



UCI 16 FTA
€ [1,819.8] million Spanish RMBS
Investor Presentation
October 2006



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1. UCI 16 Tranches



UCI 16 Tranches

UCI 16 Tranches

(Preliminary Terms and Conditions)

UCI 16 FTA

€ 1,819.8 million Spanish prime RMBS issuance

*Subject to authorisation by the CNMV.
All numbers are subject to final approval
from the Rating Agencies*

*UCI 16 is the 15th
public RMBS of
Unión de Créditos
Inmobiliarios
("UCI")*

Tranche	Amount (EUR m)	% of Assets	Fitch / S&P Ratings	Amortisation mechanism	Average life (years) ⁽¹⁾	Credit Enhancement	Expected Principal Window ⁽¹⁾
Class A1	[430.0]	23.90%	AAA / AAA	Pass-through	[0.70]	[7.90%]	[Mar. 2007 – Dec. 2007]
Class A2	[1,247.6]	69.30%	AAA / AAA	Pass-through (once A1 fully amortised)	[4.71]	[7.90%]	[Dec. 2007 – Jun. 2016]
Class B	[72]	4.00%	A / A-	Pass-through	[6.29]	[3.90%]	[Sep. 2009 – Jun. 2016]
Class C	[41.4]	2.30%	BBB / BBB	Pass-through	[6.29]	[1.60%]	[Sep. 2009 – Jun. 2016]
Class D	[9.0]	0.50%	BB+ / BB	Pass-through	[6.29]	[1.10%]	[Sep. 2009 – Jun. 2016]
Total Class A to D	[1,800]	100%					
Class E ⁽³⁾	[19.8]	1.10%	CCC / CCC-	Pass-through	[6.53]	[n.a. ⁽²⁾]	[Sep. 2009 – Jun. 2016]

(1) Average life and expected principal window calculated assuming [20%] CPR and 10% clean-up call

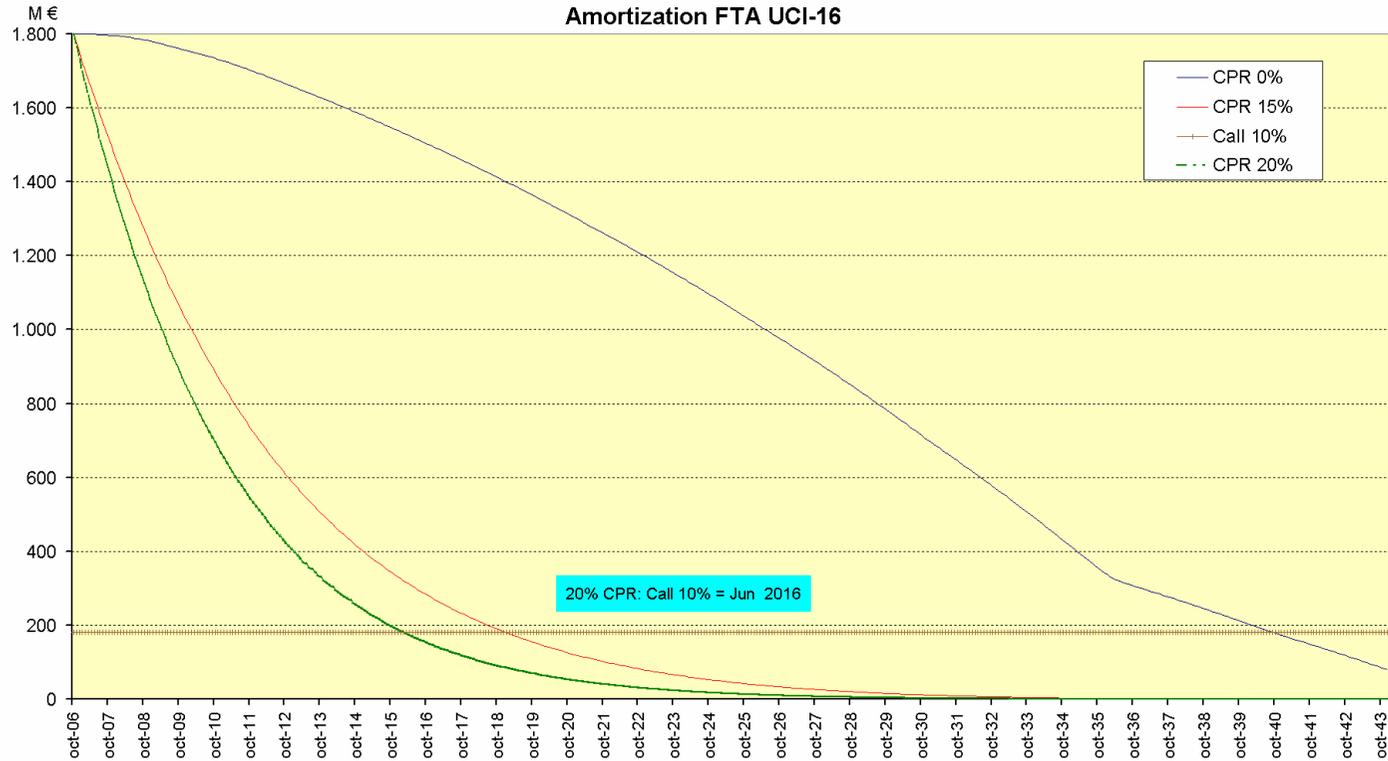
(2) WA gross margin of securitised assets of approx. [1.51] %

(3) Pre-placed



UCI 16 Tranches

Average Lives of UCI 16 Bonds Using a 20% CPR



CPR 20%	A1	A2	B	C	D	E = FR
% SV	23.90%	69.30%	4.00%	2.30%	0.50%	1.10%
Average Life	0.70	4.71	6.29	6.29	6.29	6.53

Total CEs **7.90%**



2. History and Key Facts of UCI



UCI as at 30 June 2006

- *UCI is a top ranking Spanish specialised mortgage lender*
- *More than 15 years experience in originating mortgage loans*
- *Shareholders:*
 - *50% SCH Group*
 - *50% BNP Paribas Group*

■ NEW LOANS ORIGINATED (*):	€2,013 M (+11.5%)	■ PRE-TAX PROFIT (**):	€43.5 M (+55%)
■ MANAGED LOANS (*):	€9,292 M (+31.5%)	■ CONSOLIDATED NET PROFIT (**):	€23.9 M (+70%)
■ LOANS IN BALANCE SHEET(*):	€4,063 M (+14.5%)	■ ROE (Core Spanish Business):	38%
■ LOANS IN RMBS TRANSACTIONS:		■ Efficiency (Core Spanish Business)	26%
	4 FTHs + 7 FTAs: €5,229 M (+48.5%)	■ TOTAL EQUITY:	€304 M
■ N° OF LOANS MANAGED:	120,000	■ B.Spain Solvency Ratio:	9.85%
■ N° BRANCHES IN SPAIN:	59	■ BIS Ratio:	11.75%
■ N° BRANCHES IN PORTUGAL:	8	■ TOTAL NPLs in Spain ⁽¹⁾ :	1.11%
■ N° BRANCHES IN GREECE:	2	(including ABS/MBS)	
		■ "90 D ARREARS" ⁽²⁾ :	0.50%
		(only ABS/MBS)	

(1): NPLs: Loans with 6 arrears or more

(2): Principal + Interest with more than 90 days in arrears

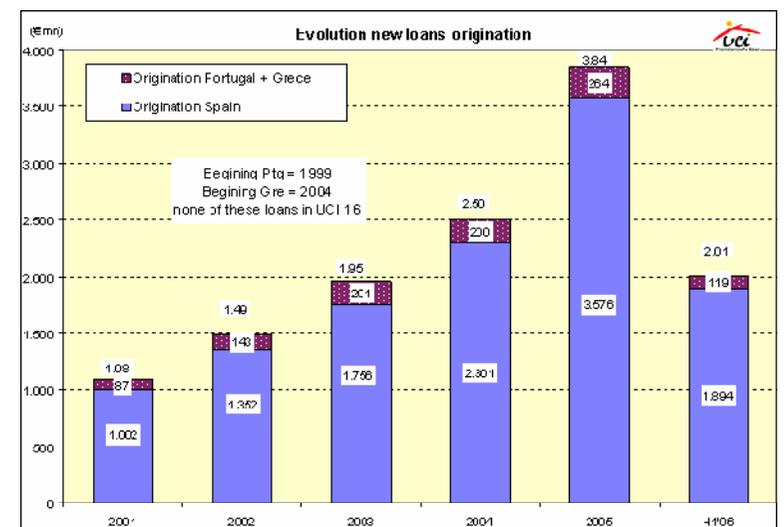
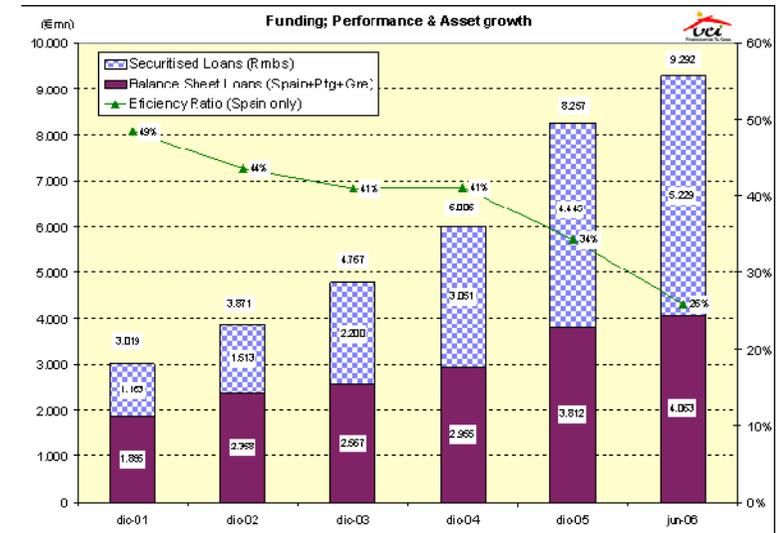
() data consolidated in €M including Portugal and Greece branches*

*(**) Spain+Portugal+Greece+Comprarcasa (Esp+Ptg) under IFRS rules*



UCI Securitisation Experience (1)

- Sustained organic growth over the last 5 years with an average annual growth over 30%
- Efficiency ratio has improved continuously indicating constant improvement in operational efficiency
- One of the most recognised brand name within its distribution channel
- UCI is one of the financial institution having securitised the earliest on the Continent
- A frequent issuer and very active player with high commitment to investors and to issuing RMBS
- More than 55% of assets funded through RMBS issuance



UCI Securitisation Experience (2)

SUMMARY OF UCI's RMBS TRANSACTIONS (Jun-06)

	FTH UCI-4	FTH UCI-5	FTA UCI-6
Issue Date	jun-98	jun-99	jun-00
Amount of Assets secured (EUR m)	30,000 M Ptas.	265	457
Class A (EUR m)	29,350 M Ptas.	253	436.4
Class B (EUR m)	650 M Ptas.	12	20.6
Current outstanding balance (EUR m)	5 172 M Ptas.	60.64	122.17
Ratings of Class A/B/C	S&P's AAA/AA+* (1)	Moody's Aaa/A2	Moody's Aaa/A2
Launch Spread Class A	Libor3M + 0.16%	Euribor3M + 0.23%	Euribor3M + 0.295%
subordinated Class	Libor3M + 0.575%	Euribor3M + 0.625%	Euribor3M + 0.775%
Management Company	BS Titulización	BSCH Titulización	BSCH Titulización
Lead Managers	BS/Paribas	BSCH/Paribas	BSCH/BNP Paribas
Ⓢ S&P's upgrade A at AA+ en oct-04			
	FTA UCI-7	FTA UCI-8	FTA UCI-9
Issue Date	nov-01	jun-02	jun-03
Amount of Assets secured (EUR m)	455	600	1,250
Class A (EUR m)	438.6	580.2	1 198.10
Class B & C (EUR m)	16.4	19.8	42.5 / 9.4
Current outstanding balance (EUR m)	144.36	188.92	510.57
Ratings of Class A/B/C	Moody's+S&P's Aaa-AAA/A2-"AA"(2)	Moody's+S&P's Aaa-AAA/A2-"AA"*(3)	Moody's+S&P's Aaa - AAA/A2 - "AA"/Baa2/"A" (4)
Launch Spread Class A	Euribor3M + 0.25%	Euribor3M + 0.22%	Euribor3M + 0.265%
subordinated Class	Euribor3M + 0.70%	Euribor3M + 0.60%	Euribor3M + 0.65% / 1.20%
Management Company	SCH Titulización	SCH Titulización	SCH Titulización
Lead Managers	SCH/BNP Paribas	SCH/BNP Paribas	SCH/BNP Paribas
Ⓢ S&P's upgrade A at AA en oct-04		Ⓢ S&P's upgrade A at AA- en oct-04	
Ⓢ S&P's upgrade AA-/A- at AA/A en jun-06			
	FTH UCI-10	FTA UCI-11	FTH UCI-12
Issue Date	may-04	nov-04	may-05
Amount of Assets secured (EUR m)	700	850	900
Class A (EUR m)	679	821.10	867.20
Class B & C (EUR m)	21	6.0 / 22.9	9.0 M / 23.8
Current outstanding balance (EUR m)	378.38	524.97	672.20
Ratings of Class A/B/C	S&P's AAA/A (5)	S&P's AAA/A/BBB	S&P's AAA/A/BBB
Launch Spread Class A	Euribor3M + 0.16%	Euribor3M + 0.14%	Euribor3M + 0.15%
subordinated Class	Euribor3M + 0.50%	Euribor3M + 0.33% / 0.75%	Euribor3M + 0.33% / 0.75%
Management Company	Santander de Titulización	Santander de Titulización	Santander de Titulización
Lead Managers	SCH/BNP Paribas	SCH/BNP Paribas	SCH/BNP Paribas
Ⓢ S&P's upgrade A- at A en jun-06			
	FTA UCI-14	FTA UCI-15	
Issue Date	nov-05	abr-06	
Amount of Assets secured (EUR m)	1,450	1,430	
Class A (EUR m)	1,377.50	1,340.6	
Class B & C (EUR m)	34.1 / 38.4	32.9 / 56.5	
Current outstanding balance (EUR m)	1,233.17	1,362.89	
Ratings of Class A/B/C	Fitch+S&P's AAA AAA/A+ A-/BBB+ BBB	Fitch+S&P's AAA AAA/A+ A-/BBB+ BBB	
Launch Spread Class A	Euribor3M + 0.15%	Euribor3M + 0.14%	
subordinated Class	Euribor3M + 0.29% / 0.58%	Euribor3M + 0.29% / 0.58%	
Management Company	Santander de Titulización	Santander de Titulización	
Lead Managers	SCH/BNP Paribas	SCH/BNP Paribas	

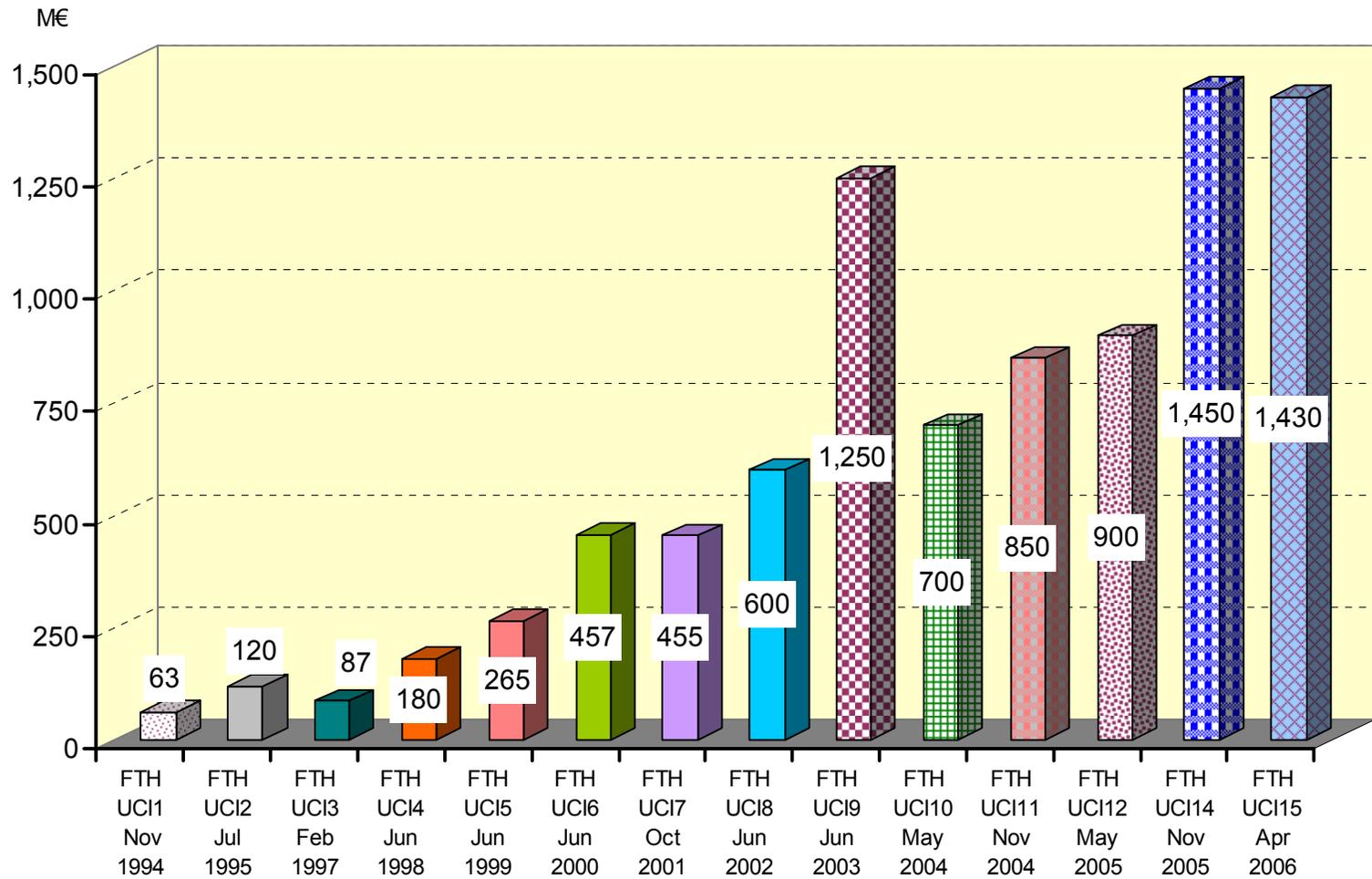
- 14 RMBS transactions since 1994
- Over € 8.8 bn of loans securitised
- Securitised loans represent more than 55% of the current amount of loans managed by UCI in Spain



History and Key Facts of UCI

UCI Securitisation Experience (3)

- More than 11 years of experience in securitisation
- Over € 8.8 bn of loans securitised

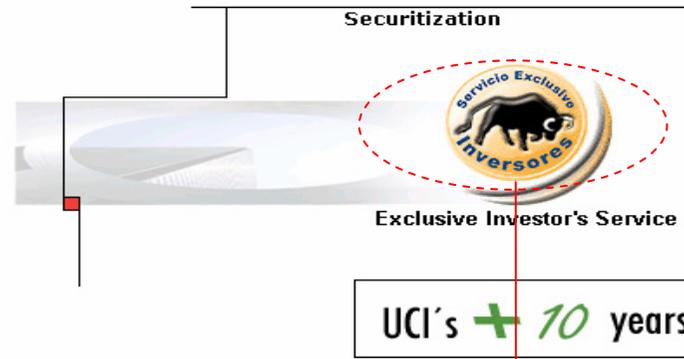


Useful Link



www.uci.com

[Securitization](#) | [Contact us](#) | [Site Map](#)



UCI has already concluded 14 securitization transactions in Spain since 1994 for a total amount of 8,800 M

All these issues have received a Triple A rating by Moody's and/or Standard & Poor's and/or Fitch offering investors a high performance / guarantee ratio.

At 30-06-06, 61% of the Spanish managed secured assets were in off balance transactions.

New securitization transaction

www.uci.com
a complete website
with all information
related to UCI
securitisation
transactions

SECURITIZATIONS OPERATIONS:

Clean up call

UCI 6

- [Structure](#)
- [Outstanding Balance Flows](#)
- [Npl's \(More than 3 arrears\)](#)
- [Credit Enhancement](#)
- [Prepayment Rate](#)

UCI 9

- [Structure](#)
- [Outstanding Balance Flows](#)
- [Npl's \(More than 3 arrears\)](#)
- [Credit Enhancement](#)
- [Prepayment Rate](#)

UCI 12

- [Structure](#)
- [Outstanding Balance Flows](#)
- [Npl's \(More than 3 arrears\)](#)
- [Credit Enhancement](#)
- [Prepayment Rate](#)

UCI 4

- [Structure](#)
- [Outstanding Balance Flows](#)
- [Npl's \(More than 3 arrears\)](#)
- [Credit Enhancement](#)
- [Prepayment Rate](#)

UCI 7

- [Structure](#)
- [Outstanding Balance Flows](#)
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- [Credit Enhancement](#)
- [Prepayment Rate](#)

UCI 10

- [Structure](#)
- [Outstanding Balance Flows](#)
- [Npl's \(More than 3 arrears\)](#)
- [Credit Enhancement](#)
- [Prepayment Rate](#)

UCI 14

- [Structure](#)
- [Outstanding Balance Flows](#)
- [Credit Enhancement](#)

UCI 5

- [Structure](#)
- [Outstanding Balance Flows](#)
- [Npl's \(More than 3 arrears\)](#)
- [Credit Enhancement](#)
- [Prepayment Rate](#)

UCI 8

- [Structure](#)
- [Outstanding Balance Flows](#)
- [Npl's \(More than 3 arrears\)](#)
- [Credit Enhancement](#)
- [Prepayment Rate](#)

UCI 11

- [Structure](#)
- [Outstanding Balance Flows](#)
- [Npl's \(More than 3 arrears\)](#)
- [Credit Enhancement](#)
- [Prepayment Rate](#)



3. Underwriting & Recovery Process



Underwriting Process (1/4)

Stages of the workflow process

- The process of building up files associated with loan underwriting is based on 2 general management principles:*
- *No interference between commercial area and data collection processing of all documentation behind files*
 - *Control and continuous supervision of all workflow process by UCI's Risk Management team*

Data Collection Channels

- MAINLY THROUGH REAL ESTATE AGENTS
- INTERNET
- CUSTOMERS
- NOTARIES
- PROPERTY DEVELOPER

Formalities and documentation required are all the same regardless of the channel they come from

All production coming through real estate agents are gathered through UCI's nationwide branch network

Loan Production Identification

In order to get consistent and standardised data collection, all loans are codified by a specialised team reporting to and supervised by the Codification Control Department integrated in the Risk Department.

On-line Audits are regularly made by the Risk Analysis Team

The Politics & methods Department will also carry out regular Audits of this process.

Data Base Consulted

Negative Files

- ASNEF
- RAI
- INFORMA
- UCI's database

Positive Files

- CIRBE (Bank of Spain)

Other Files

- INFORMA
- MOSAIC

An internal NPLs file by type of intermediary loan producer (real estate, etc..) is checked out on a Quality consistency



Underwriting Process (2/4)

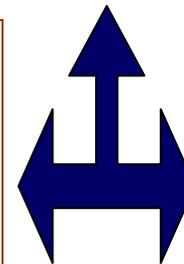
DECISION PROCESS

Support tools for the process:

- Scoring: allows to estimate the probability of default
 - Simulation of the expected loss: allows to measure the final theoretical loss
 - Expert system: a set of rules allowing to:
 - ▣ Stop the origination process on UCI's IT systems if inconsistencies are detected
 - ▣ Identify the required level decision
 - ▣ Determine required level of controls depending on users profile
 - ▣ Support dynamically the current policies in force
 - ▣ Pass on recommendations regarding UCI policies
 - Qualitative system: matrix cross-checking score level, residual income, DTI and personal contribution
 - Decision Card: summarising all the previous elements together with all the codified information of the operation linked to the clients risk profile, property and type of structured loan operation, which will allow a quick decision to be made
- From all this information, the decision is made in a centralised way in UCI's HQ, in the National Authorisation Centre ("N.A.C"), although some branch managers benefit from certain delegations, subject to the loan structure, amount, %LTV, %DTI,...

DECISION IN THE N.A.C

- Risk Analysts will decide on loan applications subject to their level of authorisation
- If the required level exceed their authorisation, the decisions will be submitted to different Committees depending on the intrinsic risk
- All decisions are communicated on-line and to sales people in charge of the clients by e-mail and on their blackberries



DECISION IN BRANCHES

- Delegation levels are linked to the following parameters: loan amount, scoring, cost of risk, type of loan and Mosaic classification
- Loans approved by branches are systematically submitted to an on-line audit by the Policy and Methods Team, part of the Risk Department

Decisions are subject to 3 mandatory criteria: appraisal, absence of previous liens on the property and profitability

Underwriting Process (3/4)

HOME REGISTER INQUIRIES

- Automatically performed by UCI's IT mainframe system
- Outsourced to a network of external law firms in charge of such inquiries
- Each law firm employed has civil responsibility insurance and bank guarantees to cover their responsibility towards UCI
- UCI has a department in charge of monitoring and controlling such network of law firms
- The majority of the information received is controlled automatically unless it requires a new decision to be made. Among such controls are:
 - ▣ existence of previous liens with legal risk
 - ▣ seizure of property
 - ▣ on-going transfer proceedings (eg from auctions)

MORTGAGE RATES

In order to offer financial conditions in line with the expected risk, UCI uses a system of interest rate margins that will take into consideration:

- ▣ risk of the relevant loan (scoring / expected loss)
- ▣ accounting rules (generic provisions, RWA ...)
- ▣ commissions
- ▣ financial margin
- ▣ can it be included in a RMBS transaction?
- ▣ others

It also Interfaces with the remuneration system of the sales teams in order to constantly improve it

APPRAISALS

- The process is completely integrated in UCI's mainframe IT system
- The majority of the information received is controlled automatically unless it requires a new decision to be made. Among such controls are:
 - ▣ minimal amount
 - ▣ relocation
 - ▣ service charges
 - ▣ adequacy to the demand
 - ▣ existence of tenants
 - ▣ need of refurbishment
 - ▣ habitability
 - ▣ existence of reservations
- Since its creation, UCI has worked with a unique appraiser: VALTECNIC. It allows UCI:
 - ▣ to have a homogeneous data base information
 - ▣ to have a high level of exigency as for quality of service
 - ▣ to avoid to put in commercial competition different appraisers as most banks do
 - ▣ to avoid arrangements between appraisers and branches
- UCI has a department in charge of monitoring and controlling the activity of its appraiser

**SUPPORT
FEATURES**

Underwriting Process (4/4)

SUPPORT FEATURES

In order to support the viability of the relevant loan, the following credit support features may be put in place:

GUARANTEES. *Optional.* Cover the risk of non-payment and income instability

ADDITIONAL GUARANTEES. *Optional.* Covers the risk of disappearance of obligors

LIFE INSURANCE. *Optional.* More than 90% clients subscribe for life insurance

HOME INSURANCE. *Compulsory*

UNEMPLOYMENT AND TEMPORARY DISABILITY INSURANCE. *Optional.* Covers the risks of unemployment and temporary disability of our clients

MORTGAGE INSURANCE. *Compulsory* subject to the eligibility criteria of the MIG insurer. Covers the risk of final loss

CLOSING OF THE PROCESS

- The corresponding binding offer is delivered to the client
- A bank account is opened with SCH for the management of the loan(s)
- UCI's lawyer signs the loan documentation before notary
- Funds are paid
- A folder explaining the management process of the loan is given to the client
- Previous liens in the Home Register are cancelled
- UCI's lawyer will pay the relevant taxes
- The relevant legal documentation is sent to the Home Register in order to register the mortgage on the property in favour of UCI
- The contractual documentation is scanned and sent to an external archive

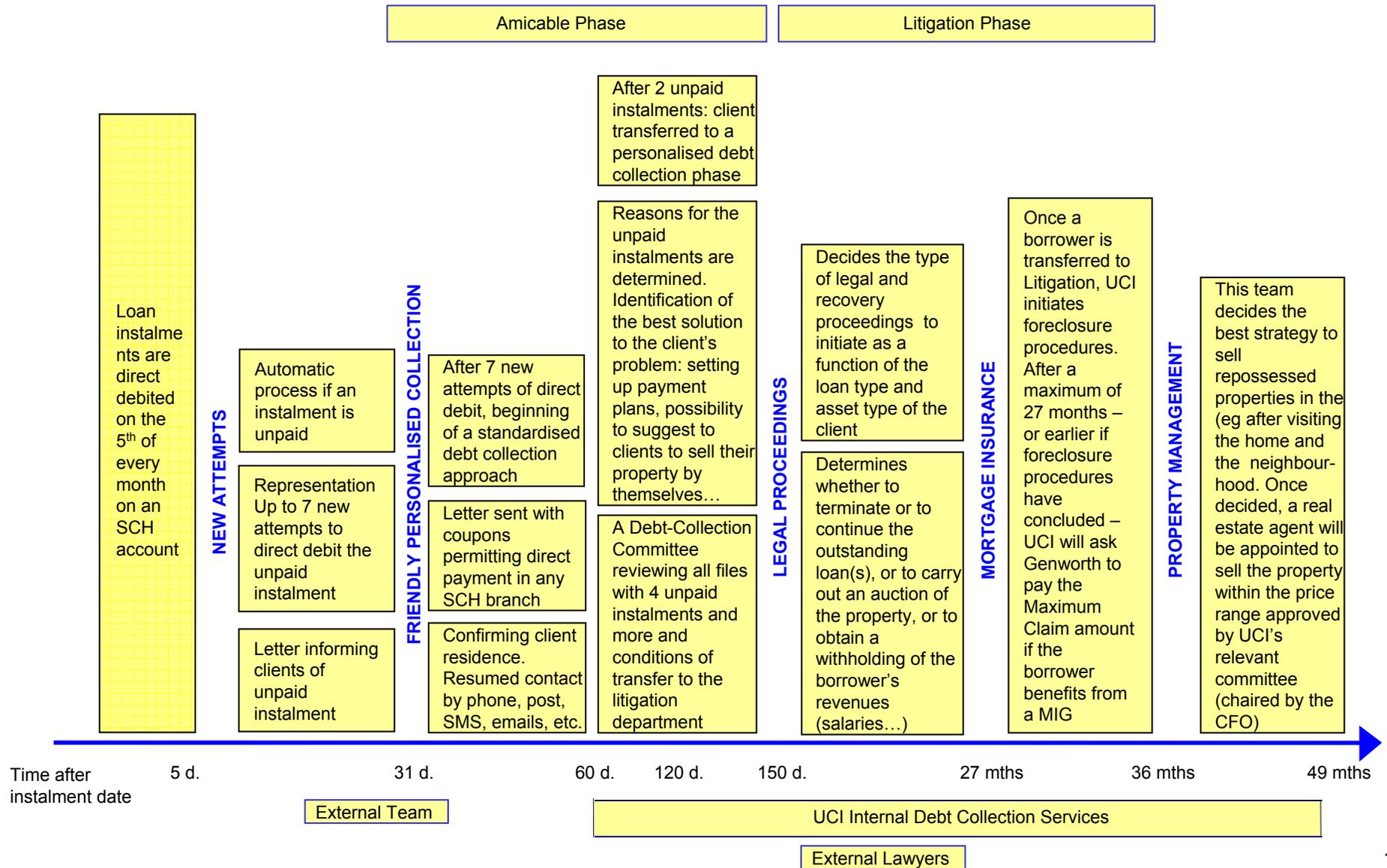


Recovery Process (1/2)

- Loan instalments are directly debited from an SCH account for almost all borrowers (more than 90%) on the 5th of every month
- The monitoring of paid and unpaid instalments is completely automated and is automatically updated on a daily basis in UCI's servicing systems
- The servicing software is common to after-sales, debt collection and litigation departments which share a common reporting line
- Such software provides a global view of the borrower's status instead of adopting a loan-by-loan approach. It records all communications between the above departments and the borrower
- SCH informs UCI of unpaid instalments within a maximum of 5 days. UCI's debt collection process provides for the possibility to make up to 7 direct debit requests in the 30 days following an unpaid instalment
- The first unpaid instalment generates a completely automated process without human intervention: letter immediately sent to the borrower and up to 7 new attempts to debit the current instalment in the following month
- If the instalment remains unpaid after the 7th direct debit attempt, the loan is considered "delinquent" and is referred to an external service provider in charge of applying initial standardised collection techniques
- If the borrower reaches 2 unpaid instalments, an internal UCI team in charge of applying personalised collection techniques takes over the client's management. They for example determine the reasons for the unpaid instalments and will progressively increase pressure on the client if the situation does not improve
- A Debt-Collection Committee composed of the Customers Director, Litigation Manager and Debt-Collection Manager and will decide if the dossier has to be passed over to Litigations or more actions can be done in that month to avoid it. This committee will supervise clients with 4 or more arrears
- Once a borrower is transferred to Litigation, UCI initiates foreclosure procedures. After a maximum of 27 months – or earlier if foreclosure procedures have concluded – UCI will ask Genworth to pay the Maximum Claim amount if the borrower benefits from a MIG
- All properties repossessed by UCI will be managed by an Internal Real Estate Department which will determine the best strategy to sell the property. Such sales are largely carried out through a network of real estate intermediaries

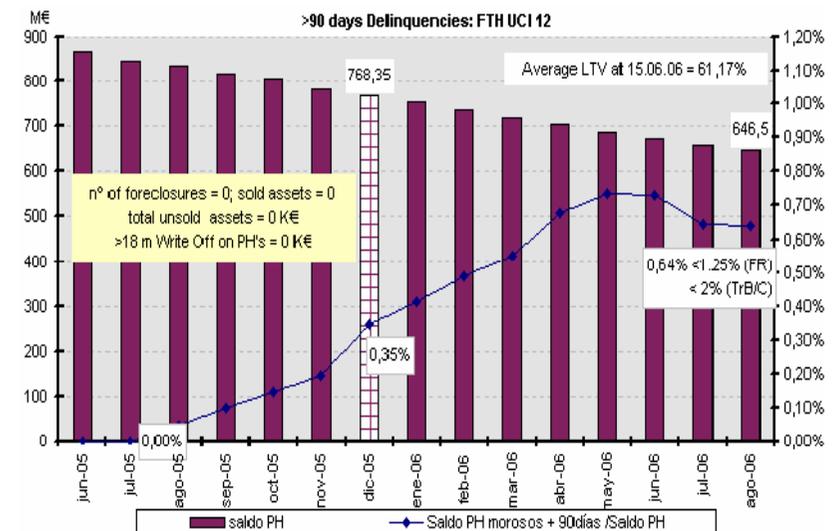
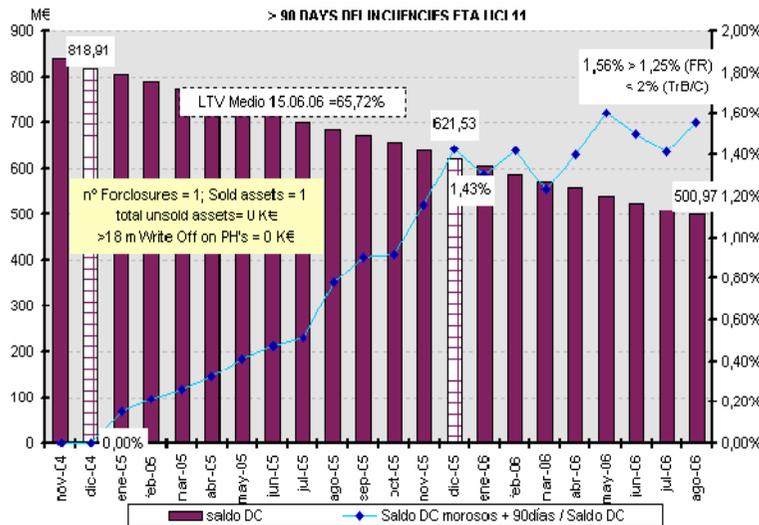
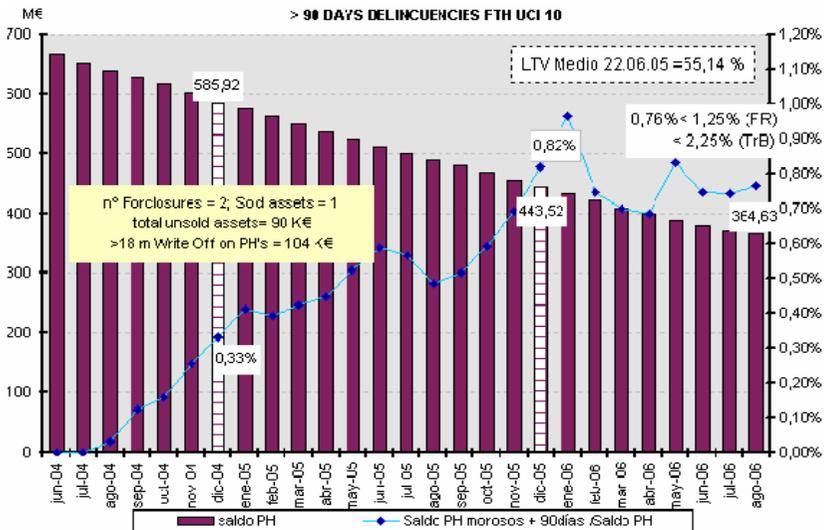
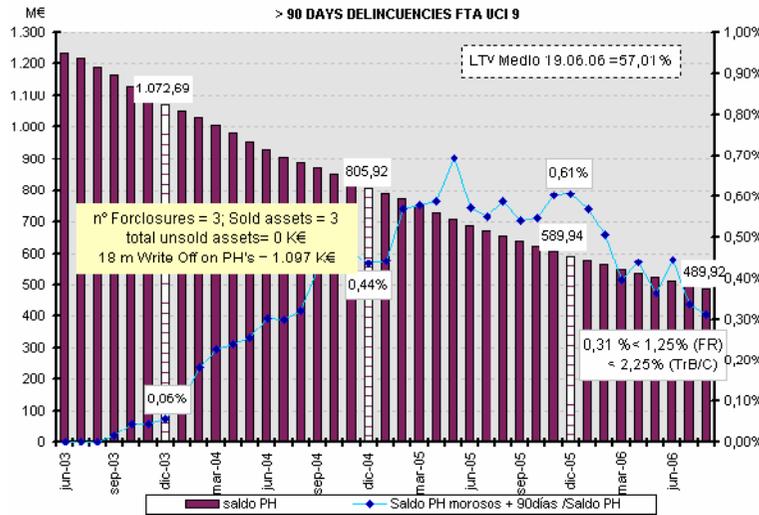


Recovery Process (2/2)



Underwriting & Recovery Process

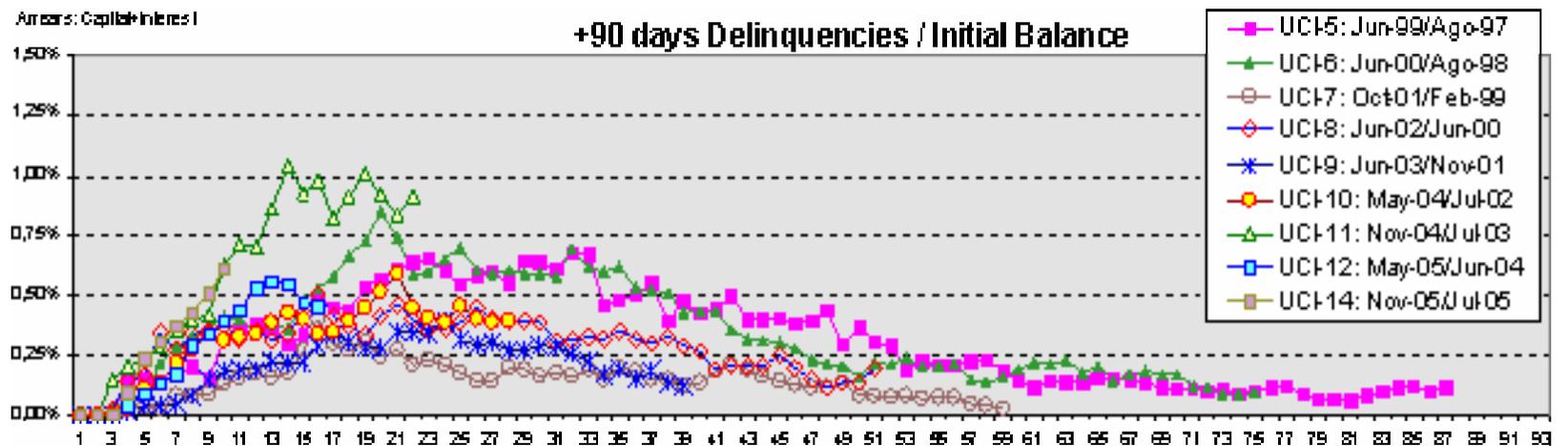
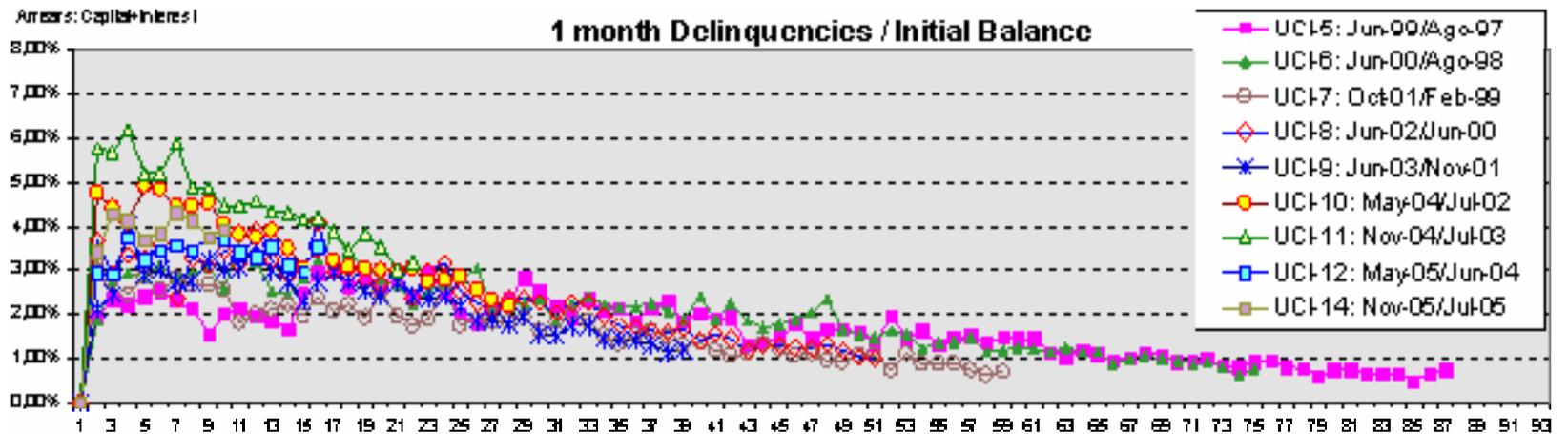
> 90 days NPLs on recent transactions (+ 90 days arrears, as of August 2006)





Underwriting & Recovery Process

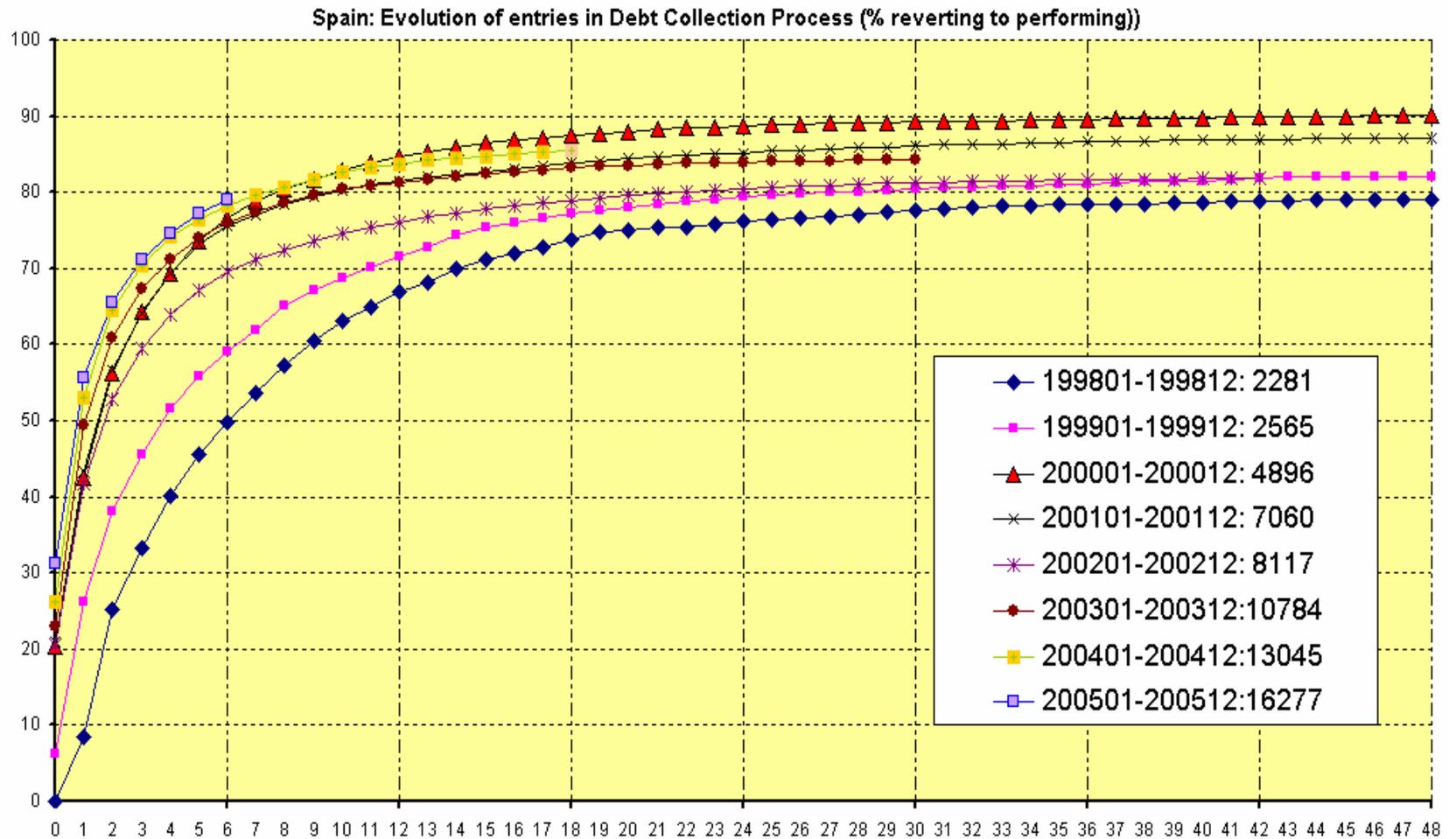
**% Arrears in UCI 5 to 14
(as of August 2006)**





Defaulted Loans returning to "Normality"

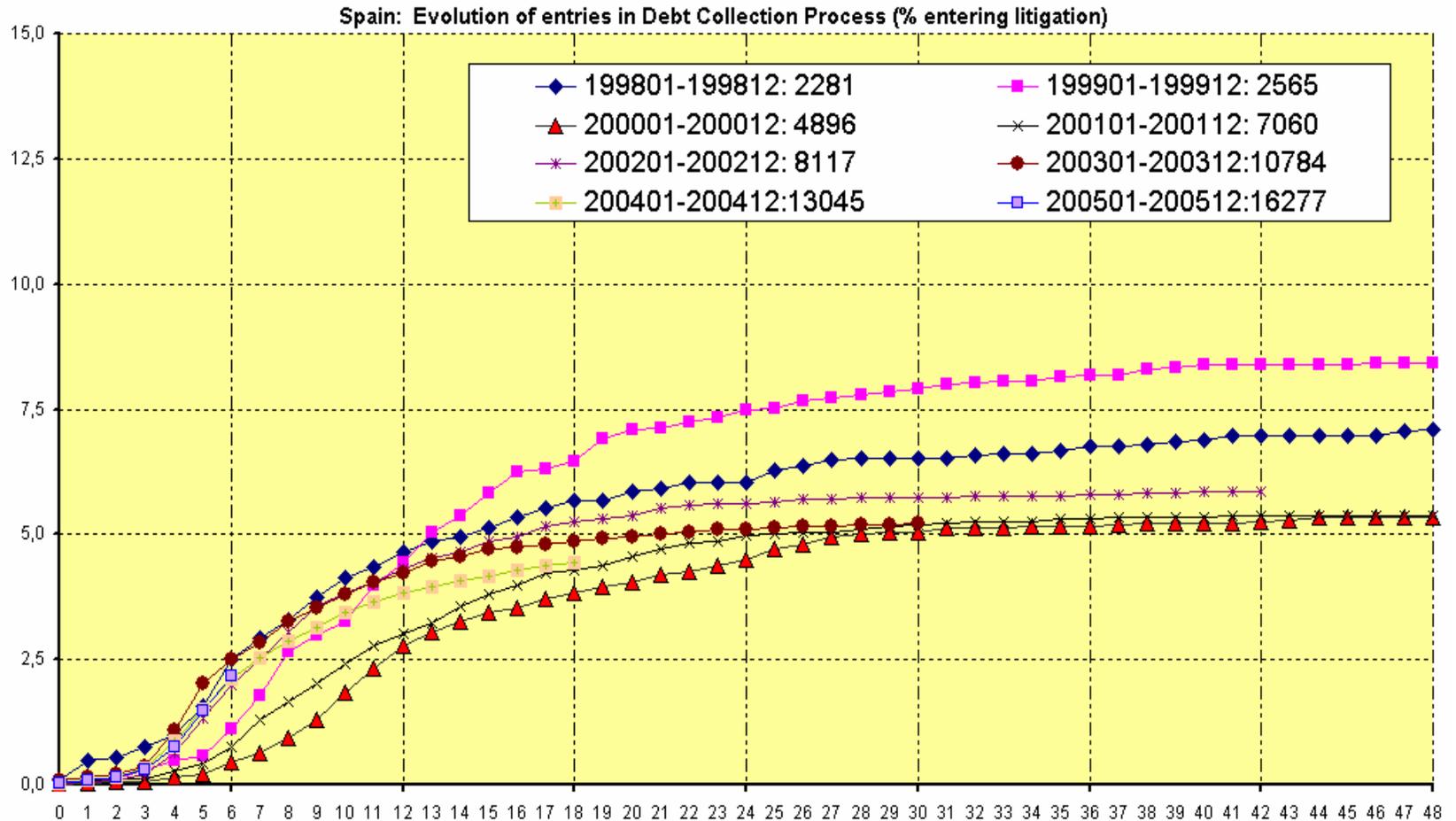
- NPL vintages from 1998 to 2005
- Each line represents the % of NPLs returning to normal management (arrears repaid)





Defaulted Loans reaching "Auction-Foreclosure"

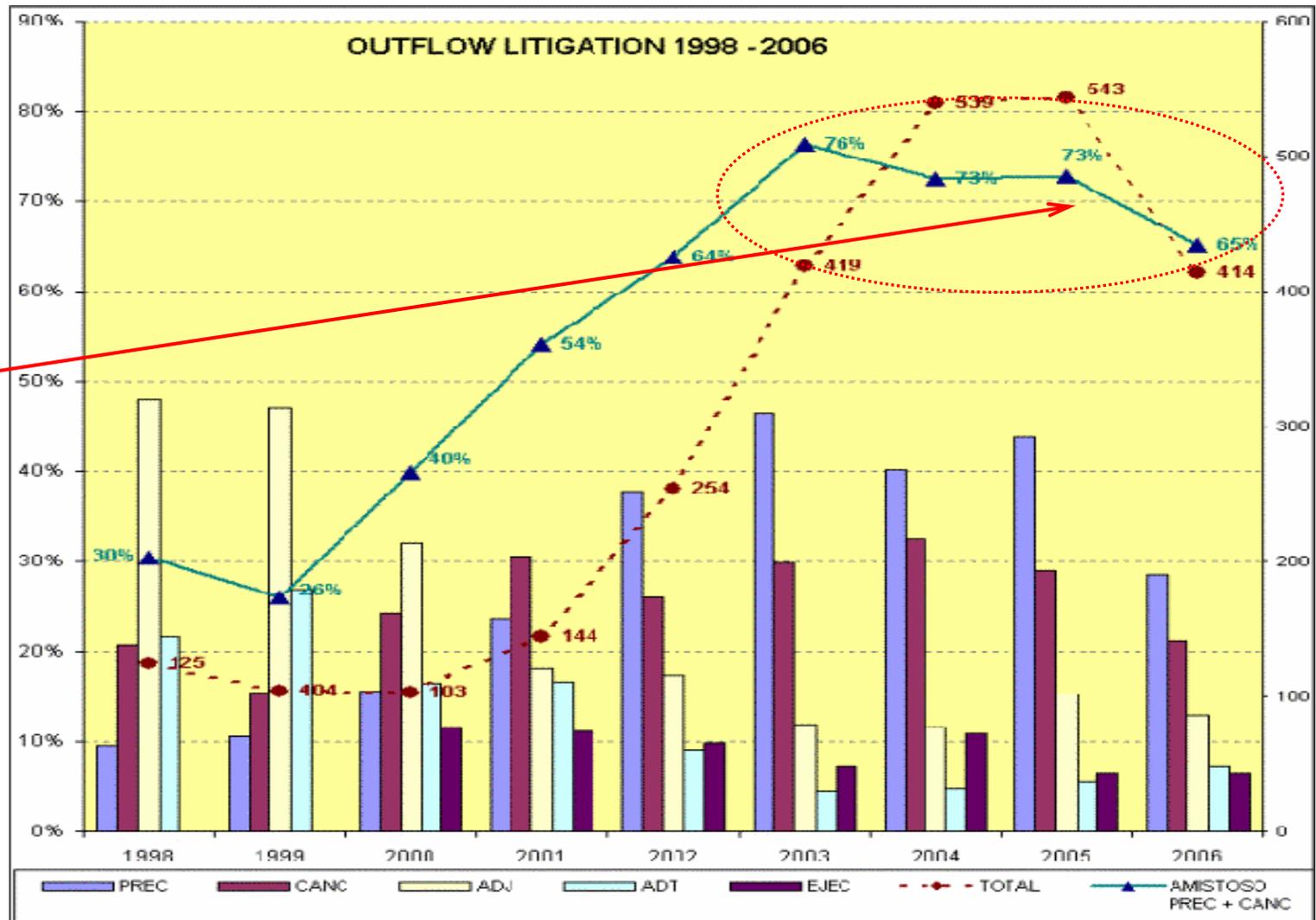
- NPL vintages from 1998 to 2005
- Each line represents the % of NPLs reaching a foreclosure procedure





Defaulted Loans reaching "Amicable solutions"

Approx 70% litigation outcomes are reached without having to resort to foreclosure or repossession (3rd party auction buyer (ADT), debt cancellation (CANC) or return to normality after paying back all arrears (PREC))





4. UCI 16 Assets



Assets Backing the Structure

The Credit Rights (**CRs**) which are going to be securitised in this transaction consist of:

- **Mortgage Participations (PHs)** on 1st lien Residential Mortgage Loans with LTV under 80% (called ML₁)
- **Mortgage Transfer Certificates** (Certificados de Transmisión de Hipoteca “**CTHs**”) on 1st lien Residential Mortgage Loans with LTV above 80% without exceeding 100% (called ML₂)
- **Mortgage Transfer Certificates** (Certificados de Transmisión de Hipoteca “**CTH's**”) on 2nd lien Residential Mortgage Loans topping up ML₁ loans to finance homes with LTV up to 97% – or 100% since September 2005 – with a Mortgage Insurance Guarantee (“MIG”), or up to 100% without MIG (called ML₃) in some cases
- **Personal Loan (called PL)** additional to ML₁s to finance homes up to 97% LTV – or up to 100% since September 2005 – with MIG, or up to 100% without MIG in some cases
 - All Personal Loans (PL) and 2nd lien Residential Mortgage Loans (ML₃) are additional to ML₁s and top up the financing for the acquisition of properties when the borrower requires a loan with an LTV above 80%. In such case, a personal loan or 2nd lien mortgage loan finances the LTV above 80%. The choice between both loan type depends on commercial and profitability objectives
 - All Personal Loans or 2nd lien Mortgage Loans to be securitised in UCI 16 are linked to a 1st lien Mortgage Loan also securitised in the transaction (ML₁). 78% are guaranteed by a Mortgage Insurance “MIG” granted by Genworth Financial Mortgage Insurance Ltd. (part of Genworth Financial Inc, rated AA/AA/Aa2) – covering from 78% LTV up to the initial financed amount (maximum 97% LTV – or 100% since September 2005)

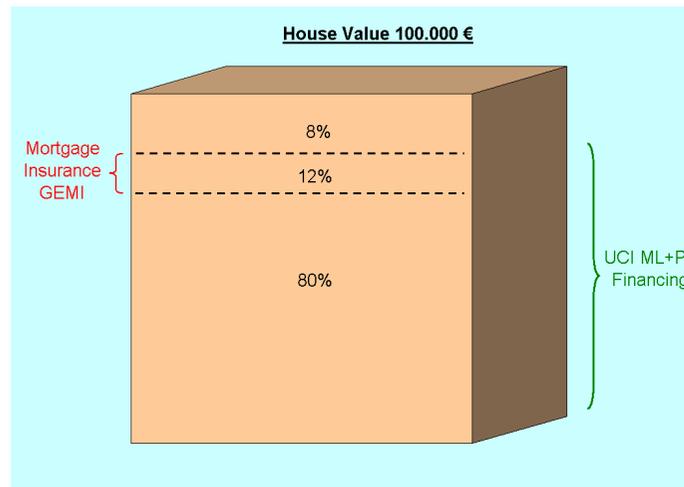


Mortgage Insurance Guarantee (MIG) (1/2)

- **Mortgage insurance** makes low down-payment loans possible, helping to protect lenders and investors against losses if the “ML₁+PL” or “ML₁+ML₃” is not repaid. Generally required on loans with down payments of less than 20%, this coverage opens the door to homeownership for UCI’s clients without asking for the frequently recommended third party guarantee
- **Cover:** The objective of this insurance is to cover the loss following a foreclosure. The maximum amount of cover (for financed amount with LTV between 80% LTV and 97% or 100% since September 2005) will be the difference between:
 - the initial amount of the loan and
 - 78% LTV (deep cover)
- **Covered Loss:** the difference (subject to the maximum cover amount) between:
 - the auction sale amount and
 - the client unpaid debt amount (capital + interest up to a maximum of 48 months)
- **Premium:** paid up front by the borrower to Genworth Financial Mortgage Insurance
- **Claim:** paid by Genworth Financial Mortgage Insurance to UCI/UCI 16 at month 27 in arrears (maximum amount) or once the whole foreclosure procedure has ended if prior (house sold or 1/3rd party auction)

Mortgage Insurance Guarantee (MIG) (2/2)

EXAMPLE OF LOSS CALCULATION



- Loan initial Amount: € 92,000 (80,000+12,000)
- Appraised Amount: € 100,000
- Maximum covered loss: $92,000 - (100,000 * 78\%) = € 14,000$
- Client outstanding unpaid debt: € 91,000
- Auction sale: € 85,000
- Theoretical Loss (*): $91,000 - 85,000 = € 6,000$
- Loss (€ 6,000) < Maximum covered loss (€ 14,000).

Net Loss for UCI / UCI 16 = € 0

"Deep" cover

(*) in practice, the claim received by UCI does not cover eventual administrative fees in relation to the foreclosure, such as lawyer fees, real estate agent commission to sell the foreclosed property, new appraisal, etc...nor default interest



Genworth Financial

- Genworth Financial Insurance Limited is an English company founded in 1991 whose owner is Genworth Financial Inc., an underwriter holding company in the United States
- Genworth Financial Inc.:
 - provides life and similar insurance, retirement and investment services, mortgage credit insurance for the needs of more than 15 M customers
 - operates in 12 European countries
 - Is rated AA/AA by Fitch and S&P
- Outstanding economic data of Genworth Financial Mortgage Insurance Limited:
 - Capital insured during 2005: EUR 11.145 bn
 - Premiums during 2005: EUR 65.03 min
 - Profit before tax during 2005: EUR 8.64 M

Ownership Structure





Mortgage Loans and Personal Loans

The Mortgages Loans (MLs)

ML_{1&2s} were issued to Spanish residents regulated in accordance with the “FTH Royal decree Law 19/1992”, or the “CTH Financial Law Nov-2002”, for the purpose of financing the acquisition, construction, or rehabilitation of residences located in Spain with a 1st ranking Mortgage Guarantee or 2nd lien for ML₃. All loans are considered financially and legally homogeneous

The Mortgage portfolio **ML_{1&2}** can be divided in 2 subgroups:

- **ML_V = 99%:** Mortgage Loans with floating interest rates
- **ML_F = 1%:** Mortgage Loans with fixed interest rates for the first three years then floating from 2009 until maturity

The Top-up Loans, Personal Loans (PLs) and 2nd Lien Mortgage Loans (ML₃)

PLs & ML₃ were issued to Spanish residents and are always linked to and topping up an ML₁, in order to finance the home acquisition amount from 80% and up to 100% LTV (if needed). 78% of such loans benefit from a MIG covering from 78% LTV up to a maximum 97%, or 100% since September 2005. All loans are considered financially and legally homogeneous. In the case of ML₃ the first lien is always in favour of UCI

The Top-up Loans can be divided in 2 subgroups:

- **ML_{3V} + PL_V = 55%:** Top-up Loans with floating interest rates
- **ML_{3F} + PL_F = 45%:** Top-up Loans with the first five years fixed interest rates (average 6.70%) then floating from 2011 until maturity



Eligibility Criteria

Representation and Warranties:

- All CRs are valid and enforceable pursuant to the applicable legislation
- ML_{1&2} are securitised by a 1st property mortgage over full ownership of each and every one of the properties in question (LTV < 80% or ≤ 100%)
- ML₃ are securitised by a 2nd lien mortgage (first property lien being mortgaged to UCI to finance homes up to 100%)
- None of the properties is subject to prohibitions of disposal or any limitations of ownership
- All of the securitised CRs are formalised in a public deed and are not subject to any right ranking higher (other than UCI in ML₃)
- All properties have a legal address in Spain and have been appraised by a unique appraising entity (VALTENIC) duly registered in the official register of Bank of Spain
- All properties are validly insured against fire and other damage covering at least the replacement value
- UCI has full title to all CRs and is not aware of any circumstances which may impede the foreclosure of the mortgages



Mortgage Loans

$$ML_1 + ML_2 : 941/4\% + 63/4\% = 100\%$$

N° of current loans:	12,618
Outstanding amount:	€1,793 M
Average amount:	€142,110 (max: € 601,200; 253 = 2% - files over € 400,000)
Average instalment:	€ 590
Seasoning (at launch):	9 months
Reference index:	99% Floating rates + 1% Fixed rates
Past 2009 100% floating:	91% IRPC (average rate of saving banks) & 9% 12 months Euribor BE
Current Spread over Reference:	IRPC + 0.43% (equivalent to 12m Euribor + 1.53% ⁽¹⁾) & 12m Euribor + 0.69%
Total Equiv. Average Margin :	1.45%
Estimated WA LTV (at launch):	67.25% (currently at 67.40%); 6% with 80% ≤ LTV < 100%
Final maturity:	July 2046 (average being June 2038)

(1) Correlation rule: $IRPC(m) = 12m \text{ Euribor } (m-2) + 1.10\% + \varepsilon (m)$



Top-up Loans

PL+ML₃ : 74% + 26% = 100%

N° of actual loans:	4,016 / 670
Outstanding amount:	€ 87.5 M / € 31.2 M = €118.7
Average amount:	€ 21,800 / € 46,940 (max PL: € 57,100; 35 files over € 40,000 max ML ₃ : € 142,335; 63 files over € 60,000)
Average instalment:	€143 / € 202
Seasoning (at launch):	9 months
Reference index:	56% Floating rates + 44% Fixed rates (at 6.70%)
Past 2011 100% floating:	96% IRPC (average rate of saving banks) & 4% 12 months Euribor BE
Current Spread over Reference:	IRPC + 1.38% (equivalent to 12m Euribor + 2.48% & 12m Euribor + 1.25%)
Total Equiv. Average Margin :	2.44%
Estimated WA LTV at launch:	17.50% (currently at 17.65%)
Extra protection:	77% are covered with a "AA" MIG
Final maturity:	July 2046 (average is July 2042)

(data as of Sep 2006)



Aggregate of Mortgage and Top-up Loans

ML+(PL or ML₃) : 94% + 6% = 100%

N° of actual clients / loans:	12,618 / 17,304
Outstanding amount:	€1,911.8 M
Average amount:	€151,515 (max: € 601,200)
Less than 2.2% (276 borrowers) have “jumbo aggregate loans” (between € 400,000 and € 601,200) with a WA LTV of 72% of which 82% financed through ML only.	
Average instalment:	€ 640
Seasoning (at launch):	9 months
Equivalent Average Margin:	1.51% (91½% IRPC + 0.49%, 8½% Euribor BE + 0.71%)
Estimated WA LTV (at launch):	73.5% (currently at 73.85%) 39½% with 80%<Global LTV<100% of which 68% of these “high LTV” are insured with a MIG
Final maturity ⁽¹⁾ :	June 2049 (average September 2038)

(1) An extra 36 months was added up as a legal maturity / cf Rating Agencies' rules

(data as of Sep. 2006)



Mortgage Insurance Guarantee Beneficiaries

“ ML₁” or “ML₁+PL” or “ML₁+ ML₃” with MIG = 28½%

N° of actual clients / loans:	46 / 3,414 / 393 = 3,853
Outstanding amount:	€ 550.7 M
Average amount:	€ 142,915 (max: € 440,000)
Only six clients have “jumbo aggregate loans” (between € 400,000 and € 440,000)	
Seasoning (at launch):	9 months
Equivalent Average Margin:	1.63% (in floating period)
Estimated WA LTV (at launch):	93.4% (currently at 93.5%)
DTI:	38% (15% with DTI over 45%)
MIG average claim:	16% of current global amount
Final maturity:	July 2046 (average September 2042)



Asset Backing the Structure

Additional information (1)

- No Flexible Loans and no “redrawable” amounts allowed
- 32% ML1’s are up to first five years “Interest-Only” loans (“Joven”)
- (19% ML1’s have an “Easy start up Instalment” in the 1st 3-6 years (“Facil”)
- 27% are Bridging Loans – “Cambio de Casa” (of which 84% are still in 1st stage i.e. waiting to sell old house which takes less than 1 year in average)
- 18% , which are not included in the bridging loans mentioned before, have more than one 1st lien mortgage in guarantee (usually parents’ home mortgaged as well to UCI’s favour)
- 25% are young (less than 30 years old) with little initial labour track record (less than 2 years)
- 13% borrowers (that are not insured with a MIG) have an extra “third party financial support” to reinforce their loan(s)
- More than 95% of clients have their wage and instalments located in a Santander branch and 100% have a monthly direct debit on the 5th day of each month (an extra 10 Bp is added to the margin over index if monthly instalment in SCH changed to another bank)



Asset Backing the Structure

Additional information (2)

- 8% are civil servants
- 25% are foreigners (20% non residents or less than 5% total pool) with slightly higher seasoning (>11 months), a WA margin of 1.63% and with 48% covered by a MIG
- 10% of the Mortgage Loans finance newly constructed homes (i.e. less than 18 months old)
- 6% ML's are to finance a 2nd residential house (with low average LTV < 60%)
- No loans with more than 30 days in arrears at launch and being monitored since march 2006
- 1% loans were originated through UCI's Direct Channel (Internet, phone)

Asset Backing the Structure

Certain special features

■ “Joker Instalment”

- Due to contractual or seasoning conditions, **89%** do not have this option any more
- 11% have the possibility of using it in the next two years
- “Joker” instalments are given in the 1st three years (neither arrears nor using it twice in a row is allowed)
- Historically less than 10% have used it in the past (as in UCI 7 to 9), and currently less than 1% in UCI 10 to 15

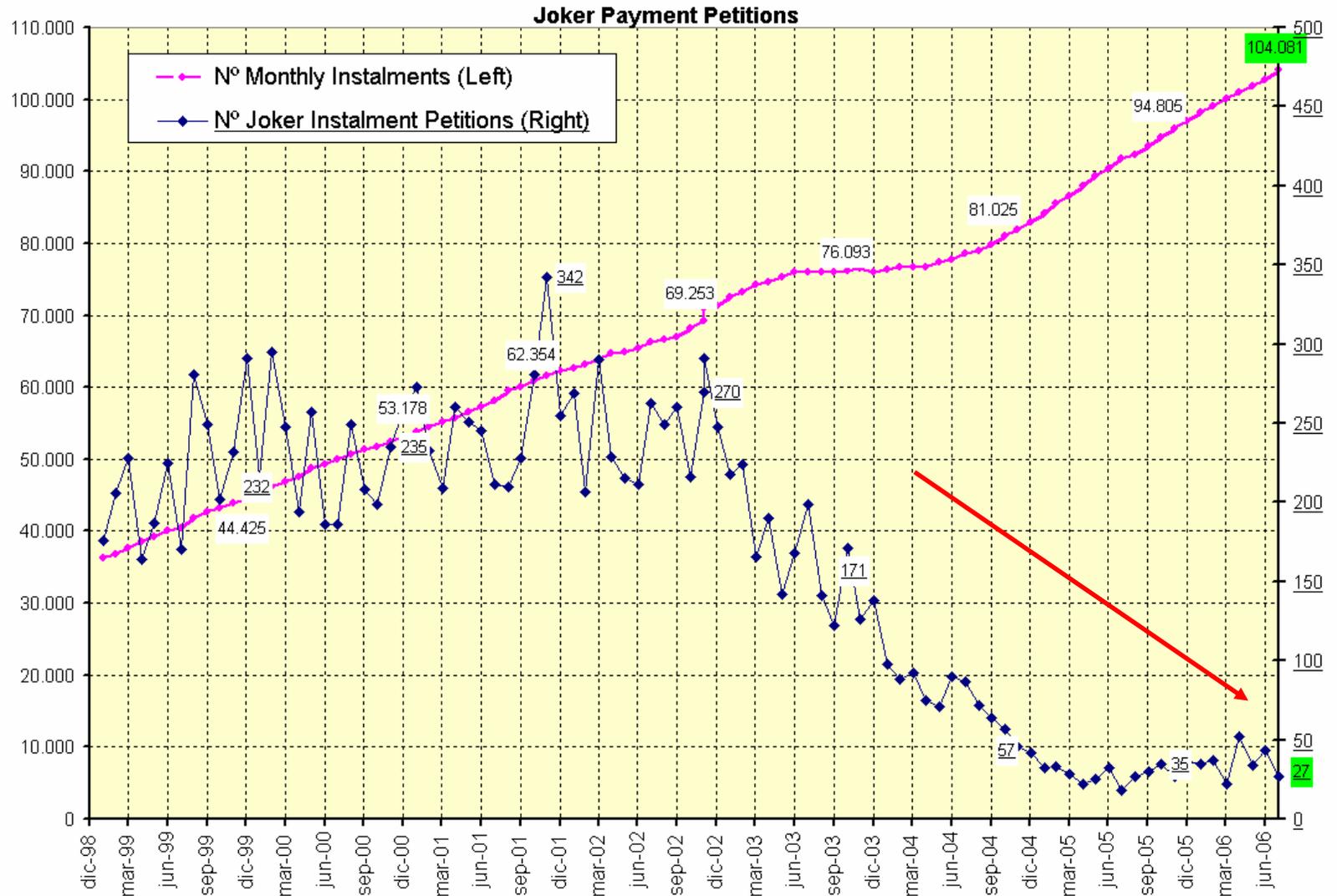
■ “200% CPI Instalment Limitation”

- **19%** do not have any option to limit their instalment or cannot exercise it anymore
- 1% have the option to use it once more
- 80% can use this option in the next 2 years and limit their instalment increase at 200% of Spanish CPI (or 100% CPI when instalments are revised half-yearly, which applies in 80% of cases)
- In case of capitalisation, the excess debt accounted for at the end of the third year is absorbed on the fourth year without extending the expected term
- Historically, less than 2% have used it in the past, despite the hike in 2000 when some clients had up to a 25% instalment increase; and in the case of UCI 7 to 15, **only 3** clients have used it so far

(see also historical behaviour on next slide)

Special features

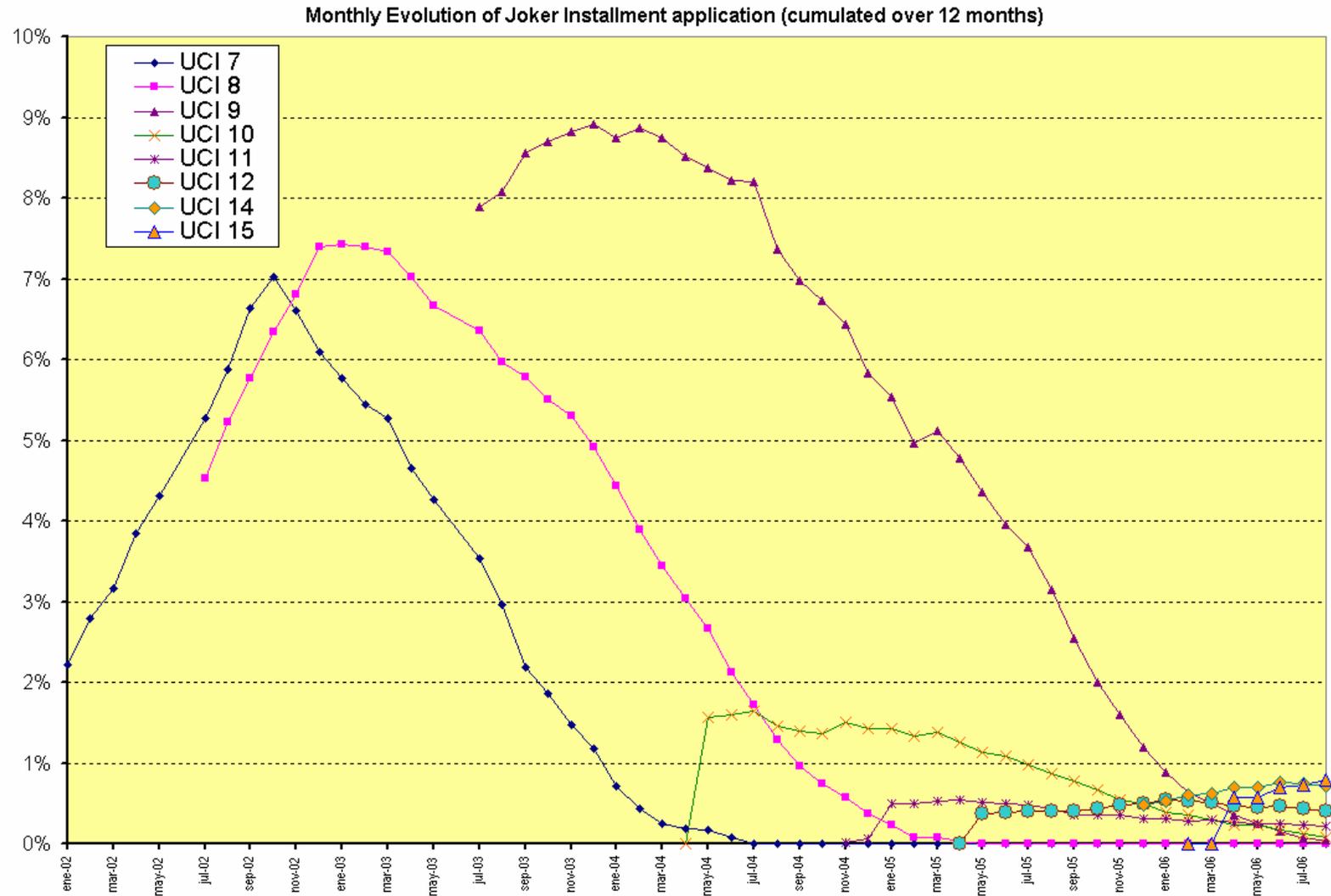
“Joker Instalment” Option... on a downward trend





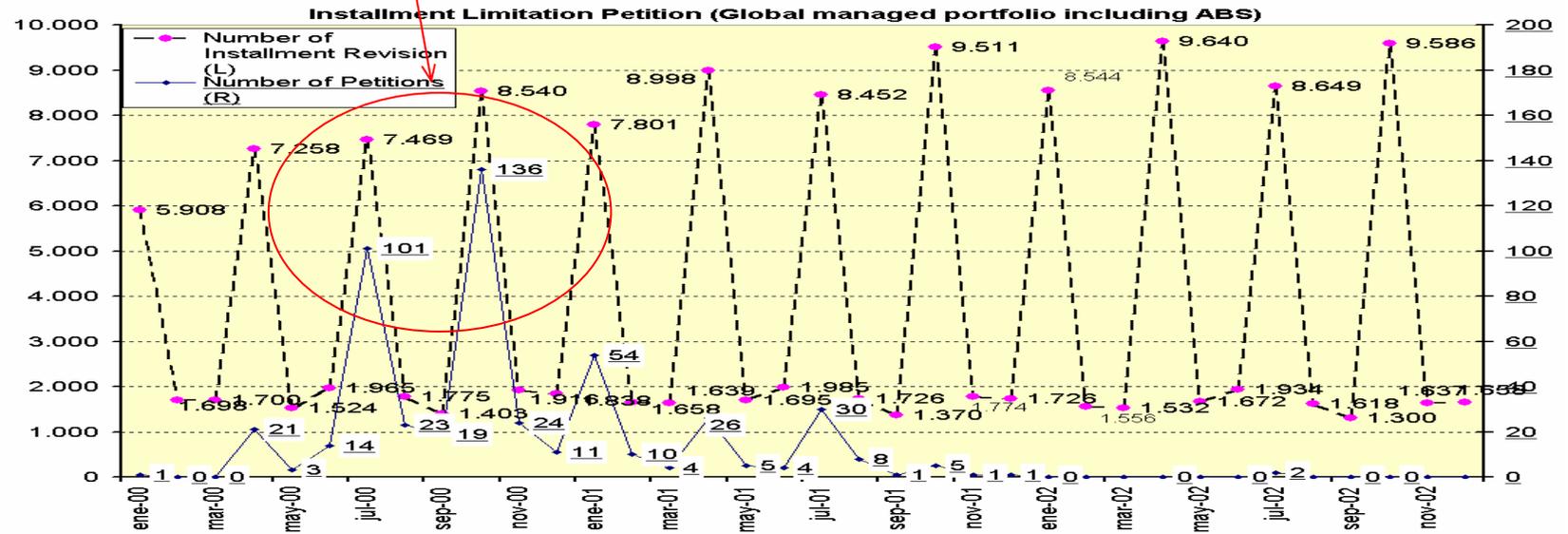
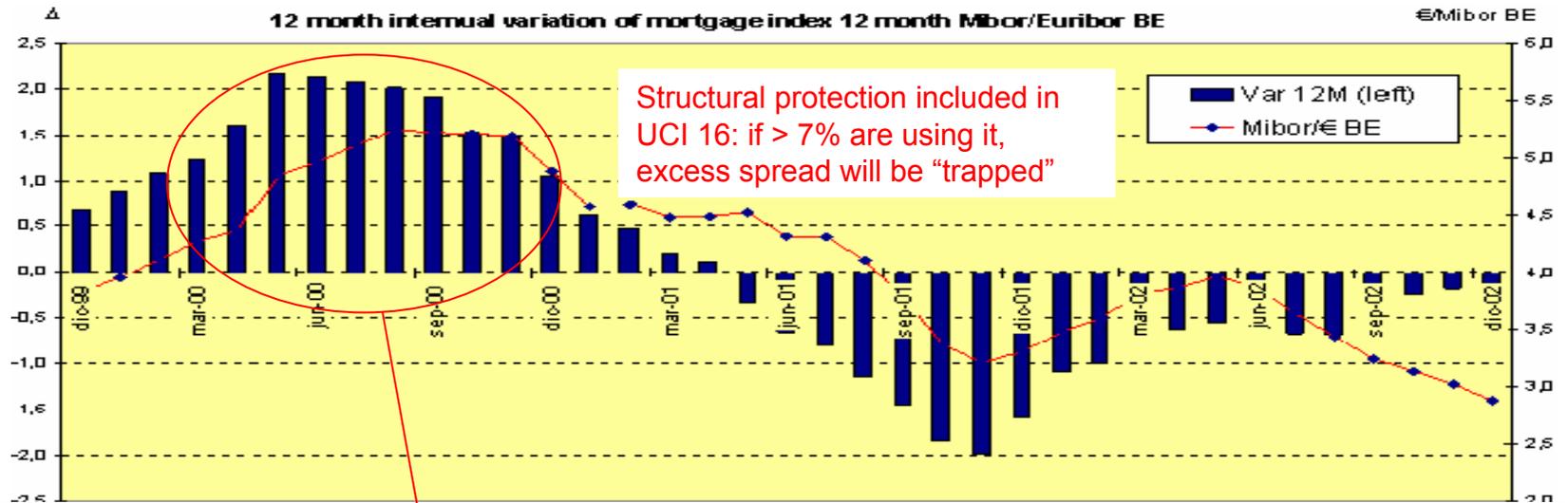
Special features

Track record of “Joker Instalments” in recent RMBS/ABS



Special features

Instalment Limitation Option which no clients are using





5. Provisional Portfolio Breakdown

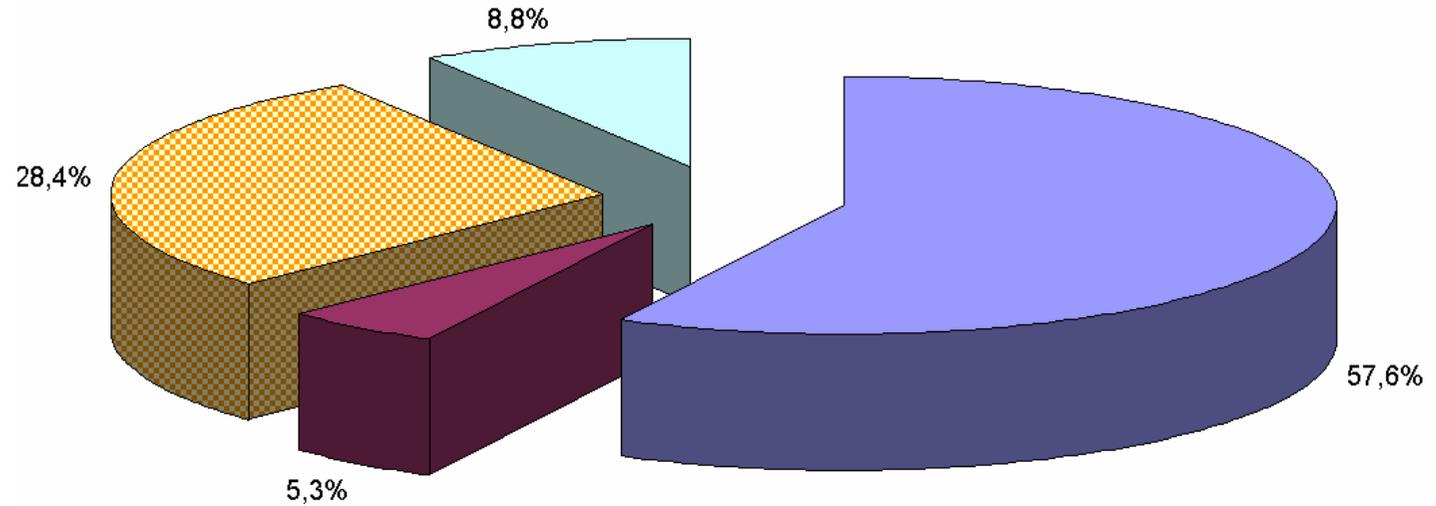


Provisional Portfolio Breakdown

Breakdown of UCI 16 Assets by Loan Type

Average Current Global LTV = 73.85%

Who's who in UCI 16 (LTVm = 73.85%)

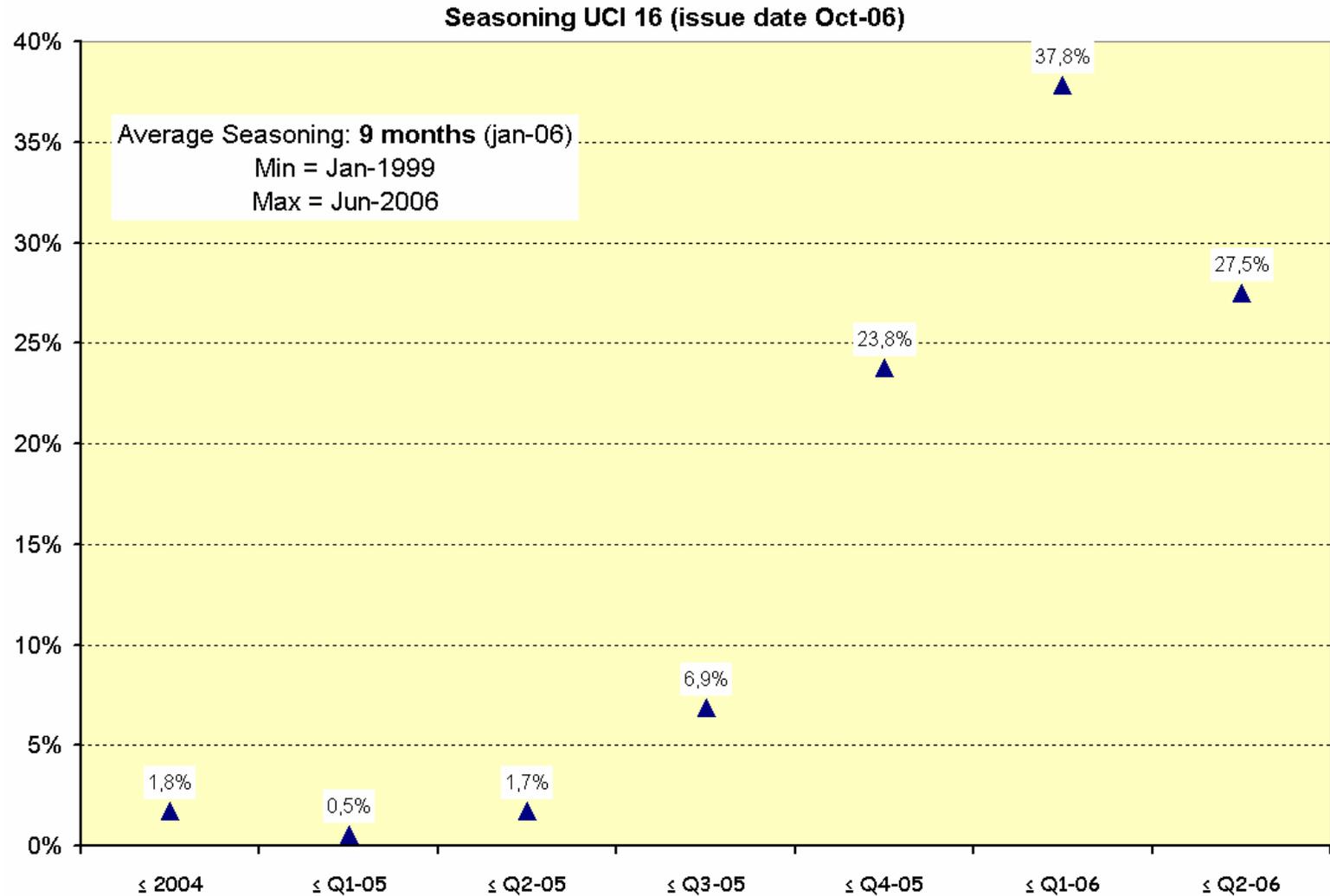


- Stand alone Mortgage Loan (LTV < 80%); LTVm = 60.8%
- Stand alone Mortgage Loan (LTV ≥ 80%); LTVm = 81.8%
- Mortgage Loan + Associated Loan with MIG; LTVm = 93.8%
- Mortgage Loan + Associated Loan without MIG; LTVm = 90%



Provisional Portfolio Breakdown

Breakdown by "Origination Date" Average Seasoning: 9 months

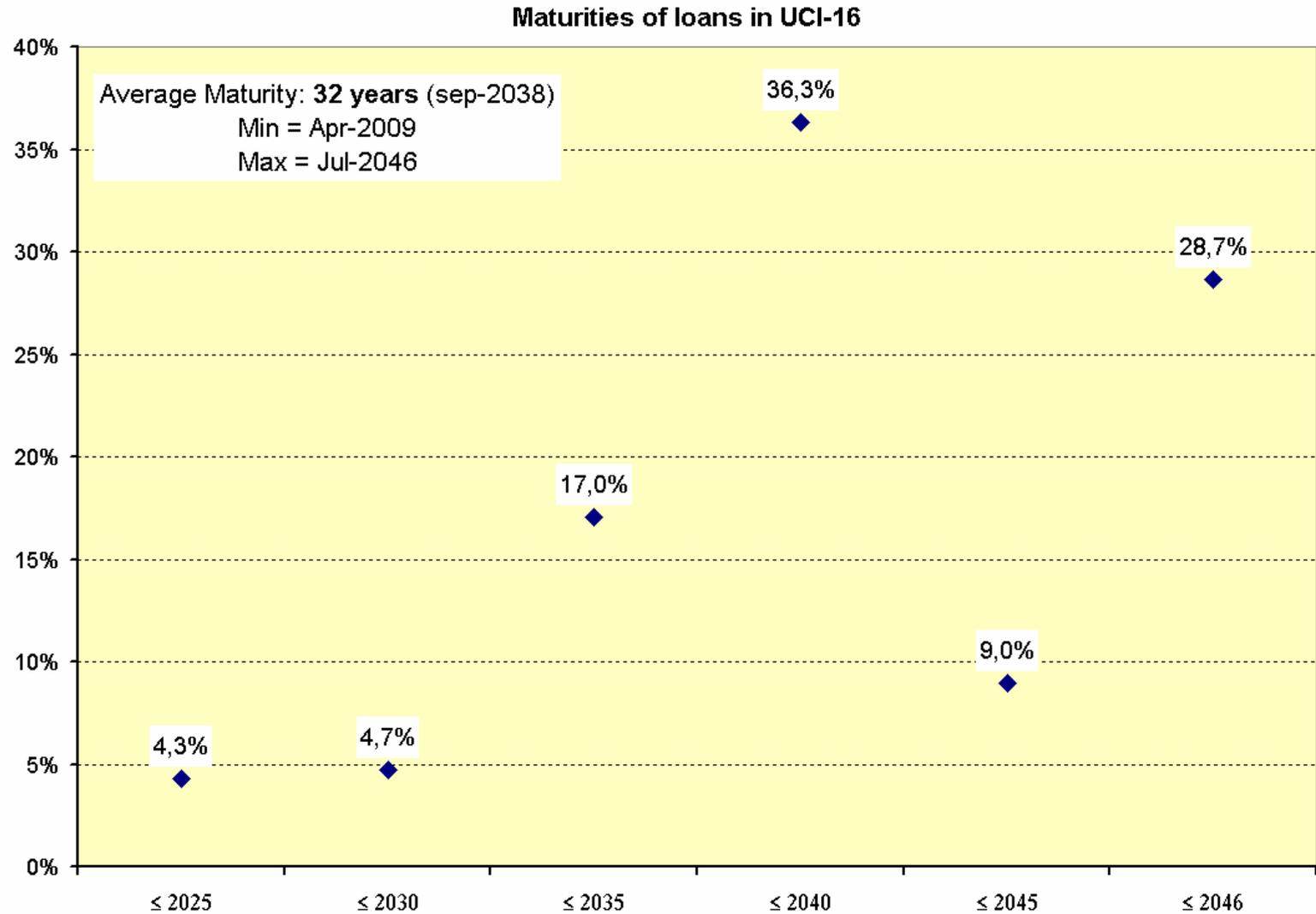




Provisional Portfolio Breakdown

Breakdown by Maturity

Average Maturity Year: 2038

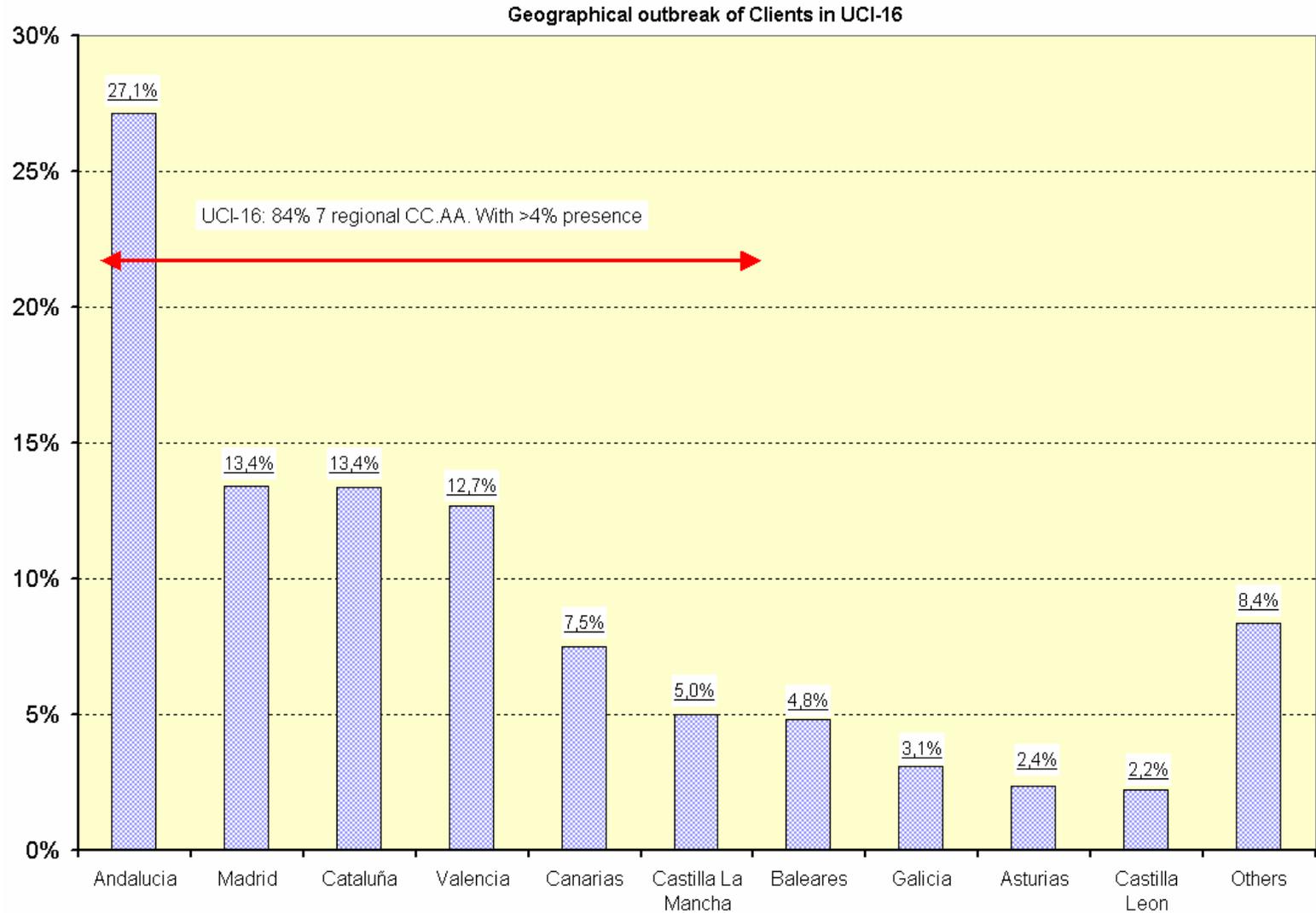




Provisional Portfolio Breakdown

Geographical Distribution of Borrowers by Province

Good diversification of loans originated in 7 major provinces (>4%)

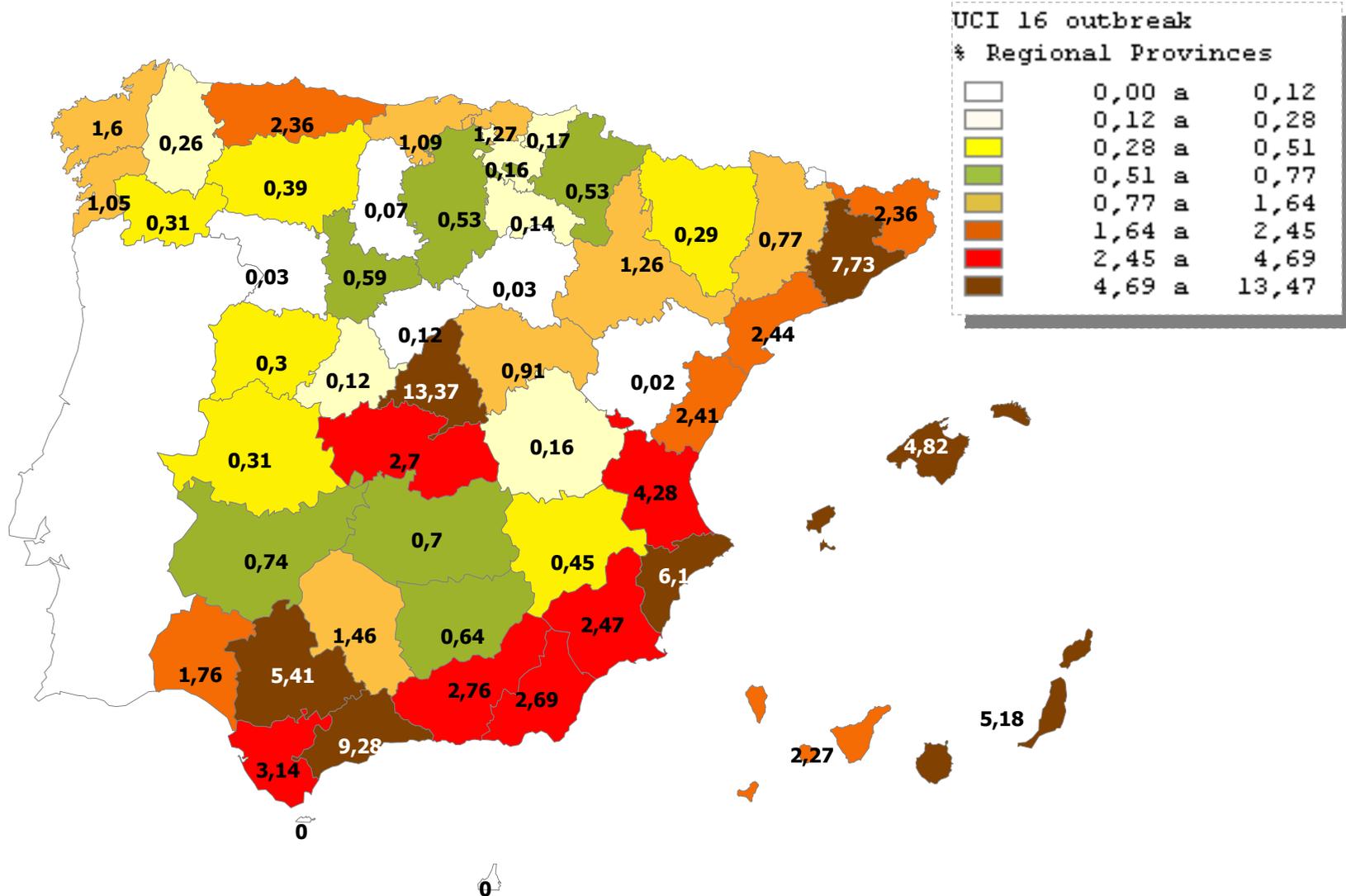




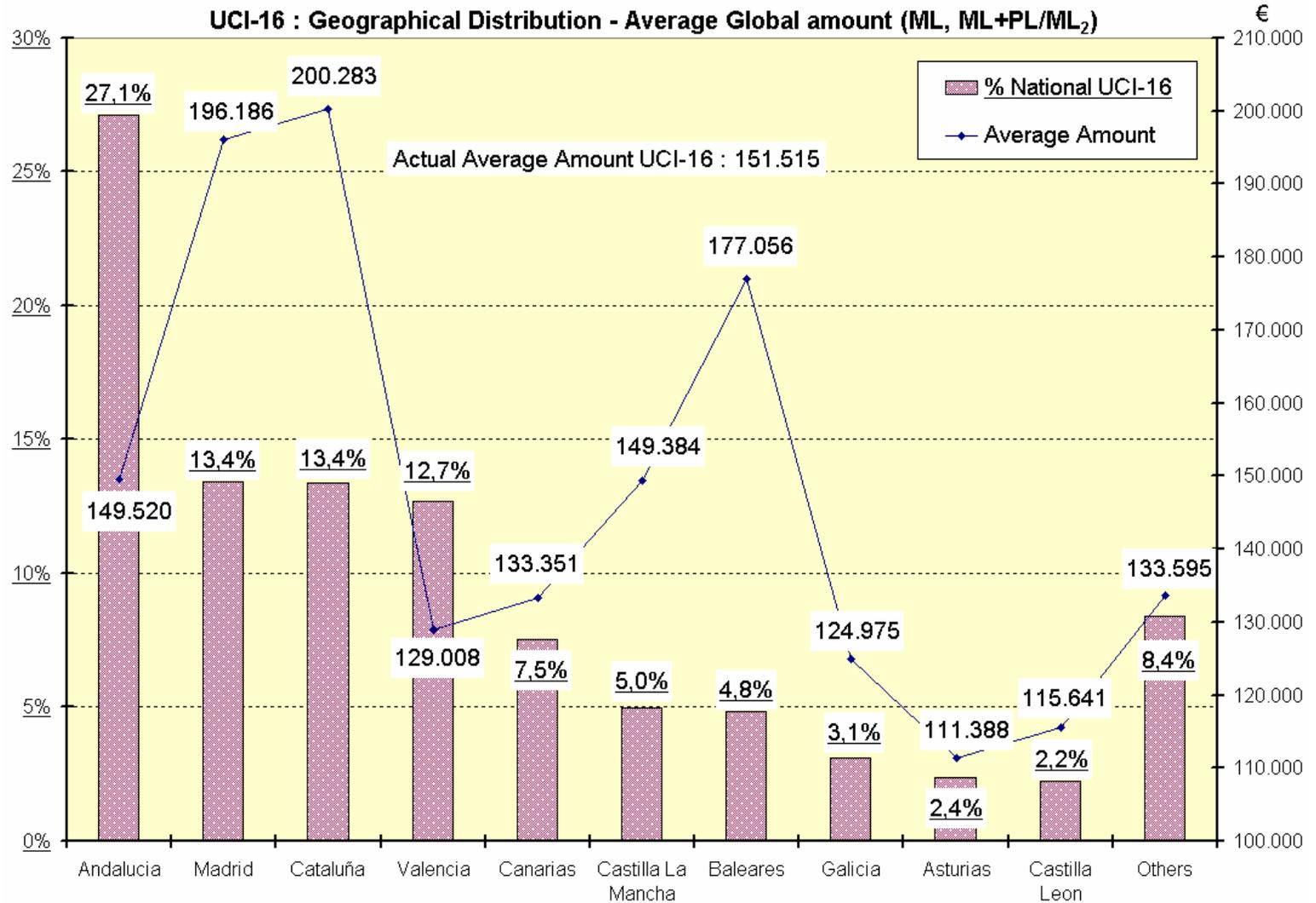
Provisional Portfolio Breakdown

Geographical Distribution of ML's by Province

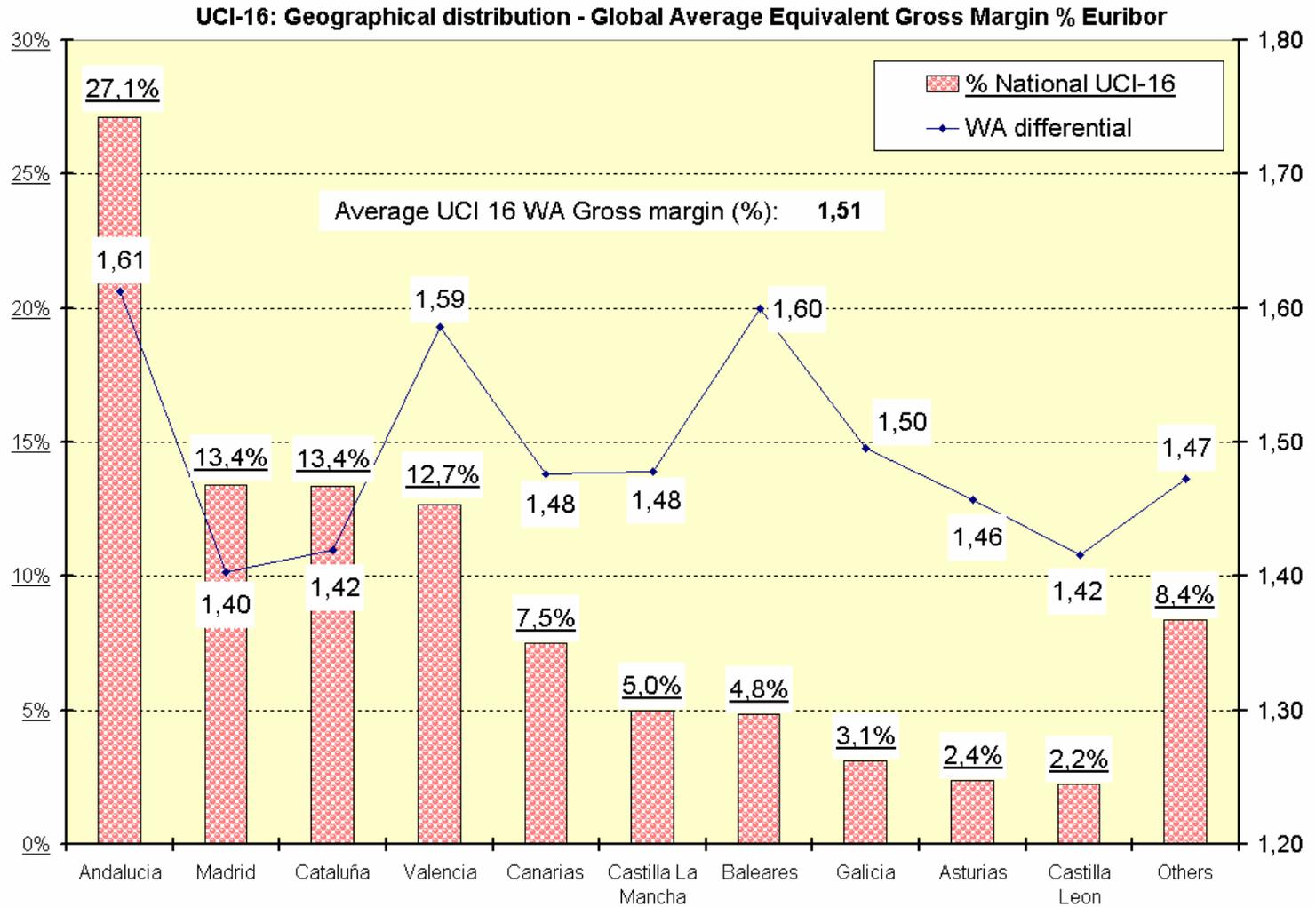
Good diversification of loans originated in 6 major provinces



Geographical Distribution & Average Amount



Geographical Distribution & Average Gross Margin

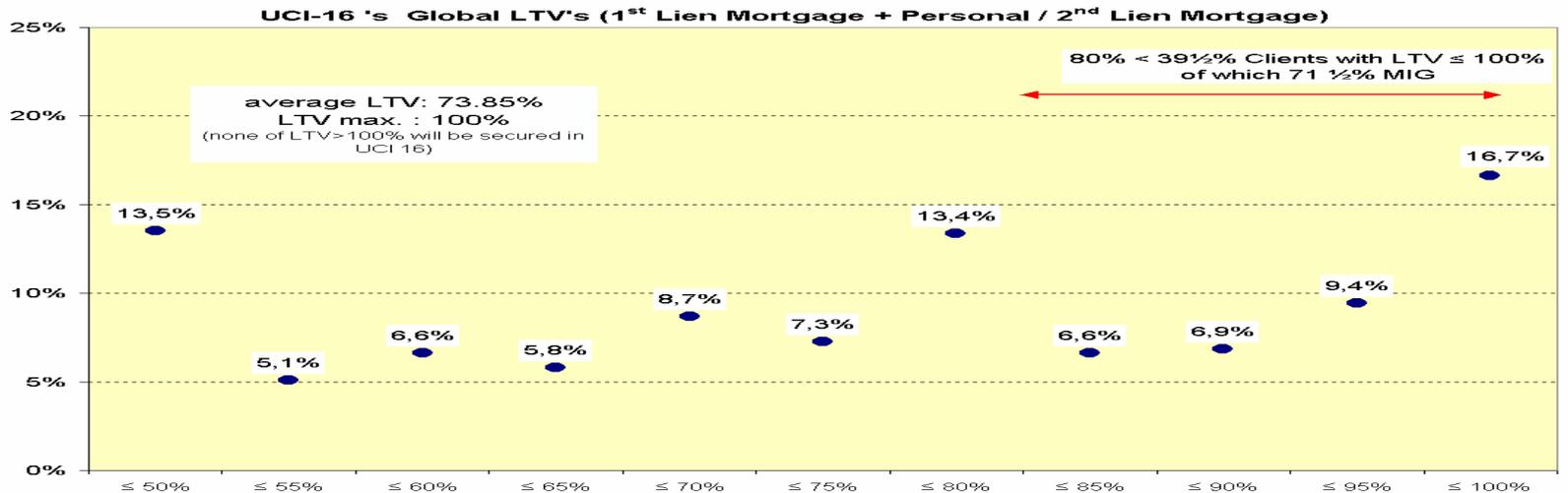
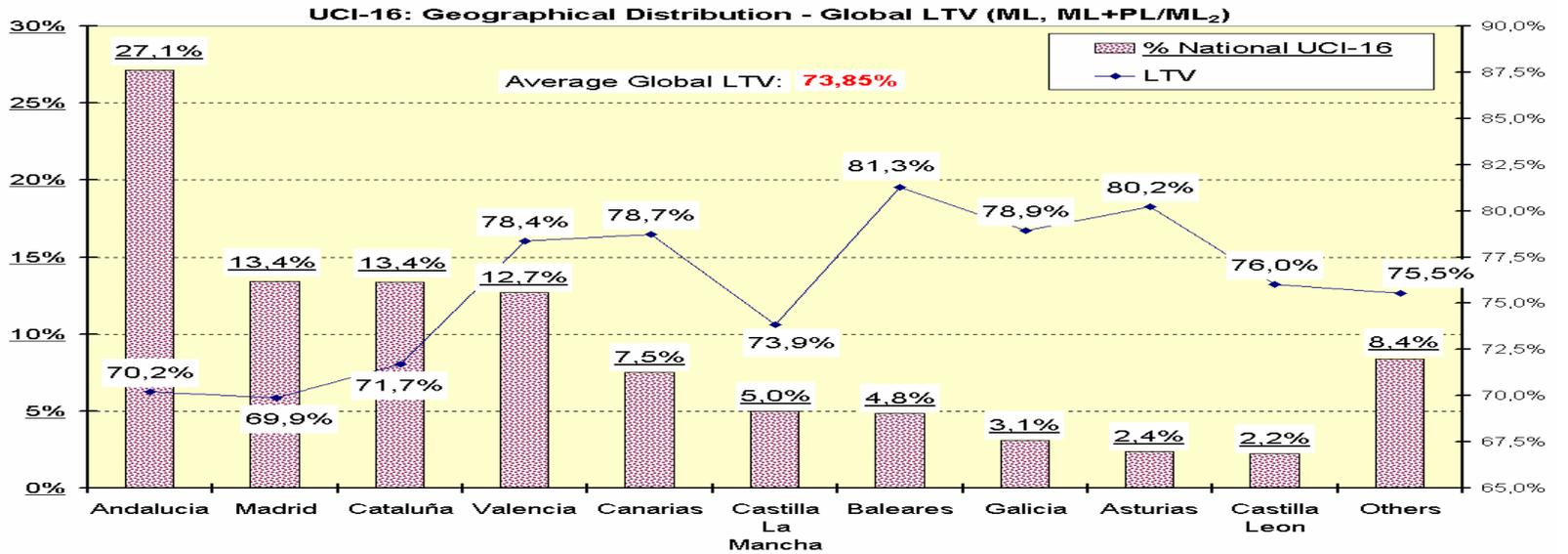


Such gross margin is calculated once all the loans or Top-up Loans go floating (i.e. > 2011)



Provisional Portfolio Breakdown

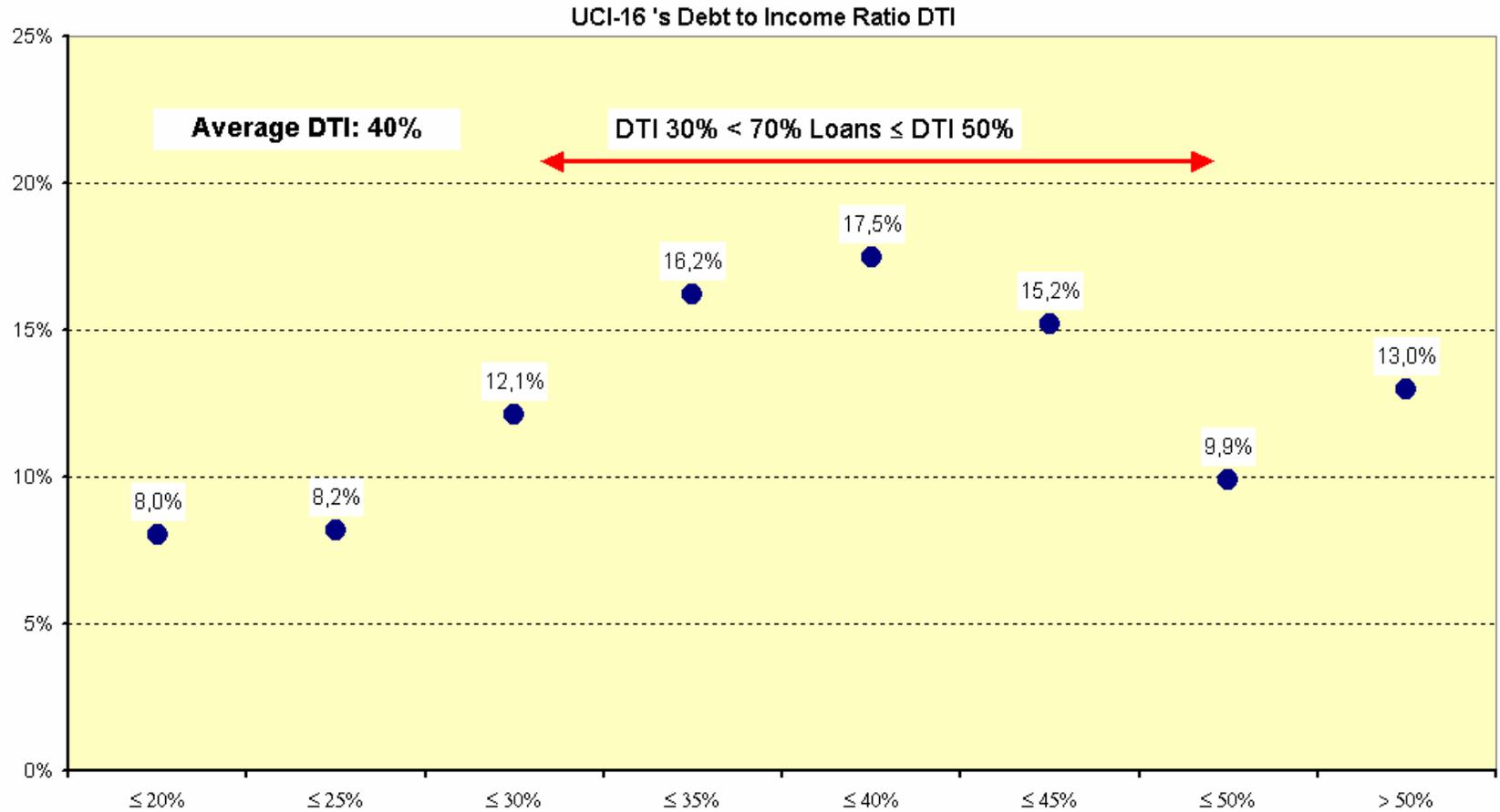
Breakdown by Loan to Value (LTV)





Provisional Portfolio Breakdown

Breakdown by Global Debt to Income ratio (DTI)



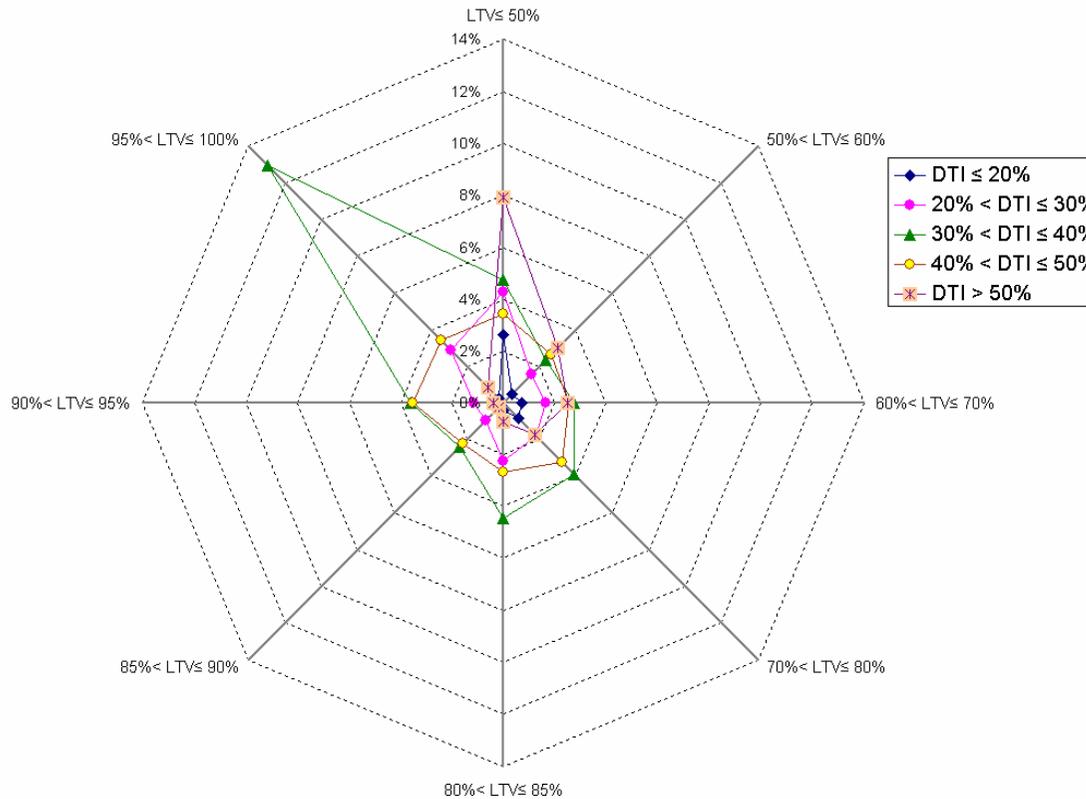
Client's debt is calculated with a minimum interest rate of 5%

Chart uses initial DTI referencing from the signature of the loan agreement



Provisional Portfolio Breakdown

DTI – LTV Radar



WA LTV = 73.85%

WA DTI = 40%

DTI	LTV								Total general
	LTV ≤ 50%	50% < LTV ≤ 60%	60% < LTV ≤ 70%	70% < LTV ≤ 80%	80% < LTV ≤ 85%	85% < LTV ≤ 90%	90% < LTV ≤ 95%	95% < LTV ≤ 100%	
DTI ≤ 20%	2,61%	0,45%	0,72%	0,83%	0,28%	0,11%	0,15%	0,27%	5,43%
20% < DTI ≤ 30%	4,25%	1,58%	1,63%	1,78%	2,23%	0,92%	1,15%	2,89%	16,44%
30% < DTI ≤ 40%	4,72%	2,34%	2,76%	3,88%	4,45%	2,43%	3,62%	12,96%	37,16%
40% < DTI ≤ 50%	3,43%	2,62%	2,53%	3,26%	2,65%	2,24%	3,51%	3,40%	23,64%
DTI > 50%	7,91%	3,01%	2,49%	1,71%	0,74%	0,24%	0,39%	0,86%	17,34%
Total general	22,93%	10,00%	10,13%	11,47%	10,34%	5,93%	8,82%	20,39%	100,00%



6. Structure of UCI 16

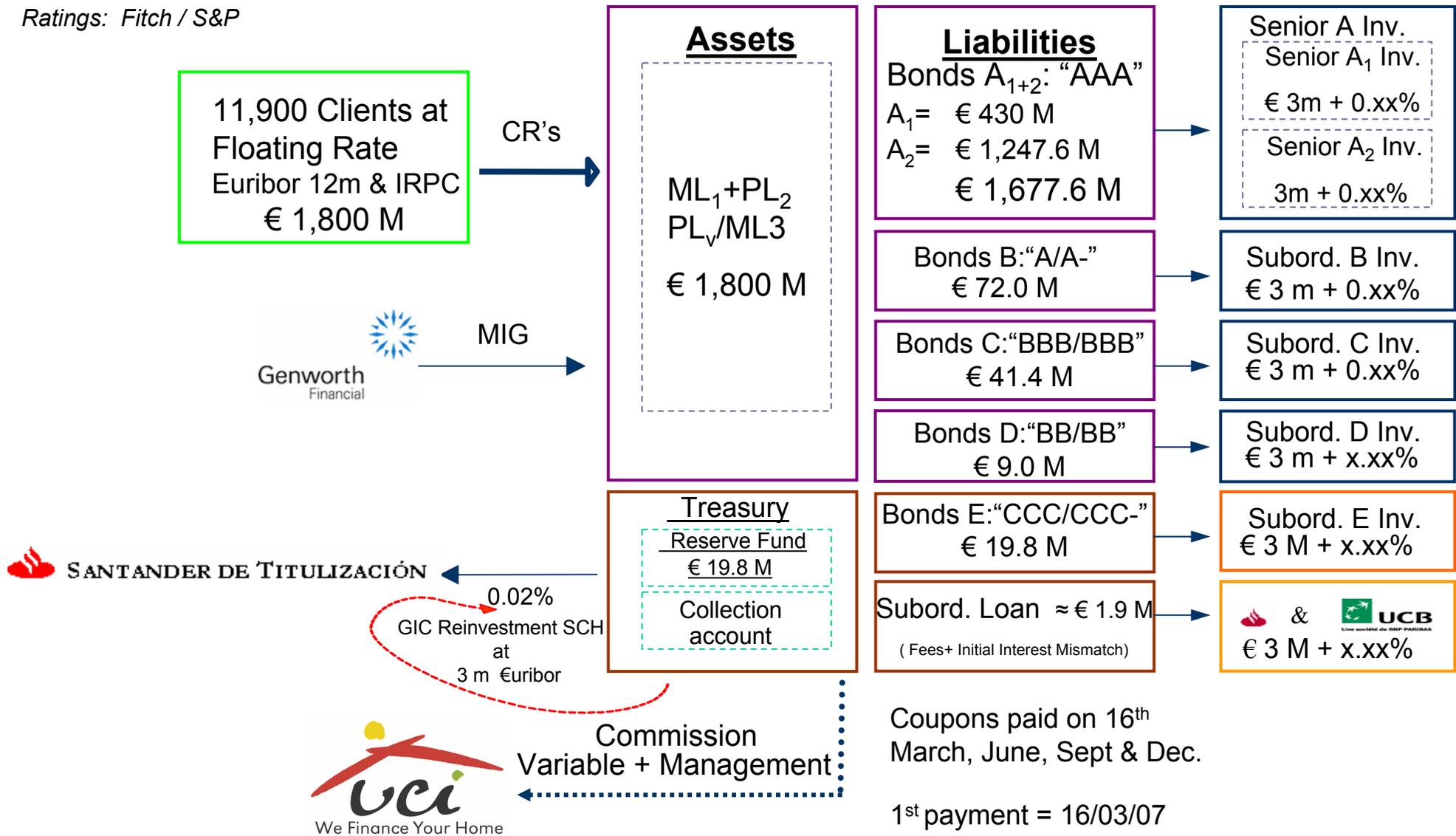


General Structure

- FTA (Spanish ABS due to 6% personal loans or 2nd lien mortgage loans topping up 1st lien mortgage loans in order to finance residential homes, 6% mortgage loans with LTV > 80%, the FTA structure is used instead of the classic FTH – where all loans have to be 1st lien Mortgages with LTV<80%, all loans in UCI 16 are used to finance residential homes in Spain and such a structure can be considered as an RMBS outside Spain)
- Management by “Santander de Titulización S.G.F.T., SA”
- No purchase of additional receivables nor additional issue will take place after closing
- All investors will be “institutional”
- “Pass-Through” Structure (all notes will amortise sequentially)
- Risk Weighting Assets: 94% Mortgage-Backed Securities(1st Lien Mortgage Loans), and 6% Top-up Loans (PL or ML₃, of which 78% of the Loans are covered by a MIG given by a “AA” institution), RWA depends on Investor’s Central Bank/Basel II rules regarding the LTVs and Assets
- **Minimum “RWA” 50% today and probably less than 20% in 2007 for the AAA (or even as low as 7% in Granular Pools – Cf. Basel II publication for advanced IRB models)**
- AAA Notes (A1 and A2) can be used as collateral for ECB repo operations
- Reduced commingling risk: direct debit of all cash collected from its customers’ accounts with SCH to UCI’s account with SCH and then transfer to the account of UCI 16 with SCH within 48h

UCI 16 FTA: € 1,819.8 M of Notes issued

Ratings: Fitch / S&P





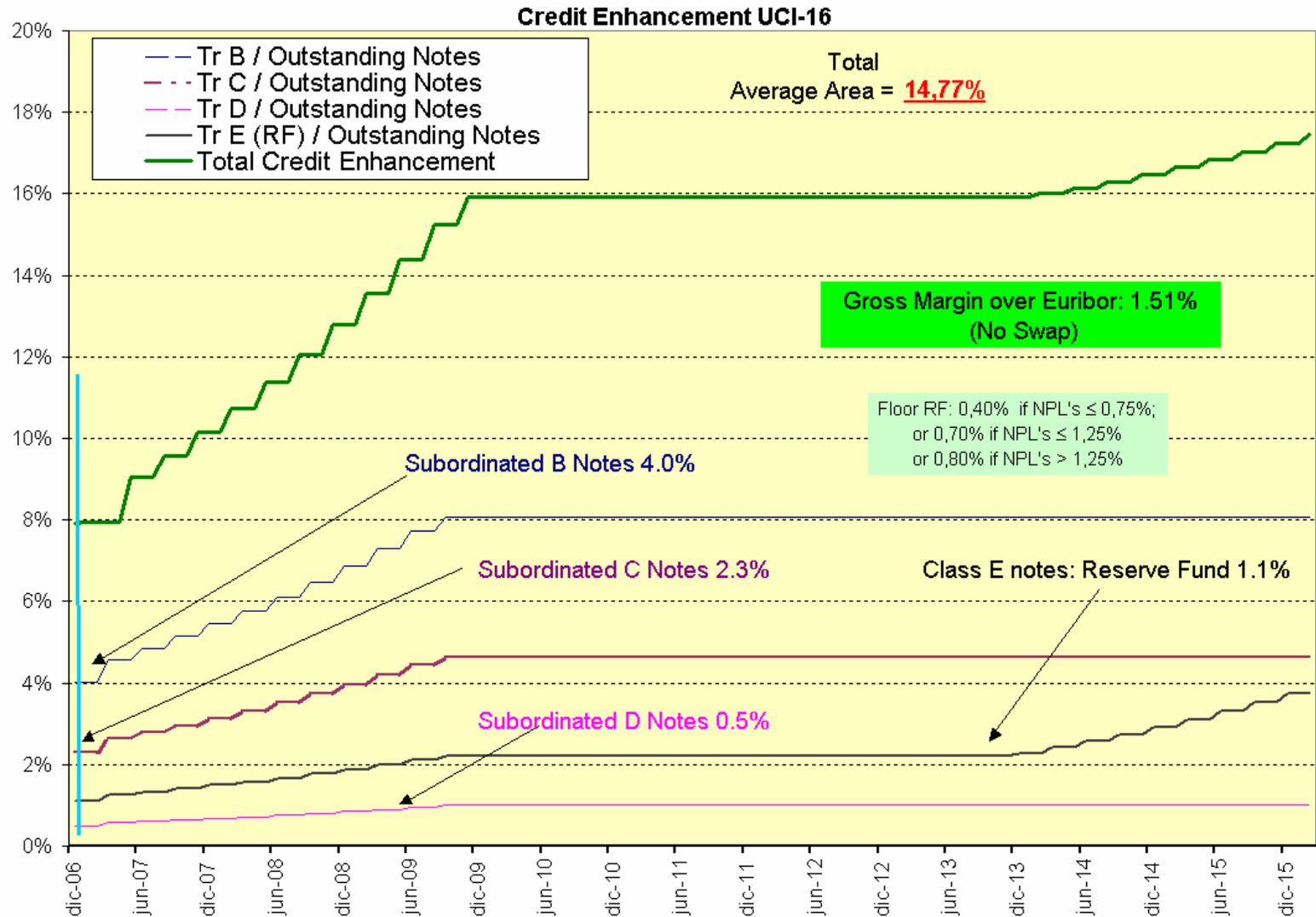
Notes and Credit Enhancement

- Interest Rate Risk: Assets with 81% Semi-Annual reset and 20% Annual reset; Liabilities with all bonds referenced at Euribor 3 month (100% Quarterly reset)
- No basic swap hedging, the global average economical margin of **1.51%** will give a 1st layer protection to bond holders
- **Class B** notes (**4%** and starts redemption once it reaches **8%** of total Class A, B, C and D bonds) subordinated to Class A notes (rating A/A- risk weighted at 20% in 2007 “IRB Approach”). In case 90 days NPLs \geq **2%** of outstanding amount of the loans, amortisation will cease
- **Class C** notes (**2.3%** and starts redemption once it reaches **4.60%** of total Class A, B,C and D bonds) subordinated to Class A & B notes (rated BBB/BBB risk weighted at 60% in 2007). In case 90 days NPLs \geq 2% of outstanding amount of the loans, the amortisation will cease
- **Class D** notes (**0.5%** and starts redemption once it reaches **1%** of total Class A, B,C and D bonds) subordinated to Class A,B & C notes (rated BB+/BB risk weighted at 425% in 2007). In case 90 days NPLs \geq 2% of outstanding amount of the loans, the amortisation will cease
- A unique Reserve Fund (**1.1%** and starts redemption once it reaches **2.2%** of total assets and financed by Class E Notes, rated CCC/CCC-). The Reserve Fund will never be less than € **7.20 M** or **0.40%** of initial amount. The Floor of the RF will be a function of the 90 days delinquencies:
 - Floor = (0.4% if NPLs \leq 0.75%; 0.7% if 0.75% < NPLs \leq 1.25% & 0.8% if NPLs >1.25%)
- GIC provider and Back up Servicer: Santander Central Hispano (rated AA-/A-1+ and AA/F1+ by S&P and Fitch)



Structure of UCI 16

Credit Enhancement Breakdown Using a CPR of 20%





Write-off Mechanism

- A portion of excess spread will be retained for the amortisation of the notes, equal to the difference (if positive) between:
 - The outstanding amount of the notes and
 - The difference between
 - The outstanding amount of the portfolio and
 - The outstanding amount of the loans with any amount due but unpaid for more than 18 months according to the following rules:

Mortgage Loans

LTV / Arrears	18 months	24 months	36 months	48 months
80% < LTV? 100%	100%	100%	100%	100%
60% < LTV? 80%	50%	75%	100%	100%
40% < LTV? 60%	25%	50%	75%	100%
LTV? 40%	0%	0%	25%	50%

Top-up Loans with MIG

LTV / Arrears	18 months	24 months	27 months
Personal Loans	25%	50%	100%
2 nd Lien Mortgages	25%	50%	100%

NEW:

← 27 months WO corresponding to 100% claim amount paid

Personal Loans and 2nd Lien Mortgage Loans without associated MIG's will have a 100% Write-off at 18 month

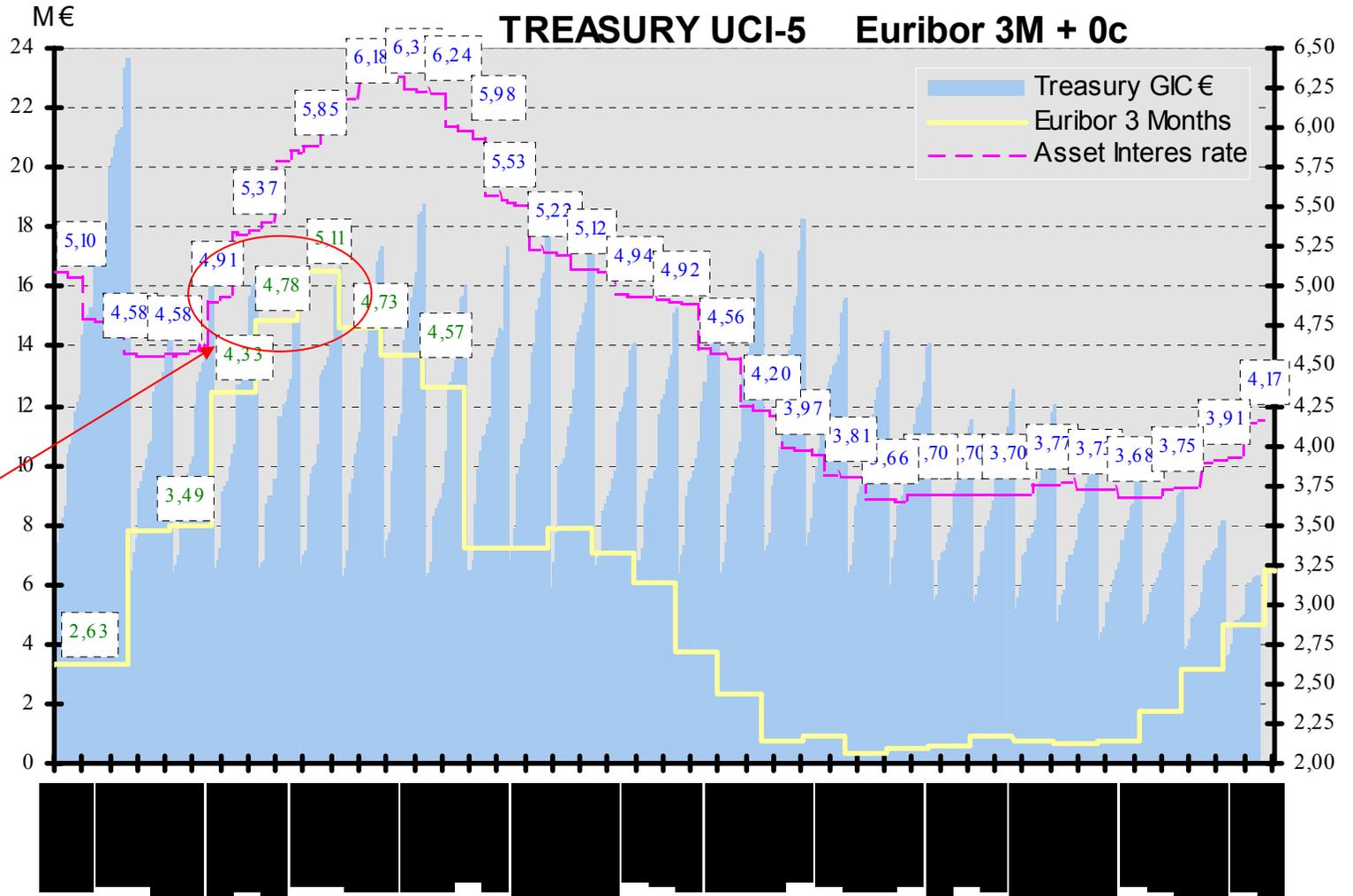
Waterfall

1. Payment of Senior Fees and Expenses
 2. Payment of Interest accrued on Class A₁ Notes
 3. Payment of Interest accrued on Class A₂ Notes
 4. Payment of Interest accrued on Class B Notes unless deferred (*)
 5. Payment of Interest accrued on Class C Notes unless deferred (*)
 6. Payment of Interest accrued on Class D Notes unless deferred (*)
 7. Retention of required amount to redeem Class A₁, A₂, B, C & D Notes in accordance with amortisation and sequential rules
 8. Interest payment to Class B, C & D Notes (if deferred)
 9. Replenishment of Reserve Fund (RF) to its required balance
 10. Payment of Interest accrued on Class E Notes
 11. Retention of the Class E Notes equal to amortization of RF
 12. Payment of interest accrued on the Subordinated Loan (PS)
 13. Repayment of PS equal to periodic amortization on the initial expenses in 3 years and on initial interest rate mismatch in 1 year
 14. Payment to UCI of the fixed servicer fee (€ 6,000/quarter including VAT) and variable servicer fee
- (*) Defferral Trigger: This will happen if [there is an amortisation deficit on Class A notes and the difference between proceeds from Class A (B, C and D resp.) and surplus of available funds once applied to payment obligation (1st to 4th (or 5th or 6th resp.) + loans with at least 18 months in arrears, is greater than zero]



UCI & Interest Rates

- UCI 16, as 10 previous deals (UCI 5 to UCI 15), does not include a basis swap
- UCI 5 experienced a strong interest rate rise during 21 consecutive months around 2000
- The minimum quarterly excess spread was **0.58%** thanks to its average gross margin of 1.32%





Structure of UCI 16

Good quality excess spread during Fund's lifetime
 - Consequence of "no renegotiation" policy

Rmbs	Issue Date	Type of Renegociation	2000	2001	2002	2003	2004	2005	2006
UCI 5	08-jun-99	<Marg>	0,05%						
		<Marg> <Interest Rate>	0,15%						
		<Ref> <Marg>	0,08%		0,10%	0,04%			
		<Ref> <Marg> <Interest Rate>	0,20%	0,23%	0,43%	0,20%	0,11%		
		<Interest Rate>	0,03%						
UCI 6	22-jun-00	<Marg>		0,01%					
		<Marg> <Interest Rate>		0,01%					
		<Ref> <Marg>	0,04%	0,02%	0,02%	0,05%			
		<Ref> <Marg> <Interest Rate>	0,03%	0,13%	0,18%	0,08%	0,16%		
		<Ref> <Interest Rate>		0,01%					
UCI 7	30-oct-01	<Marg>			0,02%				
		<Marg> <Interest Rate>			0,11%	0,09%	0,15%	0,04%	
		<Ref> <Marg>			0,05%	0,02%			
		<Ref> <Marg> <Interest Rate>		0,11%	0,31%	0,13%	0,15%		
UCI 8	27-jun-02	<Marg>			0,03%	0,01%			0,06%
		<Marg> <Interest Rate>			0,04%	0,10%	0,09%		
		<Ref>			0,02%				
		<Ref> <Marg> <Interest Rate>			0,12%	0,15%	0,02%	0,03%	
UCI 9	19-jun-03	<Marg>			0,03%	0,01%			
		<Marg> <Interest Rate>			0,08%	0,07%	0,06%	0,04%	
		<Ref> <Marg> <Interest Rate>			0,11%	0,06%	0,06%	0,07%	
		<Ref> <Interest Rate>			0,02%				
		<Interest Rate>					0,02%		
UCI 10	19-may-04	<Marg>					0,02%		
		<Marg> <Interest Rate>					0,02%	0,05%	
		<Ref> <Marg> <Interest Rate>					0,04%	0,07%	
UCI 11	18-nov-04	<Marg> <Interest Rate>						0,07%	
		<Ref> <Marg> <Interest Rate>					0,09%	0,03%	
		<Ref> <Interest Rate>					0,02%	0,03%	

	Reference Index	% Index at launch	Excess Margin at Launch	% current Index	Current Margin over Index	
UCI 5 (jun-99)	Mibor/Euribor	100%	1,32	100%	1,29	
UCI 6 (jun-00)	Hipotecario	100%	1,23	100%	1,21	
	Personal	100%	2,17	100%	2,14	
UCI 7 (Oct-01)	Mibor/Euribor	94%	1,29	95%	1,27	
	IPRH	6%	0,46	5%	0,44	
UCI 8 (jun-02)	Hipotecario	83%	1,18	87%	1,17	
		IPRH	17%	0,41	13%	0,38
	Personal	Mibor/Euribor	100%	2,43	100%	2,42
UCI 9 (jun-03)	Mibor/Euribor	81%	1,10	83%	1,07	
	IPRH	19%	0,42	17%	0,42	
UCI 10 (may-04)	Mibor/Euribor	77%	0,96	80%	0,90	
	IPRH	22%	0,32	18%	0,32	

Despite high CPRs and thanks to the "no renegotiation" policy, there is little erosion of pool margins over time

% clients that have changed some financial conditions such as reference index (Ref.), margin over index (Marg.) or Interest Rate in past transactions

Structure of UCI 16

Comparable Previous UCI RMBS (Assets similar to UCI 16 at launch)

Fondo		FTA UCI 15		abr-06	FTA UCI 14		nov-05	FTA UCI 11		nov-04
Rating Agencies	Rating A/B/C/D	S&P's AAA/A-/BBB	Fitch AAA/A-/BBB+		S&P's AAA/A-/BBB	Fitch AAA/A-/BBB+		S&P's AAA/A-/BBB		
Total Amount (M€)		1.430,0			1.450,0			850,0		
Tranching										
	Tranche A	1.340,600 €	93,75%		1.377,500 €	95,00%		821,100 €	96,60%	
	Tranche B	32,900 €	2,30%		34,100 €	2,35%		6,000 €	0,71%	
	Tranche C	56,500 €	3,95%		38,400 €	2,65%		22,900 €	2,69%	
	Tranche D									
Reserve Fund	RF (t=0)	21,600 €	1,51%		21,750 €	1,50%		12,750 €	1,50%	
Total CE's (t=0)		111,000 €			94,250 €			41,650 €		
Average Lives		5,03		CPR 15%	4,98		CPR 15%	4,86		CPR 15%
	Bonds A		4,82			4,81			4,75	
	Bonds B & C		8,20 B+C			8,13 B+C			7,93 B+C	
Pricing										
	Tranche A	0,14%		all-in coupon	0,15%		all-in coupon	0,14%		all-in coupon
	Tranche B	0,27%		0,170%	0,29%		0,174%	0,33%		0,169%
	Tranche C	0,53%			0,58%			0,75%		
	Tranche D									
Collateral		94% Mortgage Loans, 6% Personal or 2°LM (66% with MIG) All PL or 2°LM associated to ML in UCI 15			93% Mortgage Loans, 7% Personal (90% with MIG) All PL associated to ML in UCI 14			94% Mortgage Loans, 6% Personal (100% with MIG) All PL associated to ML in UCI 11		
	Remaining Term PH or DC (years)	sep-2036	30,6		jun-2035	29,7		abr-2032	27,5	
	Seasoning (months)	jun-2005	10,0		nov-2004	12,8		jul-2003	16,7	
	Average amount (x 1000€)	140,85 €			126,00 €			104,00 €		
Margen/reference		79c / 14% Mibor-Euribor 1A			96c / 15% Mibor-Euribor 1A			117c / 56% Mibor-Euribor 12m (H+P)		
	Global Excess Spread	86% IRPH+48c	1,50% upto '09 then 1,44%		85% IRPH+49c	1,75% upto '08, 1,71% to '09 then 1,64%		40% IRPH+39c (H+P)	1,86% upto '06, 1,55% to '08 then 1,43%	
LTV (t=0)		68,80%	74,75% when adding "H+P"		68,50%	76¼% when adding "H+P"		69,00%	74½% when adding "H+P"	
Geographical Distribution										
	Andalucía	H+P's / 2°LM	24%		H+P's	23%		H+P's	23%	
	Catal. + Balear.		22%			21%			23%	
	Madrid		17%			17%			18%	
	Com. Valencia		10%			11%			7%	
	Castilla Mancha/Leon		7%			7%			6%	
	Canarias		7%			8%			10%	
	Others	Asturias+Galicia = 6,3'		7%	Asturias+Galicia =		8%	Asturias+Galicia = 6,9		7%
RF Structure		1	Class D (UR / CCC-)		1			1		
	FR (t=0)	21,600 €	1,51%		21,750 €	1,50%		12,750 €	1,50%	
	FR (t)	Min (FR(0) ; 3%SV(t); Floor(NPL's))			Min (FR(0) ; 3%SV(t); Floor(NPL's))			Min (FR(0) ; 3%SV(t); Floor(NPL's))		
	amortization FR(t)	jun-2010	(min. 2009 before amortiz.)		sep-2009	(min. 2008 before amortiz.)		sep-2008	(min. 2007 before amortiz.)	
Swap		NO	only on 65 M€ till 2009 with SCH (margin 4,20%)		NO	only on 150 M€ till 2009 with SCH (margin 2,5%)		NO	only on 340 M€ till 2008 with BNP PB (margin 3,5%)	
Extra Margen (Swap)		0,00%			0,00%			0,00%		
GIC		Euribor 3M	SCH		Euribor 3M	SCH		Euribor 3M	SCH	
Total CE's (t=0) + Excess Spread		9,20%		excess spread 144 Bp	8,14%		excess spread 164 Bp	6,33%		excess spread 143 Bp

Floor = 0,4% if npl's ≤ 0,75% or 0,7% if npl's ≤ 1,25% or 0,8%
Write off X months = f*(LTV,t)

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Write off X months = f*(LTV,t)



Structure of UCI 16

Transaction Parties

Originator, Servicer & Co-Arranger:



Management Company & Co-Arranger:



Rating Agency:



Portfolio & FTA Auditor:



MIG provider, auditor & monitoring:



Legal Advisers:

Cuatrecasas & the Management Company

GIC provider, Paying Agent & Back up Servicer:





Appendix 1 – Basel II Approach



Basel II & UCI's Expected Loss Internal Model

- UCI agreed fully with Bank of Spain 9/99 Circular and was one of the first financial institution to request approval of its model and calculation method, for the purpose of estimating average losses adjusted to economical cycle for mortgages to individuals in Spain. The risk rating assigned to customers in the acceptance phase is reviewed continually during the subsequent risk monitoring stage
- Two key factors behind the calculation of the EL are the anticipated NPL ratio (% PD) and the average rate of recoveries which will enable to evaluate what percentage of initial non-payments could be recovered and what will end up as a real loss (LGD)
- Under these circumstances, the average level of expected loss **(EL)** over one year is **below 0.10%** of the portfolio's outstanding balance (*with a % PD < 5% and a % LGD < 2½%*) making a **K_{irb} < 1%**



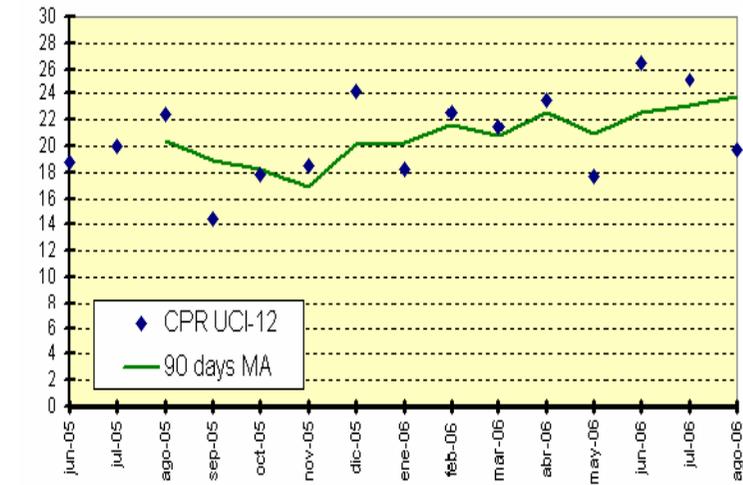
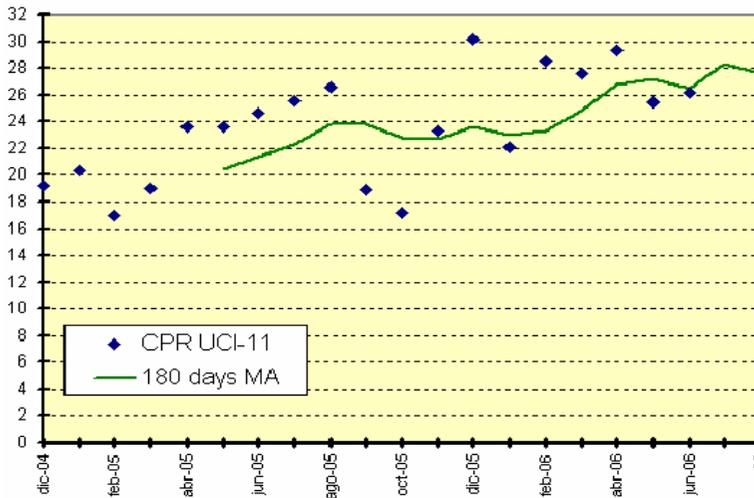
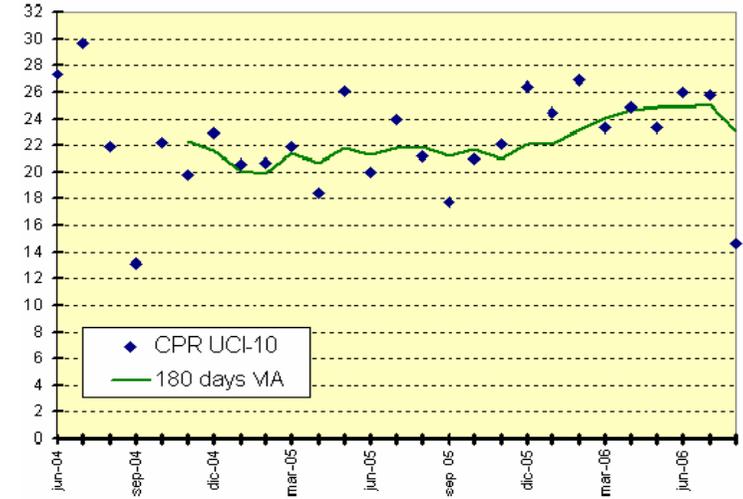
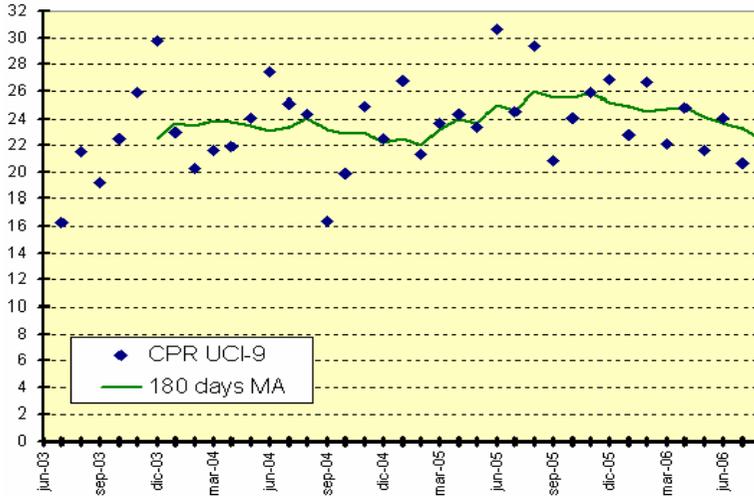
Appendix 2 – Additional Historical Performance



Additional Historical Performance

Historical Prepayment Rate

CPR on recent transactions (as of August 06)

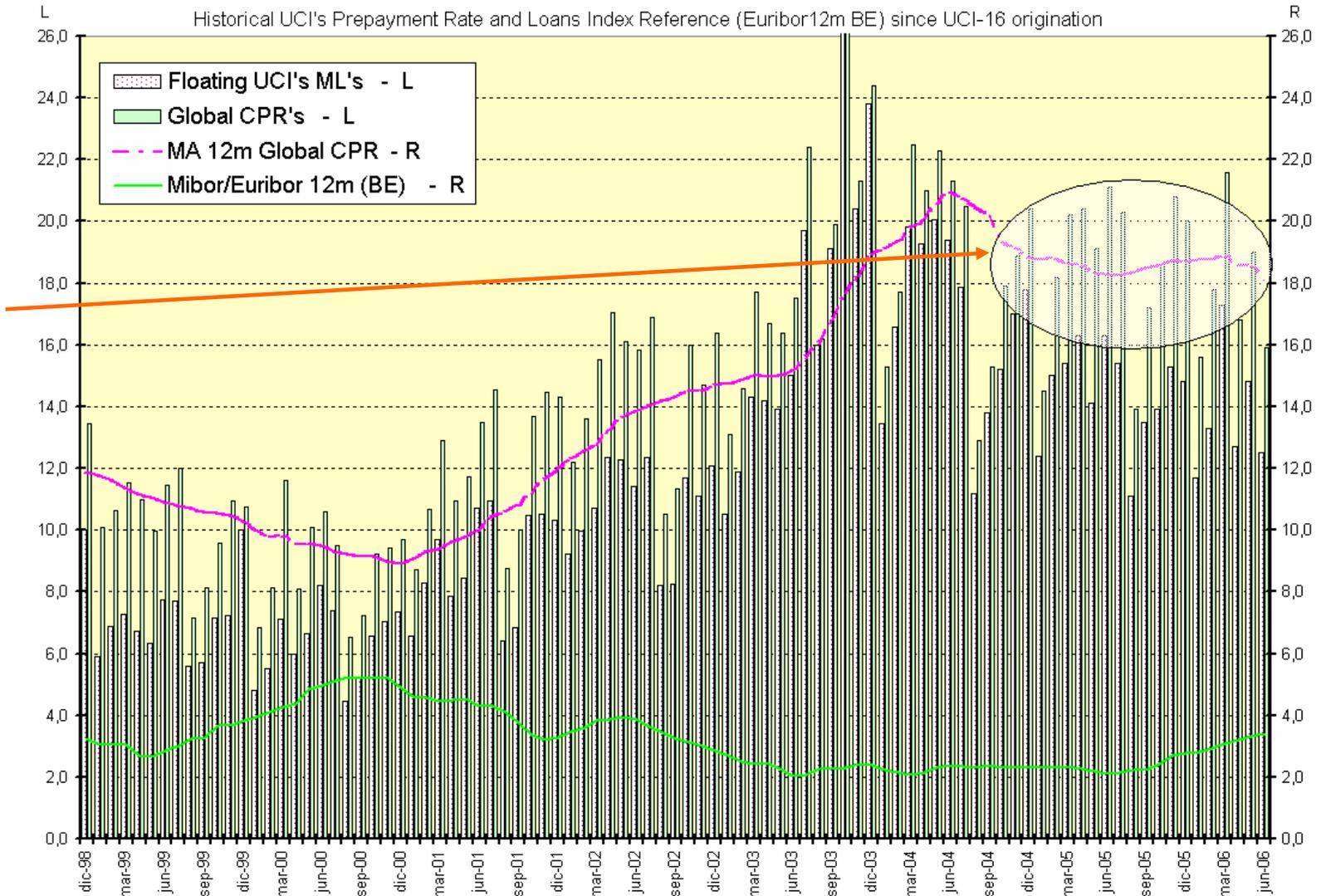




Additional Historical Performance

Historical CPRs of UCI

Highly competitive Spanish market and a Government trying to “establish a more efficient market” (lowering banking & administrative fees...): Actual Average 12 M CPR close to 20%





Additional Historical Performance

UCI Spanish NPLs

(> 90 days arrears & 6 month criteria – As of August 2006)

Resume delinquencies on managed assets on and off-balance (Rmbs) in Spain

UCI-4	Balance PH	Balance+90d delinquencies	NPL's BE	% +90d	% NPL's BE
jun-98	180,30	-	-	-	-
dic-98	167,55	0,17	0,01	0,10%	0,00%
jun-99	154,45	0,24	0,01	0,16%	0,01%
dic-99	141,93	0,29	0,04	0,21%	0,03%
jun-00	131,15	0,58	0,16	0,44%	0,12%
dic-00	120,61	0,70	0,23	0,58%	0,19%
jun-01	111,45	0,66	0,28	0,59%	0,25%
dic-01	100,55	0,56	0,29	0,56%	0,29%
jun-02	90,88	0,29	0,16	0,32%	0,17%
dic-02	81,48	0,37	0,19	0,46%	0,23%
jun-03	71,35	0,25	0,20	0,36%	0,28%
dic-03	60,45	0,20	0,15	0,33%	0,25%
jun-04	52,43	0,06	0,00	0,12%	0,00%
dic-04	46,27	0,01	0,01	0,02%	0,02%
jun-05	40,29	0,04	0,00	0,10%	0,00%
dic-05	35,49	0,04	0,04	0,10%	0,10%
jun-06	31,09	0,02	0,00	0,08%	0,00%
ago-06	29,92	0,02	0,01	0,06%	0,03%

UCI-5	Balance PH	Balance+90d delinquencies	NPL's BE	% +90d	% NPL's BE
jun-99	262,76	-	-	-	-
dic-99	248,48	0,46	0,02	0,18%	0,01%
jun-00	234,41	0,97	0,18	0,42%	0,08%
dic-00	221,15	1,44	0,36	0,65%	0,16%
jun-01	204,75	1,45	0,43	0,71%	0,21%
dic-01	188,53	1,64	0,45	0,87%	0,24%
jun-02	169,53	1,47	0,65	0,86%	0,38%
dic-02	155,32	1,07	0,39	0,69%	0,25%
jun-03	138,89	0,79	0,44	0,57%	0,32%
dic-03	118,15	0,56	0,42	0,47%	0,36%
jun-04	103,30	0,31	0,25	0,30%	0,24%
dic-04	90,95	0,40	0,28	0,43%	0,30%
jun-05	78,79	0,28	0,22	0,36%	0,29%
dic-05	68,62	0,19	0,19	0,27%	0,27%
jun-06	60,64	0,32	0,10	0,52%	0,17%
ago-06	58,78	0,32	0,18	0,54%	0,30%

UCI-6	Balance DC	Balance+90d delinquencies	NPL's BE	% +90d	% NPL's BE
jun-00	454,94	-	-	0,00%	0,00%
dic-00	433,64	1,32	0,05	0,30%	0,01%
jun-01	407,59	1,75	0,40	0,43%	0,10%
dic-01	377,47	3,33	1,07	0,88%	0,28%
jun-02	344,77	3,23	1,54	0,94%	0,45%
dic-02	315,65	2,67	1,64	0,85%	0,52%
jun-03	279,79	2,41	1,39	0,86%	0,50%
dic-03	235,67	1,47	0,85	0,62%	0,36%
jun-04	202,98	0,95	0,72	0,47%	0,35%
dic-04	179,59	0,93	0,55	0,52%	0,30%
jun-05	158,11	1,02	0,40	0,64%	0,25%
dic-05	139,12	0,80	0,40	0,57%	0,29%
jun-06	122,17	0,41	0,29	0,33%	0,24%
ago-06	117,52	0,44	0,30	0,37%	0,25%

UCI-7	Balance PH	Balance+90d delinquencies	NPL's BE	% +90d	% NPL's BE
dic-01	442,56	0,00	0,00	0,00%	0,00%
jun-02	406,30	0,41	0,06	0,10%	0,01%
dic-02	374,29	1,25	0,31	0,33%	0,08%
jun-03	333,81	1,26	0,45	0,38%	0,13%
dic-03	284,53	0,65	0,39	0,23%	0,14%
jun-04	247,62	0,87	0,39	0,35%	0,16%
dic-04	218,37	0,55	0,45	0,25%	0,20%
jun-05	189,78	0,66	0,44	0,35%	0,23%
dic-05	165,69	0,37	0,27	0,23%	0,17%
jun-06	144,36	0,23	0,14	0,16%	0,10%
ago-06	138,86	0,11	0,11	0,08%	0,08%

UCI-8	Balance DC	Balance+90d delinquencies	NPL's BE	% +90d	% NPL's BE
jun-02	597,17	-	-	-	-
dic-02	545,37	1,66	0,16	0,30%	0,03%
jun-03	481,84	1,89	0,84	0,39%	0,17%
dic-03	404,31	2,01	1,45	0,50%	0,36%
jun-04	341,53	2,34	1,53	0,69%	0,45%
dic-04	295,68	1,86	1,47	0,63%	0,50%
jun-05	252,22	1,81	1,25	0,72%	0,50%
dic-05	218,69	1,22	0,79	0,56%	0,36%
jun-06	188,92	0,82	0,33	0,43%	0,17%
ago-06	180,13	1,19	0,39	0,66%	0,22%

UCI-9	Balance DC	Balance+90d delinquencies	NPL's BE	% +90d	% NPL's BE
jun-03	1.236,35	-	-	-	-
dic-03	1.072,69	0,62	0,06	0,06%	0,01%
jun-04	927,83	2,81	1,03	0,30%	0,11%
dic-04	805,92	3,52	1,87	0,44%	0,23%
jun-05	691,33	3,96	1,95	0,57%	0,28%
dic-05	589,94	3,58	1,44	0,61%	0,24%
jun-06	510,57	2,28	0,35	0,45%	0,07%
ago-06	489,92	1,54	0,24	0,31%	0,05%

UCI-10	Balance PH	Balance+90d delinquencies	NPL's BE	% +90d	% NPL's BE
jun-04	666,30	-	-	-	-
dic-04	585,92	1,93	0,32	0,33%	0,06%
jun-05	511,61	3,02	1,01	0,59%	0,20%
dic-05	443,52	3,63	1,46	0,82%	0,33%
jun-06	378,38	2,83	1,33	0,75%	0,35%
ago-06	364,63	2,79	1,39	0,76%	0,38%

UCI-11	Balance DC	Balance+90d delinquencies	NPL's BE	% +90d	% NPL's BE
dic-04	818,91	0,00	0,00	0,00%	0,00%
jun-05	720,69	3,38	1,19	0,47%	0,16%
dic-05	621,53	8,89	3,50	1,43%	0,56%
jun-06	524,97	7,88	4,41	1,50%	0,84%
ago-06	500,97	7,80	4,22	1,56%	0,84%

UCI-12	Balance PH	Balance+90d delinquencies	NPL's BE	% +90d	% NPL's BE
jun-05	867,31	0,00	0,00	0,00%	0,00%
dic-05	768,35	2,67	0,26	0,35%	0,03%
jun-06	672,20	4,92	1,44	0,73%	0,21%
ago-06	646,54	4,14	1,62	0,64%	0,25%

UCI-14	Balance DC	Balance+90d delinquencies	NPL's BE	% +90d	% NPL's BE
dic-05	1.394,07	0,00	0,00	0,00%	0,00%
jun-06	1.233,17	6,23	1,43	0,51%	0,12%
ago-06	1.192,06	8,99	2,30	0,75%	0,19%

UCI-15	Balance DC	Balance+90d delinquencies	NPL's BE	% +90d	% NPL's BE
jun-06	1.362,89	0,00	0,00	0,00%	0,00%
ago-06	1.321,09	2,21	0,01	0,17%	0,00%

TOTAL ESPAÑA	Managed Assets (Balance+Rmbs)	Balance+90d delinquencies (Balance+Rmbs)	NPL's BE (Balance+Rmbs)	% +90d	% NPL's BE
dic-95	953,28	ND	13,77	ND	1,44%
jun-96	1.013,69	ND	9,46	ND	0,93%
dic-96	1.087,76	ND	8,43	ND	0,77%
jun-97	1.120,39	ND	7,52	ND	0,67%
dic-97	1.217,18	ND	6,15	ND	0,51%
jun-98	1.332,12	ND	5,71	ND	0,43%
dic-98	1.497,21	13,41	7,14	0,90%	0,48%
jun-99	1.695,85	11,95	5,97	0,70%	0,35%
dic-99	1.891,20	15,07	6,63	0,80%	0,35%
jun-00	2.114,27	19,88	7,85	0,94%	0,37%
dic-00	2.313,60	23,40	8,86	1,01%	0,38%
jun-01	2.585,74	25,45	11,76	0,98%	0,45%
dic-01	2.900,71	34,42	14,09	1,19%	0,49%
jun-02	3.178,64	32,19	16,23	1,01%	0,51%
dic-02	3.640,28	42,17	20,32	1,16%	0,56%
jun-03	4.092,31	45,46	24,41	1,11%	0,60%
dic-03	4.377,83	37,80	28,13	0,86%	0,64%
jun-04	4.741,45	44,73	31,48	0,94%	0,66%
dic-04	5.473,53	50,22	35,60	0,92%	0,65%
jun-05	6.448,76	59,27	39,95	0,92%	0,62%
dic-05	7.541,77	79,28	49,12	1,05%	0,65%
jun-06	8.508,19	89,81	58,54	1,05%	0,69%
ago-06	8.824,58	97,88	66,26	1,11%	0,75%

NPL's BE, delinquencies PH>12 m & PL's >6 m (old criteria Bank of Spain 4/81).
Balance +90 d = Capital + Interest's arrears (DAP y EGI).



Appendix 3 – UCI Contacts



UCI Contacts

Unión de Créditos Inmobiliarios (“UCI”)

- Philippe Laporte
Chief Operating Officer
+34 91 337 51 02
plaporte@uci.com

- Almudena Pozuelo
Securitisation Department
+34 91 337 37 46
almudena.pozuelo@uci.com



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