in the Formation Deed from the Gestora and by virtue of that mandate undertakes to:

(i) perform the administration and management of the Assets acquired by the Fund pursuant to the rules and ordinary administration and management procedures established in this Prospectus;

(ii) continue administrating the Assets, dedicating the same time and attention and level of expertise, care and diligence in their administration as it would dedicate and apply to the administration of its own loans and, in all events, to apply an adequate level of expertise, care and diligence in providing the services referred to in this Additional Building Block to the Securities Note;

(iii) ensure that the procedures it applies and will apply to the administration and management of the Assets conform and will continue to conform to the prevailing laws and legal provisions applicable thereto;

(iv) comply with the instructions given to it by the Gestora in due faith;

(v) compensate the Fund for such damages and losses as may arise due to breach of the obligations undertaken.

A succinct summary of the rules and ordinary procedures for administration and custody of the Assets is given in the sections that follow.

(1) Duration

The services will be provided by the Bank until all the Assets have been repaid and all the obligations assumed by the Bank in relation to the said Assets have been extinguished, without prejudice to the possible early termination of its mandate.

In the event of non-performance by the Administrator of the obligations established in this Additional Building Block or in the event of a downgrade of its credit ratings, its insolvency or intervention by the Bank of Spain that results in prejudice to or risk for the financial structure of the Fund or the rights and interests of the Bondholders, the Gestora, if legally possible, will take one of the following actions:

(i) replace the Administrator or require it to subcontract or delegate to, or seek a guarantee for performance of the said obligations from, another entity which, in the opinion of the Gestora, has the appropriate legal and technical capacity, provided this does not have a negative impact on the rating of the Bonds;

(ii) Guarantee in full or partly the obligations of the administrador through a third entity that holds a sufficient credit rating, provided this does not have a negative impact on the rating of the Bonds

(iii) if it is not possible to take any the above actions, the Gestora shall assume direct responsibility for providing the services.

The Gestora will take into account the proposals submitted to it by the Administrator in relation to the subcontracting, delegation or appointment of a substitute for the performance of its obligations, as well as in relation to the entity that may guarantee its performance thereof.

The Administrator, in turn, may voluntarily decline to carry on the administration and management of the Assets if this is possible under the laws prevailing from time to time and provided that (i) it is authorised to do so by the Gestora; (ii) the Gestora has appointed a new Administrator; (iii) the Administrator has indemnified the Fund for the damages and losses which may be occasioned to it by the resignation and substitution, and any additional cost will be borne by it and cannot be passed on to the Fund; and (iv) there is no negative impact on the rating of the Bonds.

(2) Liability of the Bank in respect of custody and administration.

The Bank undertakes to carry on the custody and administration of the Assets with all due diligence and shall be liable in respect of the Fund, through its Gestora, for any loss or damage that may arise as a result of negligence on its part.

The Bank will compensate the Fund, through its Gestora, for all damages, losses or expenses incurred due to breach of its custody and/or administration obligations in respect of the Assets.

(3) Liability of the Bank in respect of collections management.

The Bank undertakes to perform collections management for the Loans with all due diligence and shall be liable in respect of the Fund, through its Gestora, for any loss or damage that may arise as a result of negligence on its part.

The Bank shall bear no liability for directly or indirectly warranting the successful outcome of the operation, shall grant no guarantees or endorsements or enter into repurchase agreements in respect of the Assets, except for those Assets which do not conform to the representations and guarantees contained in subsection 2.2.8 and what it is established in subsection 2.2.9 for the substitutions of Assets of this Additional Building Block to the Securities Note.

(4) Custody of contracts, deeds, documents and archives.

The Administrator will keep all contracts, copies of deeds, documents and computer records relating to the Assets and the damage insurance policies, where applicable, in secure custody and will not relinquish possession, custody or control thereof without the prior written consent of the Gestora to such effect, unless a document is required to initiate enforcement proceedings on an Asset.

The Administrator will at all times grant reasonable access to the said contracts, deeds, documents and records to the Gestora or the statutory auditor of the Fund's account, duly authorised for such purpose. Also, if requested by the Gestora, it will provide a copy or photocopy of any of the said contracts, deeds and documents within five (5) Business Days of such request and without charge. The Administrator shall proceed in the same manner in the case of requests for information submitted by the statutory auditor of the Fund.

The Administrator in all events waives the privileges conferred upon it by law as collections manager of the Fund and custodian of the Loan agreements and, in particular, those provided in articles 1730 and 1780 of the Civil Code (regarding the retention of the deposited items as collateral) and article 276 of the Code of Commerce (regarding guarantees similar to retentions of deposited items as collateral).

(5) Collections management.

The Bank, as collections manager, will receive for the account of the Fund all sums paid by the Debtors deriving from the Assets by way of principal or interest or any other item included in the insurance contracts assigned to the Fund and will deposit the sums corresponding to the Fund in the Treasury Account immediately and, in all events, within no more than forty-eight (48) hours.

(6) Interest rate fixing.

In the Loans subject to a variable interest rate, the Administrator will continue fixing the interest rates according to the terms of the Loans in question, giving the notices and communications established for such purpose in the respective agreements.

(7) Advance of funds.

The Bank will not under any circumstances make any advance of any amount that has not been previously received from the Debtors by way of principal or instalments pending maturity, interest or financial charges, prepayment or other items arising from the Assets.

(8) Insurance policies.

Does not apply.

(9) Reporting.

The Administrator must periodically inform the Gestora of the degree of fulfilment by the Debtors of their obligations in respect of the Assets, of the Administrator's fulfilment of its obligation to deposit the sums received from the Assets, and of the actions taken in the event of non-payment and the discovery of hidden defects in the Assets.

The Administrator must prepare and deliver to the Gestora such additional information regarding the Loans or the rights arising thereunder as may be reasonably requested by the Gestora.

(10) Subrogation of the Debtor of the Assets.

The Administrator shall have authority to allow substitutions into the position of the Debtor in the Loan agreements solely in those cases where the characteristics of the new Debtor are similar to those of the previous one and that they meet the lending policy requirements described in subsection 2.2.7 of this Additional Building Block to the Securities Note, and provided the expenses arising from such change are fully for the account of the Debtors. The Gestora may deny the Administrator this authority where such substitutions could have a negative effect on the ratings given to the Bonds by the Rating Agencies.

In all cases, all substitutions made according to the terms of the preceding paragraph must be immediately notified to the Gestora by the Administrator.

(11) Powers and actions in relation to renegotiations of the Loans.

The Gestora gives the Administrator general authority to renegotiate the Asset's interest rates and term to maturity without its prior consent, on the terms and conditions described below.

The Administrator cannot, on its own initiative, cancel the sureties guaranteeing the Assets for any reason other than payment of the Asset, or waive or settle the Assets, condone the Assets in full or in part or extend them, or in general carry out any act that diminishes the ranking, legal effectiveness or economic value of the guarantees or the Assets, without prejudice to its applying the same diligence and procedure to the requests of the Debtors as it would apply to other loans.

In no circumstances shall the Administrator be permitted to enter into interest rate negotiations that could result in a reduction of the interest rate applicable to an Asset on its own initiative, without first receiving a request from the Debtor.

The Gestora authorises the Administrator to renegotiate the interest rate applicable to the Loans pursuant to a request from the Debtors, subject to the following requirements:

(a) The Administrator will renegotiate the interest rate of the Loans at a rate considered to be a market rate and that does not differ from the one applied by the Administrator in the renegotiation of the credit facilities and loans it has granted. For these purposes, the market interest rate is considered to be the interest rate offered by credit institutions in the Spanish market for loans or credit facilities in amounts and on conditions substantially similar to the Loan.

(b) In no event will renegotiation of the applicable interest rate result in a modification of that rate to a variable interest rate or index other than that of the interest rates or indices used by the Administrator for the credit facilities and loans it has granted. However, renegotiation will be possible if it results in a change from a variable to a fixed interest rate or a change from a fixed to a variable interest rate, taking into account, in the latter case, the restriction set out in subparagraph c) below.

In addition, the Administrator's renegotiation authority recognised in this section is subject to the following limits:

(a) In no event may the amount of the Loan be increased.

(b) The frequency of payment of instalments on the Loan cannot be modified.

c) The margin over the reference index cannot be renegotiated if as a result of the renegotiation the average weighted margin or spread on the reference rate applicable to the principal of variable rate Loans pending maturity is reduced to below two hundred and fifty basis points (2.50%), in the case of variable rate loans granted to customers of the Bank. In the case of fixed rate loans, the margin cannot be renegotiated if as a result the average interest rate of all the fixed rate Loans weighted by the principal pending maturity of each of the fixed rate loans is reduced to below six per cent (6%).

d) The term to maturity of a specific Loan may be extended provided the following requirements are met:

- That, in all cases, the regularity of interest payments and capital or principal repayments on the Loan is maintained or increased, and that the same repayment system is retained.
- That the new final maturity or last repayment date of the Loan is, for the Initial Assets, no later than 19 October 2015 and, for the New Assets, no later than 19 October 2017.
- That the sum of the outstanding balance of principal assigned to the Fund of Loans in respect of which the terms to maturity is renegotiated does not exceed 10% of the initial outstanding balance of the principal of the Loans on the Formation Date.

In all events, following any renegotiation pursuant to the provisions of this section, the Administrator will proceed to give immediate notice to the Gestora of the conditions resulting from each renegotiation.

The Gestora, as representative of the Fund, may, where deemed expedient for the Fund and after informing the Administrator, suspend or modify the renegotiation authority and requirements of the Administrator set out in this section.

(12) Fee for provision of services.

In remuneration for its administration activities in respect of the Assets, the Bank shall receive a fixed fee of TWENTY THOUSAND EUROS (€20,000) each quarter, including VAT, on each Payment Date.

If the Fund, through its Gestora, does not pay the whole of the fee on a given Payment Date because it does not have sufficient liquidity in the Treasury Account in accordance with the Ranking of Payments set out in subsection 3.4.6.(b), or if applicable, in accordance with the Liquidation Ranking of the Payments established for each Series in subsection 3.4.6. (d) of the Additional Building Block the amounts not paid will be added, without penalty, to the fee payable on the next Payment Date and will be settled at that time.

The Bank will also, on each Payment Date, be entitled to be reimbursed for any exceptional expenses it has incurred in relation to the administration of the Assets, upon prior presentation of evidence thereof to the Gestora. Such expenses will include, inter alia, those occasioned by reason of enforcement of any sureties guaranteeing the Assets, and will be paid provided the Fund has sufficient Available Funds in the Treasury Account and in accordance with the provisions of subsection 3.4.6. (b) of this Additional Building Block on the ranking of payments, , or if applicable, in accordance with the Liquidation Ranking of the Payments established for each Series in subsection 3.4.6. (d) of the Additional Building Block.

(13) Offsetting.

In exceptional circumstances and despite the representations set out in subsection 2.2.8 of this Additional Building Block, in the event that any one of the Debtors of the Loans maintains a net, due and payable credit right in respect of the Administrator and, therefore, that any one of the Loans is offset, in full or in part, against this credit right, the Administrator will remedy this situation or, if remedy is not possible, shall proceed to pay to the Fund the amount that has been offset plus the interest that would have accrued to the Fund until the date on which the payment is made, calculated pursuant to the terms and conditions applicable to the Loan in question.

Likewise, if the Debtor seeks to impose against the Fund the exceptions to which it would be entitled in respect of the Bank, as provided for in article 11 of Act 7/95 of 23 March (the Consumer Credit Act), the Bank will remedy this situation or, if remedy is not possible, shall proceed to pay to the Fund the amount that would not have otherwise been paid plus the interest that would have accrued to the Fund until the date on which the payment is made, calculated pursuant to the terms and conditions applicable to the Loan in question.

(14) Subcontracting.

The Administrator may subcontract any of the services that it has undertaken to provide as set out above, except for any that may not be delegated pursuant to prevailing legislation. Such subcontracting arrangement must not under any circumstances entail additional cost or expense for the Fund or the Gestora, and must not give rise to any downgrade of the ratings awarded by the Ratings Agencies to each of the Bond Series. Notwithstanding such subcontracting or delegation arrangements, the Administrator shall be neither exempted nor released, by virtue of such subcontracting or delegation, from any of the liabilities assumed or that may be attributed to it or enforced upon it by law.

(15) Notices.

The Gestora and the Seller have agreed not to give notice of the assignment to the respective Debtors. Accordingly, no notice is required in order for the assignment of the Loans to be valid.

Nevertheless, the Seller will grant powers as ample as legally necessary to the Gestora so that the latter may, on behalf of the Fund, give Debtors notice of the assignment at the time it deems to be appropriate.

Notwithstanding the foregoing, in the event of bankruptcy or signs thereof, intervention by the Bank of Spain, or liquidation or replacement of the Administrator or because the Gestora deems it to be reasonably justified, it may require the

Administrator to notify the Debtors of the transfer to the Fund of the Assets pending repayment, and that the payments deriving therefrom will only discharge the debt if they are made to the Treasury Account opened in the name of the Fund. Notwithstanding the foregoing, in the event that the Administrator fails to give notice to the Debtors within five (5) Business Days of receipt of the request or in the event of the Administrator's insolvency, the Gestora will be directly responsible for issuing such notice to the Debtors. The Gestora will issue such notice as quickly as possible.

The Seller will assume the costs of notice to the Debtors even if notice is given by the Gestora.

3.7.2 Management Company (Gestora).

The administration and legal representation of the Fund will rest with the Gestora, whose name, address and significant activities are detailed in section 6 of the Registration Document on the terms provided in Royal Decree 926/1998 and other applicable laws and regulations.

The Gestora is likewise responsible, in its capacity as manager of third-party funds, for representing and defending the interests of the Bondholders and the rest of the ordinary creditors of the Fund. Consequently, the Gestora must strive at all times to protect the interests of the Bondholders, subordinating its actions to the defence thereof and observing the regulatory provisions established for such purpose.

The actions that the Gestora will perform in fulfilment of its administration and legal representation duties for the Fund are, purely for illustration and without prejudice to any other actions provided for in this Additional Building Block, as follows:

(i) opening, in the name of the Fund, the Treasury Account and Principal Account, initially with the Bank, for so long as the rating of the Bank's unsubordinated, unsecured short-term debt does not fall below A-1 or P-1 (on the Standard & Poor's and Moody's scales, respectively).

(ii) Exercising the rights attached to the Fund's ownership of the Assets and, in general, carrying out all acts of administration and disposal that are necessary to the proper performance of the administration and legal representation of the Fund;

(iii) Carrying on the financial administration of the Assets with diligence and rigour, without prejudice to the management functions assumed by the Seller in its capacity as Administrator according to the provisions of subsection 3.7.1 above;

(iv) Verifying that the amounts of revenue actually received by the Fund match the sums payable to it according to the conditions of each Asset and to the conditions of the various agreements;

(v) Validating and checking the information received from the Administrator on the Loans, with regards to collections of ordinary instalments, prepayments of principal, payments received in respect of unpaid instalments and the current status and control of defaults;

(vi) Calculating the available funds and movements of funds that it will have to make once they have been applied according to the relevant ranking of payments, ordering the relevant transfers between asset and liability accounts and giving the relevant payment instructions, including for payments assigned to cover the financial servicing of the Bonds;

(vii) Calculating and settling the amounts to be received and paid in respect of interest and fees for the different financial asset and liability accounts, as well as the fees payable for the various financial services arranged and the sums that correspond to each Bond Series in respect of principal repayments and interest;

(viii) If at any time in the life of the Bonds the ratings awarded to the Bank's debt by the Ratings Agencies are downgraded, with regards to the Bank's capacity of Paying Agent, counterparty to the Swap and entity with which the Treasury Account and Principal Account have been opened, carrying out the actions described in subsection 5.2.a) of the Securities Note and subsections 3.4.7 and 3.4.4 of this Additional Building Block;

(ix) Performing the calculations obligations stipulated in this Additional Building Block and in the Subordinated Loan for Formation Expenses Agreement, Subordinated Loan for Reserve Fund Agreement, Treasury Account Guaranteed Yield Reinvestment Agreement and Principal Account Guaranteed Yield Reinvestment Agreement described in subsections 3.4.3 and 3.4.4 of this Additional Building Block to the Securities Note;

(x) Monitoring the actions taken by the Administrator to recover non-payments, issuing instructions, where appropriate, to initiate enforcement proceedings and pursuing the relevant remedies when circumstances so require;

(xi) Keeping the accounts of the Fund duly separated from the Gestora's own accounts, rendering the accounts and complying with the tax and other legal obligations incumbent on the Fund;

(xii) Providing the holders of the Bonds issued with a charge to the Fund, the CNMV and the Rating Agencies with all information and notices as are provided for in prevailing legislation and, specifically, those envisaged in this Prospectus;

(xiii) In order to allow the Fund to operate as provided in the Prospectus and in the laws and regulations prevailing at the time, renewing or amending the agreements it has signed in the name of the Fund, replacing each of the providers of services to the Fund under those agreements and, if necessary, entering into additional agreements, all subject to legislation in force at the time, to the prior authorisation, if necessary, of the CNMV or competent administrative body and to notification thereof to the Rating Agencies, and provided such actions do not lead to a downgrade of the rating of the Bonds and are not prejudicial to the interests of the Bondholders. Any amendment to the Deed of Formation must be notified in advance to the CNMV, so that the requisite authorisation may be obtained, and to the Rating Agencies.

(xiv) Appointing and replacing, where applicable, the auditor to audit the annual financial statements of the Fund;

(xv) Preparing and filing with the CNMV and competent bodies, all documents and information that must be submitted pursuant to applicable laws and regulations and to the content of this Prospectus, or that may be requested, and preparing and submitting to the Rating Agencies such information as they may reasonably request;

(xvi) Adopting the pertinent decisions in relation to the Fund's liquidation, including any decision to redeem the Bond issue early and liquidate the Fund, according to the terms of this Prospectus;

(xvii) Not carrying out actions that could impair the rating of the Bonds and seeking to adopt all measures reasonably available to it to ensure that the rating of the Bonds is not negatively affected at any time;

(xviii) Managing the Fund so that its net assets are zero at all times.

The Gestora will pursue its activity with the diligence required of it under Royal Decree 926/1998, representing the Fund and defending the interests of the Bondholders and the rest of the Fund's creditors as if they were its own interests, applying the utmost levels of diligence, disclosure and defence of those interests and avoiding situations that imply conflicts of interests, giving priority to the interests of the Bondholders and the rest of the

Fund's creditors over its own interests. The Gestora will be liable in respect of the Bondholders and other creditors of the Fund for all loss and/or damage caused to them due to non-performance of its obligations. It will likewise be liable for the disciplinary provisions applicable under Act 19/1992.

The Gestora has the necessary resources, including adequate computer systems, to carry on the Fund administration functions attributed to it by Royal Decree 926/1998.

The Gestora has established an Internal Code of Conduct pursuant to the provisions of Chapter II of Royal Decree 629/1993 of 3 May 1993 on standards of conduct in securities markets and mandatory record-keeping, and this Code has been communicated to the CNMV.

The Gestora may act as Management Company of the Fund, as well as of any other securitisation fund, without the simultaneous management of the same in any way constituting a violation of its obligations of diligence as Gestora of the Fund or other securitisation funds.

Substitution of the Gestora

The Gestora will be substituted in the administration and representation of the Fund according to the regulatory provisions established in this regard. Thus, in accordance with the terms of articles 18 and 19 of Royal Decree 926/1998, the substitution of the Gestora will take place according to the following procedure:

(i) The Gestora may cease to perform its functions when it deems fit and, on its initiative, ask to be substituted by sending a written notice to the CNMV in which it will designate the substitute management company. This notice will be accompanied by a notice from the new management company duly authorised and registered as such in the special registers of the CNMV, in which the substitute company declares that it is ready to accept the function and solicits the relevant authorisation. The resignation of the Gestora and appointment of a new company as management company of the Fund will require the approval of the CNMV. In no event may the Gestora discontinue exercising its functions until all of the requirements and formalities necessary for the substitute to be able to fully assume its functions in relation to the Fund have been fulfilled, nor may the Gestora discontinue its functions if the said substitution will lead to a downgrade of the rating granted to any of the Series of Bonds issued with a charge to the Fund. All expenses generated as a result of the substitution will be borne by the Gestora and will not in any event be passed on to the Fund.

(ii) In the event that the Gestora is affected by any of the grounds for winding up set out in article 260.1 of the Spanish Public Limited Companies Act (Ley de Sociedades Anónimas), the Gestora will be replaced. The existence of any of those grounds will be notified by the Gestora to the CNMV. In such event, the Gestora will be obliged to comply with the provisions of paragraph (i) above before its winding up.

(iii) In the event the Gestora is declared subject to insolvency proceedings, or its authorisation is revoked, it must proceed to name a substitute management company. The substitution must take effect within four (4) months of the date of occurrence of the event necessitating the substitution. If four (4) months elapse after such event without the Gestora having appointed a new management company, the Fund will be liquidated early and the Bonds redeemed, to which end there shall be carried out the actions provided for in subsection 4.4.c.3 of the Registration Document.

(iv) The substitution of the Gestora and appointment of a new company, approved by the CNMV as provided in the foregoing paragraphs, must be notified to the Rating Agencies and made public within fifteen (15) days, by publishing a notice in two daily newspapers with nationwide circulation and in the AIAF bulletin.

The Gestora undertakes to execute the public and private documents needed to carry out its substitution by another management company in accordance with the provisions set out in the foregoing paragraphs of this section. The substitute management company must be subrogated to the rights and obligations that rest with the Gestora in respect of this Additional Building Block. The Gestora must also deliver to the new management company all accounting and computer documents and records in its possession relating to the Fund.

Gestora's remuneration for performance of its functions

The Gestora will, on each Payment Date of the Bonds, be entitled to a periodic administration fee of a given percentage and subject to an annual minimum that will accrue over the actual number of days in each Interest Accrual Period, will be paid quarterly on each of the Payment Dates and will be calculated on the basis of the aggregate Outstanding Principal Balances of the Bonds of all three (3) Series on the Determination Date corresponding to that Payment Date. The fee accrued from the Fund Formation Date to the first Payment Date of the Bonds will be adjusted in proportion to the days contained in the period between those two dates, calculated on the basis of the face value of the Bonds in issue.

3.8 Name, address and brief description of any counterparty for swap operations and providers of credit, liquidity or accounts.

The Bank is the counterparty of the Fund in the agreements described below. A brief description of the Bank is included in section 3.5 of this Additional Building Block to the Securities Note and in section 5.2 of the Registration Document.

(a) Treasury Account Guaranteed Yield Reinvestment Agreement.

The Treasury Account will be initially opened with Banco Español de Crédito, S.A. and will continue to be held with the Bank for so long as the rating of the Bank's unsubordinated, unsecured short-term debt does not fall below A-1 or P-1 (on the Standard & Poor's and Moody's scales, respectively).

A description of the agreement is given in subsection 3.4.4 of this Additional Building Block and in subsection 5.2 of the Securities Note.

(b) Principal Account Guaranteed Yield Reinvestment Agreement.

The Principal Account will be initially opened with Banco Español de Crédito, S.A. and will continue to be held with the Bank for so long as the rating of the Bank's unsubordinated, unsecured short-term debt does not fall below A-1 or P-1 (on the Standard & Poor's and Moody's scales, respectively).

A description of the agreement is given in subsection 3.4.4 of this Additional Building Block to the Securities Note and in subsection 5.2 of the Registration Document.

c) Subordinated Loan for Formation Expenses Agreement

A description of the agreement is given in subsection 3.4.4 of this Additional Building Block to the Securities Note.

d) Subordinated Loan for Reserve Fund Agreement.

A description of the agreement is given in subsection 3.4.4.b) of this Additional Building Block to the Securities Note.

e) Financial Intermediation Agreement.

A description of the agreement is given in subsection 3.4.4 of this Additional Building Block to the Securities Note.

f) Paying Agency Agreement

Initially, the Bank will monitor the paying agency of the Fund. A detailed description of the Paying Agency Agreement is set up in subsection 5.2 of the Securities Note.

4. POST ISSUANCE REPORTING

(a) Obligations and projected timing for preparation, verification and approval of the annual financial statements and management report.

The Gestora will file the annual financial statements of the Fund, together with the audit report thereon, with the CNMV within four (4) months of the close of the Fund's financial year, which will be coterminous with the calendar year (that is, prior to 30 April of each year).

The Bank will also file with the CNMV, within the first six (6) months of the years 2008, 2009 and 2010, a copy of the audit of the features of the New Assets acquired during 2007, 2008 and 2009 (i.e. the years of the Renewal Period) described in subsections 3.3.A)(b)(b.3) of the Additional Building Block, and which remain outstanding at 31 December of each of those years.

(b) Obligations and projected frequency of public disclosure and reporting to the CNMV and to the Rating Agencies of periodic information on the economic-financial situation of the Fund.

(b.1) Periodic ordinary reporting.

The Gestora, in its management and administration of the Fund, undertakes to report to the CNMV and to the Rating Agencies, with the utmost possible diligence, quarterly or with such other timing as they may request, the information described below or any other type of information required of it, in relation to the Bonds of the three (3) Series, the performance of the Assets, prepayments, and the economic-financial situation of the Fund, as well as providing them with all additional information requested of it. In addition, the Gestora will provide the Ratings Agencies with information relating to (i) Defaulted Loans that have acquired this status in the Interest Accrual Period underway and (ii) the total number of Defaulted Loans accumulated since the Formation Date.

(b.1´) Within the period extending from the Rate Fixing Date to a maximum of three (3) Business Days following each Payment Date, it will notify the Bondholders of the nominal interest rates determined for each Series of Bonds for the next Interest Accrual Period.

(b.1'') At least one (1) calendar day ahead of each Payment Date, it will notify the Bondholders of the following:

i The interest resulting on the Bond together with their redemption;

ii. The Average Rates of Early Repayment of the Assets at the Determination Date;

iii. The average residual life of the Bonds calculated assuming the said current early repayment rate is maintained;

iv. The Outstanding Principal Balance (after the redemption to be effected on each Payment Date) of each Bond, and the percentage which the said Outstanding Balance represents in relation to the initial face value of each Bond.

v. Outstanding Balance of the Assets, interest accrued thereon, including both payments collected and payments not collected, and the amount past due of the Assets.

vi. Report on the source and subsequent application of the Available Funds in accordance with the ranking of payments set out in subsection 3.4.6.(b) of this Additional Building Block to the Securities Note, or if applicable, in accordance with the Liquidation Ranking of the Payments established for each Series in subsection 3.4.6. (d) of the Additional Building Block.

If applicable, it will likewise proceed to inform the Bondholders of the interest accrued on the Bonds and not paid due to insufficiency of Available Funds.

The notices indicated in this paragraph will be issued according to the provisions of section b.3 below and will also be sent to Iberclear and AIAF within a maximum of two (2) Business Days before each Payment Date (unless this is a public holiday in Madrid, in which case they will be sent on the next Business Day).

(b.2) Extraordinary notices.

The Fund, through its Gestora, will also notify the Bondholders, the CNMV and the Ratings Agencies, of all significant events which may occur in relation to the Assets, to the Bonds, to the Fund and to the Gestora itself that could have a material influence on trading in the Bonds and, in general, any material modification in the Fund assets or liabilities, and any change to the Deed of Formation, and also of any decision to redeem the Bonds early for any of the reasons provided in the Prospectus, submitting to the CNMV in such event the notary's certificate of liquidation and procedure referred to by subsection 4.4.3(4.4) of the Registration Document.

(b.3) Procedure.

The notices that must be sent to Bondholders by the Fund, through its Gestora, according to the foregoing, will be issued in the following manner:

1. The periodic ordinary reports referred to in section b.1) above, by publication either in the daily bulletin of the AIAF, or such other publication as may replace it in the future or another of similar characteristics, or by means of publication in a daily newspaper with wide circulation in Spain.
2. The extraordinary notices referred to in section b.2) above, by means of their publication in a daily newspaper with wide circulation in Spain.

In addition, the above notices may be issued by publishing them in other media with wide dissemination.

These notices will be considered to be made on the date of their publication, for which purpose any day of the calendar, whether or not a Business Day (within the meaning of this Prospectus) will be valid.

(c) Reporting to the Comisión Nacional del Mercado de Valores.

The Gestora will report to the CNMV the information stipulated in the foregoing sections, as well as any information requested of it in addition to the above.

(d) Information to be provided by the Bank to the Gestora.

In addition, the Bank undertakes to inform the Gestora, as representative of the Fund, on a quarterly basis and, in all events, on the request of the Gestora, on payment defaults, early repayments and modifications of interest rates and, on a timely basis, on payment requests, court actions and any other circumstances affecting the Assets.

The Bank will likewise provide the Gestora with all documents the latter may request in relation to those Loans and, in particular, the documentation required for the Gestora to initiate, where applicable, court actions.

Mr Ignacio Ortega Gavara, for and on behalf of SANTANDER DE TITULIZACIÓN, S.G.F.T. and in his capacity as General Manager signs this Prospectus in Madrid on 21 June 2007

DEFINITIONS

For the proper interpretation of this Prospectus, the terms written in uppercase will be understood according to the definition given below for each of them, unless some other meaning is expressly attributed thereto. Terms not expressly defined shall be understood according to their usual meaning. It is also noted that the terms given in singular include the plural and vice versa, wherever the context so requires.

The terms given in uppercase below shall have the following meaning:

"**Assets**": Means, jointly, the Initial Assets and the New Assets.

"**Initial Assets**": Means the credit rights arising under the Loans granted by the Bank and which are included in the assignment to the Fund on the Formation Date.

"**Non-Performing Loans**": Means those Loans that at a given date are more than ninety (90) days overdue on the payment of their debts, not including the Defaulted Loans.

"**Defaulted Loans**": Means those Loans that the Bank does not expect to be able to recover and those Loans for which part of the repayment instalments are more than twelve (12) months in arrears.

"**Non-Defaulted Loans**": Means those Assets that are not classified as Defaulted Loans.

"**Administrator**": Means Banco Español de Crédito, S.A. (unless it is replaced in the role of Administrator of the Loans, in which case it will mean the substitute entity).

"**Rating Agencies**": Means, jointly, Moody's and Standard & Poor's.

"**Paying Agent**": Means Banco Español de Crédito, S.A.

"**AIAF**": Means AIAF, Mercado de Renta Fija.

"**Early Redemption**": Means redemption of the Bonds on a date prior to the Statutory Maturity Date under the circumstances of Early Liquidation of the Fund in accordance with the requirements established in section 4.4c) of the Registration Document.

"**Bank**": Means Banco Español de Crédito, S.A.

"**Bonds**": Means the securitisation bonds issued with a charge to the Fund.

"**Amount Accrued for Redemption**": Means, for each Payment Date, the difference (if positive) between (i) the sum of the Outstanding Principal Balance of the Series A, B and C Bonds on the Determination Date prior to each Payment Date and (ii) the sum of (a) the Outstanding Balance of the Non-Defaulted Loans on each Determination Date and (b) the remainder of the "Funds Available for Redemption" not used to acquire New Assets on the previous Payment Date and still deposited in the Principal Account.

"**Seller**": Means Banco Español de Crédito, S.A.

"**Circular 4/2004**": Means Bank of Spain Circular 4/2004, of 22 December, to credit institutions, on reporting standards for public and confidential information and models for financial statements.

"**CNMV**": Means the Comisión Nacional del Mercado de Valores, the Spanish securities exchange regulator.

"Paying Agency Agreement": Means the paying agency agreement to be entered into by the Gestora on behalf of the Fund and the Paying Agent that regulates the obligations and liabilities that correspond to the Bank as a result of being the Fund Paying Agent.

"Management, Underwriting and Distribution Agreement": Means the agreement for the management, underwriting and distribution of the Bond Issue to be concluded between the Gestora, for and on behalf of the Fund, and the Lead Managers and the Underwriters.

"**Subordinated Loan for Formation Expenses Agreement**": Means the agreement for a subordinated loan of ONE MILLION TWO HUNDRED EUROS (€ 1,200,000.000) to be entered into by the Gestora, in the name and on behalf of the Fund, and the Bank, to be used to cover the cost of setting up the Fund and issuing the Bonds and to part finance the acquisition of the Initial Assets.

"**Subordinated Loan for Reserve Fund Agreement**": Means the agreement for a subordinated loan of NINE MILLION SIX HUNDRED EURO (€ 9,600,000.00) to be entered into by the Gestora, in the name and on behalf of the Fund, and the Bank, to be used to set up the Reserve Fund.

"**Principal Account Guaranteed Yield Reinvestment Agreement**": Means the agreement for reinvestment of the Principal Account at a guaranteed interest rate to be entered into by the Gestora, acting for and on behalf of the Fund, and the Bank, whereunder the Bank will guarantee a variable yield on the amounts deposited by the Fund (through its Gestora) in the Principal Account.

"**Principal Account Guaranteed Yield Reinvestment Agreement**": Means the agreement for reinvestment of the Treasury Account at a guaranteed interest rate to be entered into by the Gestora, acting for and on behalf of the Fund, and the Bank, whereunder the Bank will guarantee a variable yield on the amounts deposited by the Fund (through its Gestora) in the Treasury Account.

"**Swap Contract**"; "**Swap**" or "**Interest Rate Swap**": Means the interest rate swap contract, according to the model Financial Transactions Master Agreement (Contrato Marco de Operaciones Financieras), to be entered into by the Gestora, acting for and on behalf of the Fund, and the Bank.

"**Principal Account**": Means the account to be opened with the Bank in the name of the Fund by the Gestora whose use will be the subject matter of the Principal Account Guaranteed Yield Reinvestment Agreement.

"**Treasury Account**": Means the account to be opened with the Bank in the name of the Fund by the Gestora whose use will be the subject matter of the Treasury Account Guaranteed Yield Reinvestment Agreement.

"**Business Day**": Means any day other than:

(i) Saturday;

(ii) Sunday;

(iii) holidays on the TARGET calendar (solely for the purposes of determining the nominal interest rate applicable in each Interest Accrual Period). This includes in addition to the days indicated in subparagraphs (i) and (ii) above, 1 January, Good Friday, Easter Monday, 1 May, 25 December and 26 December; and

(iv) public holidays in Madrid (for the purposes of determining the nominal interest rate applicable in each Interest Accrual Period and for the rest of the conditions of the issue).

"**Calendar Day**": Means all days of the year, including Sundays and public holidays.

"Commercial Banking Division of the Bank": Means the division of Banco Español de Crédito, S.A. responsible for relationships with retail customers and SMEs.

"**Registration Document**": Means the registration document consisting of Annex VII approved by the CNMV on 21 June 2007.

"**Underwriters**": Means, collectively, Banco Español de Crédito, S.A., Barclays Bank, PLC and J.P. Morgan Securities Ltd.

"**Lead Managers**": Means, collectively, Banco Español de Crédito, S.A., Barclays Bank, PLC and J.P. Morgan Securities Ltd.

"**Deed of Formation**": Means the Deed of Formation of the securitisation fund FINANCIACIÓN BANESTO 1, FONDO DE TITULIZACIÓN DE ACTIVOS, Assignment of Assets and Issuance of Securitisation Bonds.

"**Formation Date**": Means the date on which the Deed of Formation is executed. It is expected that the Formation Date will be 25 June 2007.

"**Closing Date**": Means 29 June 2007.

"Statutory Maturity Date": Means 19 October 2019 or, if this is not a Business Day, the next Business Day.

"**Determination Dates**": Means the fifth fifth (5th) Business Day prior to each Payment Date, on which the Gestora, on behalf of the Fund, will make the calculations necessary to distribute or withhold the Available Funds on the said dates, in accordance with the Ranking of Payments described in subsection 3.4.6.(b) of the Additional Module to the Securities Note.

"**Offer Dates**": Means the dates falling on the fourth (4th) Business Day before each of the Payment Dates in the Renewal Period on which an acquisition of New Assets is to be made.

"Payment Dates": Means 19 January, 19 April, 19 July and 19 October of each year or, if any of these dates is not a Business Day, the next following Business Day.

"**Offer Solicitation Dates**": Means the dates falling on the fifth (5th) Business Day before each of the Payment Dates in the Renewal Period on which an acquisition of New Assets is to be made.

"**Prospectus**": Means, collectively, the index, the document describing the risk factors, the Registration Document, the Securities Note, the Additional Building Block to the Securities Note and the document containing the definitions.

"**Fund**" or "**Issuer**": Means the securitisation fund FINANCIACIÓN BANESTO 1, FONDO DE TITULIZACIÓN DE ACTIVOS.

"Reserve Fund": Means the reserve fund to be established by the Gestora, on behalf and for the account of the Fund, according to the provisions of subsection 3.4.2.2 of the Additional Building Block to the Securities Note.

"**Available Funds**": Means the amounts received by the Fund by way of principal repayments and interest payments on the Assets, the return on the Treasury Account and the Principal Account, the Reserve Fund, the net amount of the Swap and any other amounts that the Fund may receive, as established in subsection 3.4.6.a) of the Additional Building Block, which will be applied on each Payment Date to the payments established in the Ranking of Payments set out in subsection 3.4.6.b) of the Additional Building Block.

"**Funds Available for Redemption**": Means the amounts that will be allocated, during the Renewal Period, to the purchase of New Assets, and, at the end of the Renewal Period, to the redemption of the Series A, B and C Bonds on each Payment Date. The Funds Available for Redemption will be determined according to the provisions of subsection 4.9.2 of the Securities Note.

"**Funds Available for Liquidation**": Means:

(a) Available Funds:

(b) The amounts that the Fund will obtain on the sale of the remaining Assets and any other assets, as applicable, in the event of the Early Liquidation of the Fund in accordance with the prerequisites established in subsection 4.3.c) of the Registration Document; and

c) Where applicable, the amount drawn down under the line of credit intended exclusively for the final redemption of the Bonds pursuant to the provisions established in subsection 4.3.c) (iv) of the Registration Document.

"**Iberclear**": Means the registration, clearing and settlement service, Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.

"**Maximum Acquisition Amount**": Means the maximum amount that the Gestora may allocate, on each Payment Date in the Renewal Period, to the acquisition of the New Assets, which will be equal to the amount of the Funds Available for Redemption on each of the Payment Dates.

"**Maximum Asset Amount**": Means the amount equal to or slightly greater than EIGHT HUNDRED MILLION EUROS (€ 800,000,000)

"**VAT**": Means Valued Added Tax.

"**Act 13/1985**": Means Act 13/1985, of 25 May, on investment ratios, shareholders' equity and the reporting obligations of financial intermediaries.

"**Act 19/1992**": Means Act 19/1992 of 7 July 1992 governing Real Estate Investment Companies and Mortgage Securitisation Funds (Ley sobre Régimen de Sociedades y Fondos de Inversión Inmobiliaria y sobre Fondos de Titulización Hipotecaria).

"**Act 37/1992**": Means Act 37/1992 of 28 December on Value Added Tax (Ley del Impuesto sobre el Valor Añadido).

"**Act 3/1994**": Means Act 3/1994 of 14 April 1994 on Adaptation to the Second Directive on Banking Coordination (Ley de Adaptación a la Segunda Directiva de Coordinación Bancaria).

"**Act 23/2005**": Means Act 23/2005, of 18 November, on tax reforms to enhance productivity.

"**Insolvency Act**": Means the Act 22/2003 of 9 July (Ley Concursal).

"**Civil Procedure Act**": Means the Civil Procedure Act 1/2000 of 7 January 2000 (Ley de Enjuiciamiento Civil).

"**Spanish Securities Market Act**" or "**Act 24/1988**": Means Act 24/1988 of 28 July 1988 regulating the Securities Market (Ley Reguladora del Mercado de Valores) as amended, among other, by Act 37/1998 of 16 November 1998, by Act 44/2002 of 22 November 2002 and by Royal Decree Ley 5/2005 of 11 March 2005.

"Early Liquidation": Means the early liquidation of the Fund prior to 19 October 2019, and thereby the Early Redemption on a Payment Date of the total Bond issue under the circumstances and in the form established in subsection 4.4.c) of the Registration Document.

"**Net Interest Income**": Means the variable, subordinated income that the Seller will be entitled to receive by virtue of the Deed of Formation of the Fund.

"**AIAF Market**": Means the Fixed Income Market of the Spanish Association of Financial Intermediaries (AIAF).

"Additional Building Block": Means the additional building block to the securities note on the Bond issue drawn up according to Annex VIII of Regulation (EC) 809/2004, approved by the CNMV on 21 June 2007.

"**Rate Fixing Date**": Means the second Business Day on the TARGET (Transeuropean Automated Real-time Gross Settlement Express Transfer System) calendar before each Payment Date, at 11.00 a.m (Madrid time).

"**Moody's**": Means Moody's Investors Service España, S.A.

"**Required Level of the Reserve Fund**" or "**Required Level**": Means the amount that must be held in the Reserve Fund on each Payment Date, pursuant to the provisions of subsection 3.4.2.2.a) of Additional Building Block.

"International Financial Reporting Standards": Means the International Financial Reporting Standards that are applicable to the information published by the Bank in accordance with Regulation (EC) 1606/2002 and Bank of Spain Circular 4/2004.

"**Securities Note**": Means the securities note on the Bond issue drawn up according to Annex XIII of Regulation (EC) 809/2004, approved by the CNMV on 21 June 2007.

"**New Assets**": Means the credit rights arising under the Consumer Finance Loans granted by the Bank that are assigned to the Fund on the Payment Dates during the Renewal Period.

"**Assignment Offer**": Means the written notice of the offer to assign New Assets that the Bank will issue to the Gestora before 5.00 p.m. on the corresponding Offer Date, and which must be accompanied by a computer file containing an itemised list of the Loans that have been selected and satisfy the Selection Requirements.

"Ranking of Payments": Means the order of priority of the Fund's payment or withholding obligations for application of the Available Funds on each Payment Date.

"Liquidation Ranking of Payments": Means the order of priority of the Fund's payment or withholding obligations for application of the Funds Available for Liquidation on the Liquidation Date.

"**Order EHA/3537/2005**": Means Ministry of the Economy and Finance Order EHA/3537/2005, implementing article 27.4 of the Securities Market Act.

"**Interest Accrual Periods**": Means each of the periods into which the Bond issue is divided, including the days actually contained between each Payment Date, with each Interest Accrual Period including the initial Payment Date but excluding the end Payment Date. The first Interest Accrual Period will have a term equal to the period extending from the Closing Date (29 June 2007) to the first Payment Date (19 October 2007).

"**Determination Period**": Means each period between two consecutive Determination Dates, including in each Determination Period the initial Determination Date of the corresponding period but excluding the final Determination Date of the said period. The first Determination Period will have a team equal to the period extending from the Formation Date to the Determination Date prior to the first Payment Date.

"Renewal Period": Means the period extending from the Closing Date to 19 July 2009 or, if this date is not a Business Day, the next following Business Day, inclusive, during which the Fund will acquire New Assets from the Seller, quarterly on each Payment Date, except in the event of any of the circumstances provided in subsection 3.3.b)(b.1) of the Additional Building Block that result in the termination of the Renewal Period.

"**Subscription Period**": Means the two (2) hour period from 12:00 noon to 2:00 p.m. Madrid time on the first Business Day following execution of the Deed of Formation, that is, 26 June 2007, during which subscription applications must be submitted to the offices of the Underwriters.

"Consumer Finance Loans" or **"Loans":** Means the loans underlying the Assets to be assigned to the Fund that have been granted by the Bank's Commercial Banking Division to retail customers resident in Spain to finance consumption, consumption being understood for the present purposes to mean transactions carried out for purposes other than business investments that are not secured by mortgage or collateral of any kind. Consumer finance includes, but is not limited to, the acquisition of consumer goods in the broadest possible sense, the acquisition of property, home improvements and the acquisition of new and used cars.

"**Subordinated Loan for Formation Expenses**": Means the loan in the amount of ONE MILLION TWO HUNDRED THOUSAND EUROS (€ 1,200,000.00) granted to the Fund under the Subordinated Loan for Formation Expenses Agreement.

"Subordinated Loan for Reserve Fund": Means the loan in the amount of NINE MILLION SIX HUNDRED THOUSAND EUROS (€ 9,600,000.00) granted to the Fund under the Subordinated Loan for Reserve Fund Agreement.

"**Defaulted Loans**": Means those Loans that the Bank does not expect to be able to recover and those that have repayments instalments more than twelve (12) months past due.

"**Royal Decree 1643/1990**": Means Royal Decree 1643/1990 of 20 December, approving the Spanish General Chart of Accounts (Plan General Contable).

"**Royal Decree 926/1998**": Means Royal Decree 926/1998 of 14 May 1998 regulating Asset Securitisation Funds and management companies of securitisation funds.

"**Royal Decree 2281/1998**": Means Royal Decree 2281/1998, of 23 October, implementing the provisions regulating certain tax reporting obligations and amending the Pension Fund Regulations (Reglamento de Planes y Fondos de Pensiones) approved by Royal Decree 1307/1988, of 30 September and Royal Decree 2027/1995, of 22 December, regulating annual returns for transactions with third parties.

"**Royal Decree 1777/2004**": Means Royal Decree 1777/2004 of 30 July 2004 approving the Corporate Income Tax Regulations (Reglamento del Impuesto sobre Sociedades).

"**Royal Decree 1778/2004**": Means Royal Decree 1778/2004, of 30 July, establishing reporting obligations in respect of preference securities and other debt instruments and certain other income obtained by natural persons resident in the European Union.

"**Royal Decree 1310/2005**": Means Royal Decree 1310/2005 of 4 November 2005, partially implementing the Securities Market Act 24/1988 of 28 July 1988 on matters of admission of securities to trading in official secondary markets, public sale and subscription offerings and the requisite prospectus for such operations.

"**Legislative Royal Decree 4/2004**": Means Legislative Royal Decree 4/2004 of 5 March 2004 approving the consolidated text of the Corporate Income Tax Act (Ley del Impuesto sobre Sociedades).

"**Legislative Royal Decree 1/1993**": Means Legislative Royal Decree 1/1993 of 24 September 1993 approving the consolidated text of the Transfer Tax and Stamp Duty Act (Ley del Impuesto sobre Transmisiones Patrimoniales y Actos Jurídicos Documentados).

"**Regulation (EC) 809/2004**": Means Commission Regulation (EC) 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of notices.

"**Internal Code of Conduct**": Means the Internal Code of Conducts of the Gestora regulating the activities of its management bodies, employees and representatives pursuant to the provisions of Chapter II of Royal Decree 629/1993 of 3 May 1993 on standards of conduct in securities markets and mandatory record-keeping, which Code has been communicated to the CNMV.

"**Selection Requirements**": Means, jointly, the Individual Selection Requirements and the Global Selection Requirements.

"**Global Selection Requirements**": Means the requirements established in subsection 3.3.A) b)(b.2) of the Additional Building Block that the New Assets must satisfy collectively in order to be assigned to the Fund.

"**Individual Selection Requirements**": Means the requirements established in subsection 3.3.A) b)(b.2) of the Additional Building Block that the New Assets must satisfy individually in order to be assigned to the Fund.

"Outstanding Principal Balance of the Bonds": Means the aggregate outstanding balances of the Bonds of all Series (that is, the amount of principal of the Bonds pending redemption).

"**Outstanding Balance of the Assets**" or "**Outstanding Balance":** Means the amounts of principal fallen due and not paid to the Fund together with the amounts of principal not yet due and pending maturity of the Assets, as well as amounts fallen due and not collected.

"**Outstanding Balance of the Initial Assets**": Means the amounts of principal fallen due and not paid to the Fund together with the amounts of principal not yet due and pending maturity of the Initial Assets, as well as amounts fallen due and not collected.

"**Outstanding Balance of the New Assets**": Means the amounts of principal fallen due and not paid to the Fund together with the amounts of principal not yet due and pending maturity of the New Assets, as well as amounts fallen due and not collected.

"Series": Means each one of the three (3) series into which the overall amount of the Bond issue is divided.

"Series A": Means the Series with a total nominal amount of SEVEN HUNDRED AND SIXTY MILLION EUROS (€ 760,000,000), composed of SEVEN THOUSAND SIX HUNDRED (7,600) Bonds each with a nominal value of ONE HUNDRED THOUSAND EUROS (€ 100,000).

"Series B": Means the Series with a total nominal amount of TWENTY-FOUR MILLION EUROS (€ 24,000,000), composed of TWO HUNDRED AND FORTY (240) Bonds each with a nominal value of ONE HUNDRED THOUSAND EUROS (€ 100,000).

"Series C": Means the Series with a total nominal amount of SIXTEEN MILLION EUROS (€ 16,000,000), composed of ONE HUNDRED AND SIXTY (160) Bonds each with a nominal value of ONE HUNDRED THOUSAND EUROS (€ 100,000).

"**Sociedad Gestora**" or the "**Gestora"**: Means Santander de Titulización, S.G.F.T., S.A.

"**Standard & Poor's**": Means Standard & Poor's España, S.A..

"**CPR**": Means Constant Prepayment Rate.

"**IRR**": Means the Internal Rate of Return for the Bondholders of each Series.