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## TDA IBERCAJA 5, Fondo de Titulización de Activos

### SECURITISATION BONDS

EUR 1,207,000,000

		<i>Moody's</i>	<i>S&amp;P</i>
Series A1	EUR 150,000,000	Aaa	AAA
Series A2	EUR 1,002,000,000	Aaa	AAA
Series B	EUR 32,400,000	A1	A
Series C	EUR 10,800,000	Baa2	BBB-
Series D	EUR 4,800,000	Ba1	BB
Series E	EUR 7,000,000		CCC-

*backed by Mortgage Participations and Mortgage Transfer Certificates issued by*



*Financial Agent*



*Lead Managers*



*Underwriting and Placement Agents*



*Design and structure*



*Securitisation Fund promoted and serviced by*  
**TITULIZACIÓN DE ACTIVOS, S.G.F.T., S.A.**



Prospectus approved and filed with the CNMV on 8 May, 2007

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This document constitutes a base prospectus (the "**Prospectus**") filed with the CNMV (Comisión Nacional del Mercado de Valores - Spanish Securities and Exchange Commission), on 8 May 2007, in line with Regulation (EC) N° 809/2004 (the "**Regulation 809/2004**") and comprises:

- a) A description of the main risk factors (the "**Risk Factors**") associated with the issuer, with the securities and with the assets backing the issue;
- b) a Registration Document (the "**Registration Document**") issued in accordance with Annex VII of Commission Regulation 809/2004;
- c) a securities note (the "**Securities Note**") issued in accordance with Annex XIII of Commission Regulation 809/2004;
- d) an Additional Building Block (the "**Additional Building Block**") to the Securities Note, issued in accordance with Annex VIII of Commission Regulation 809/2004; and
- e) a Glossary of terms.



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## **RISK FACTORS**

### **1. RISKS DERIVING FROM THE LEGAL STATUS AND BUSINESS OF THE ISSUER.**

#### **1.1 Nature of the Fund and obligations of the Sociedad Gestora**

The Fund will constitute a separate fund without legal status that, pursuant to Royal Decree 926/1998, of 14 May, regulating asset securitisation funds and securitisation fund managers (the "**Royal Decree 926/1998**"), is managed by a management company (hereinafter "Sociedad Gestora"). The Fund will only be liable for its obligations vis-à-vis its creditors with its assets.

The Sociedad Gestora will perform for the Fund those duties attributed to it in Royal Decree 926/1998, as well as safeguarding the interests of the Bondholders as the manager of third party funds, without there being any syndicate of Bondholders. Therefore the capacity to defend the Bondholders' interests depends on the means and resources of the Sociedad Gestora.

#### **1.2 Mandatory substitution of the Sociedad Gestora**

In accordance with article 19 of Royal Decree 926/1998, if the Sociedad Gestora is declared insolvent, without prejudice to the effects of such insolvency as described below, it will find another sociedad gestora to substitute it. Whenever in the circumstances envisaged 4 months have elapsed since the event requiring the substitution occurs and a new sociedad gestora that is prepared to take over the management has not been found, the Fund will be liquidated early and the securities it has issued will be redeemed, in accordance with the provisions of the Articles of Incorporation and this Prospectus.

#### **1.3 Insolvency of the Sociedad Gestora**

The insolvency of any of the parties involved (whether it be IBERCAJA, the Sociedad Gestora or any other counterparty of the Fund) could affect their contractual relations with the Fund as provided in the Ley Concursal 22/2003 of 9 July (Spanish Insolvency Act) (the "**Ley Concursal**").

In accordance with Royal Decree 926/1998, if the Sociedad Gestora is declared insolvent, it will find another sociedad gestora to substitute it.

Notwithstanding the foregoing, in the event of the insolvency of the Sociedad Gestora, any assets of the Fund that are in the possession of the Sociedad Gestora and with respect where to the latter has no right of use, surety or retention-except for money due to its fungible nature- and that form part of the latter's assets will be construed as belonging to the Fund, and the receivers in bankruptcy must deliver them at the Fund's request. Due to the nature of the asset securitisation operation in question, and except in the event of a breach by the parties, no cash amounts will become part of the assets of the Sociedad Gestora because the amounts that constitute the revenues of the Fund must be deposited in the accounts opened on behalf of the Fund (Reinvestment Account, Treasury Account, and there may also be a Surplus Account) by the Sociedad Gestora (which is involved in opening such accounts not only as the agent of the Fund, but as its legal representative. Therefore the Fund would be entitled to absolute separation in this respect, in the terms set forth in articles 80 and 81 of the Ley Concursal.

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In the event of the insolvency of IBERCAJA, the issue and sale of the Participations and the Certificates may be returned only if an action for such return is pursued in which fraud is demonstrated to have existed in that issue and assignment in accordance with the provisions of the paragraph 4 of the Fifth Additional Provision of Ley 3/1994.

In the event that IBERCAJA is declared insolvent under the Ley Concursal, the Fund, acting through the Sociedad Gestora, will be entitled to separation with respect to the Multiple Securities, in the terms set forth in articles 80 and 81 of the Ley Concursal. Furthermore the Fund, acting through its Sociedad Gestora, will be entitled to secure from IBERCAJA the amounts derived from the Participations and the Certificates, because such amounts will be construed as the property of the Fund and, therefore, must be transferred to the Sociedad Gestora on behalf of the Fund. Nevertheless, it might not be possible to exercise such separation right with respect to the funds handled by the IBERCAJA, for the account and pursuant to the orders of the Fund, in its function of managing the collection of the Mortgage Loans and with respect to the money on deposit in the Reinvestment Account opened with IBERCAJA, in both cases as at the date the insolvency was declared, due to the fungible nature of money and the consequent asset confusion of assets. The mechanisms available for mitigating such risk are described in sections 3.4.4.1, 3.4.5 and 3.7.1.2. of the Additional Building Block.

#### **1.4 Restricted actions against the Sociedad Gestora**

The Bondholders and remaining creditors of the Fund will have no recourse against the Sociedad Gestora, other than from non-performance of its duties or non-compliance with the provisions of Articles of Incorporation and this Prospectus.

#### **1.5 Information sourced from third parties**

The Sociedad Gestora, acting for and on behalf of the Fund, will enter into contracts with third parties for the provision of services in relation to the Bonds and will enter into certain contracts in order to consolidate the financial structure of the Fund. These include the Participation and Certificate servicing service, the Initial Expenses Loan Contract, the Subordinated Loan Contract, the Interest Swap Agreement, the Interest Rate Cap Agreement, the Financial Services Contracts, the Guaranteed Interest Rate Deposit Contract (Reinvestment Account) and the Bond Issue Management, Underwriting and Placement Contract.

The Bondholders' interests could be impaired if any of the aforementioned parties breaches the obligations acquired under any of the aforementioned contracts or agreements.

## **2. RISK DERIVED FROM THE SECURITIES**

### **2.1 Liquidity**

There is no guarantee that a minimum volume or frequency of Bond transactions will be forthcoming in the market.

There is no commitment that any entity will intervene in the secondary market, providing liquidity to the Bonds by offering itself as counterparty.

Furthermore, under no circumstances will the Fund be able to repurchase the Bonds from their holders, although the Bonds can be redeemed early in full in the case of early liquidation, under the terms established in section 4.4.3 of the Registration Document.

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## **2.2 Yield of the Bonds**

The calculation of the internal rate of return (IRR) for the holder of a Bond that is stipulated in section 4.10 of the Securities Note, is subject, to future market interest rates, given the floating nature of the Nominal Interest Rate of the Bonds of each Series.

## **2.3 Term of the Bonds**

The calculation of the average life and the term of the Bonds of each Series mentioned in section 4.10 of the Securities Note is subject, inter alia, to Mortgage Loan early redemption and default rate hypotheses that might not be fulfilled. Fulfillment of the early redemption rate is influenced by a variety of demographic, economic and social factors, such as seasonality, market interest rates, the employment and financial situation of the Mortgagors and the general state of the economy, that make this unpredictable.

## **2.4 Default interest**

Under no circumstances will the delay of the payment of interest or repayment of principal to the Bondholders give rise to accrual of default interest in their favour.

## **2.5 Subordination of the Bonds**

According to the structure of the transaction, the Bonds of some Series are subordinated to or rank after the Bonds of other Series in terms of the payment of the principal and interest. This provides protection for the Bonds of the non-subordinated Series. There is no certainty that these subordination or postponement rules will protect the holders of the Bonds of the non-subordinated or non-postponed Series from the risk of total loss.

The rules of subordination between the different Series of Bonds are established in the Payment Priority Order and in the Fund Liquidation Payment Priority Order set forth in sections 3.4.6.2. and 3.4.6.3., respectively, of the Additional Building Block.

## **2.6 Deferral of interest**

According to this Prospectus and the other additional documentation regarding the Bonds, the payment of interest of the Series B, C and D Bonds will be deferred in the circumstances set forth in section 3.4.6.2.2 of the Additional Building Block. The Class A Bonds are not subject to these deferral rules.

## **2.7 Rating of the Bonds**

The credit risk of the Bonds issued by the Fund has been rated by the following rating agencies: Moody's Investors Service España, S.A. and Standard & Poor's España, S.A.

The final ratings may be revised, suspended or withdrawn at any time by the rating agencies, depending on any information that comes to their knowledge.

These ratings do not constitute and, therefore, could not in any way be interpreted as an invitation, recommendation or solicitation for investors to proceed to carry out any type of transaction with the Bonds and, in particular, to acquire, retain, encumber or sell such Bonds.

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The non-confirmation before the start of the Subscription Period of the provisional ratings assigned to the Bonds by the Rating Agencies will be construed as grounds for termination of the Incorporation of the Fund and of the Bond Issue.

### **3. RISKS DERIVED FROM THE ASSETS BACKING THE ISSUE**

#### **3.1 Risk of default on the Mortgage Loans**

The Holders of the Bonds issued by the Fund will bear the risk of default on the Mortgage Loans pooled in the Fund through the issue of the Participations and the Certificates, always taking into account the protection offered by the credit enhancement mechanisms referred to in the Additional Building Block.

The Seller will not assume any responsibility whatsoever for non-payment by the mortgagors, whether for principal, interest, or any other amount which the Mortgagors may owe pursuant to the Mortgage Loans. The Seller, to the same extent as in article 348 of the Commercial Code, will only be held liable vis-à-vis the Fund for the existence and legitimacy of the Mortgage Loans, as well as for the legal status with which it carries out the sale. Likewise, it will not be held liable, in any form whatsoever, for directly or indirectly guaranteeing the successful conclusion of this transaction, nor will it grant collateral or bank guarantees, nor enter into agreements to repurchase the Participations and the Certificates, whether pursuant to the Articles of Incorporation, or to this Prospectus, or to any other agreement or contract. All of this, without prejudice to the Seller being held liable (i) in relation to the commitment regarding the servicing of the Mortgage Loans, described in section 3.7.1 of the Additional Building Block and in the Articles of Incorporation, (ii) in relation to the substitution duty set forth in section 2.2.9. of the Additional Building Block, and (iii) in relation to the representations and warranties of the Seller to the Fund with respect to the Mortgage Loans set forth in section 2.2.8. of the Additional Building Block.

The Bonds issued by the Fund do not represent or constitute an obligation of IBERCAJA or of the Sociedad Gestora. No other guarantees have been granted by any public or private entities, including IBERCAJA, the Sociedad Gestora, and any other firm affiliated with or invested in by any of the above.

#### **3.2 Limited protection**

An investment in the Bonds may be affected, inter alia, by a worsening of the general economic conditions that have a negative effect over the payments of the Mortgage Loans that back the Fund issue. In the event that the level of default becomes high, the limited protection against Mortgage Loan portfolio loss afforded to the Classes A, B, C, D and E Bonds as a result of the existence of the credit enhancement transactions described in the Additional Building Block could be reduced, or even exhausted.

#### **3.3 Risk of early redemption of the Mortgage Loans**

The Participations and the Certificates pooled in the Fund may be prepaid when the Mortgagors prepay the outstanding principal of the Mortgage Loans, or in the event of IBERCAJA being subrogated in the corresponding Mortgage Loans by another financial institution duly authorised for such purpose, subject to Act 2/1994, of 30 March, on the subrogation and amendment of mortgages loans, in its current wording ("Ley 2/1994"), or for any other reason having the same effect.

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The risk of such early redemption will be transferred each quarter, on each Payment Date, to the Bondholders in accordance with the repayment rules set forth in section 4.9. of the Securities Note.

### **3.4 Regulatory change**

The Spanish parliament is currently debating a bill devised to modernise the mortgage market, regulate the system governing reverse mortgages and regarding long-term care insurance which, if passed, will result in certain partial amendments of the Ley del Mercado Hipotecario 2/1981, of 25 March (Mortgage Market Act), the Mortgage Act of 8 February 1946 and Act 2/1994, of 30 March, on the subrogation and amendment of mortgages loans, regulations which are described throughout this Prospectus, and which could affect the assets backing the Issue.

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## **REGISTRATION DOCUMENT FOR MORTGAGE-BACKED SECURITIES (ANNEX VII OF COMMISSION REGULATION 809/2004)**

### **1. PERSONS RESPONSIBLE**

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

Mr. Ramón Pérez Hernández, for and on behalf of TITULIZACIÓN DE ACTIVOS, S.G.F.T., S.A., with registered office at number 69, calle Orense, in Madrid, and with Tax Identification Number A-80352750 (the "**Sociedad Gestora**"), originator of TDA IBERCAJA 5, Fondo de Titulización de Activos (the "**Fund**"), and General Director of the Sociedad Gestora, by virtue of the power of attorney of 18 April 2002 granted before the Notary Public of Madrid Mr. Manuel Richi Alberti under number 737 of his Official Record and especially for the incorporation of the Fund by virtue of the resolution adopted by the Board of Directors of the Sociedad Gestora at the meeting held on 2 March 2007.

#### **1.2 Declarations by the persons responsible for the information contained in the Registration Document.**

Mr. Ramón Pérez Hernández, on behalf of the Sociedad Gestora, declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Registration Document is, to his knowledge, consistent with the facts and contains no omission likely to affect its contents.

### **2. STATUTORY AUDITORS**

#### **2.1 Fund Auditors**

The Fund will commence its activities on the day that the Articles of Incorporation are granted, and therefore the Fund lacks any historical financial information Throughout the duration of the transaction, the Fund Accounts will be subject to verification and annual review by the auditors. The accounts of the Fund and the audit report will be filed at the Mercantile Registry and with the Spanish Securities and Exchange Commission (the "**CNMV**").

At the Board meeting held on 2 March 2007, the Board of Directors of the Sociedad Gestora designated Pricewaterhouse Coopers Auditores, S.L. ("**Pricewaterhouse Coopers**"), registered with the Official List of Registered Auditors (R.O.A.C.) under number S0242 and with registered office at number 143, Paseo de la Castellana and Tax Identification Number B-79031290, as the statutory auditors of the Fund, without specifying the number of accounting periods for which they have been designated. The Articles of Incorporation will establish that the auditors will be appointed for a term of 3 years, which may be extended in accordance with current legislation. If the Sociedad Gestora passes a resolution to appoint new statutory auditors, notice would be given to the CNMV, the Rating Agencies and the Bondholders, pursuant to the provisions of section 4.1.3 of the Additional Building Block.

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## **2.2 Accounting principles used by the Fund**

Income and expense will be reported in accordance with the accrual principle, that is, on the basis of the actual flows represented by those revenues and expenses, regardless of when they are collected and paid

The Fund incorporation expenses and Bond issue expenses detailed in section 6 of the Securities Note, will be written off by the straight-line method over twenty (20) consecutive Payment Dates, starting on 27 August, 2007.

The Fund accounting periods will start on 1 January and will end on 31 December each year. However, and by way of exception, the first accounting period will start on the Date of Incorporation and the last accounting period, which will end on the date of the extinguishment of the Fund.

## **3. FUND RISK FACTORS ASSOCIATED WITH THE ISSUER**

The risk factors associated to the Fund are detailed in section 1 of the Risk Factors document.

## **4. INFORMATION ABOUT THE ISSUER**

### **4.1 Statement that the issuer has been incorporated as a securitisation fund**

The issuer is an Asset Securitisation Fund that will be incorporated as a separate fund, devoid of legal status, and in accordance with Spanish legislation.

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

The name of the issuer is "TDA IBERCAJA 5, FONDO DE TITULIZACIÓN DE ACTIVOS". It may also be identified as "TDA IBERCAJA 5, FTA".

### **4.3 Place of registration of the Fund and registration number**

The Sociedad Gestora hereby declares that neither the incorporation of the Fund, nor the Bonds to be issued against its assets, will be inscribed in the Spanish Mercantile Registry, pursuant to the exemption set forth in article 5.4 of Royal Decree 926/1998, of 14 May ("**Royal Decree 926/1998**"), without prejudice to the registration of this Prospectus by the CNMV and to the filing with the CNMV, for incorporation into the public register, a copy of the Articles of Incorporation of the Fund, of issue and subscription of the Participations and the Certificates and the issue of the Bonds (the "**Articles of Incorporation**"), the contents of which will match the provisions of this Prospectus and the draft Articles of Incorporation filed with the CNMV. Under no circumstances will the terms of the Articles of Incorporation contradict, modify, alter or invalidate the contents of this Prospectus.

Only in exceptional cases can amendments be made to the Articles of Incorporation, and provided this is permitted under the applicable laws and in the conditions established by regulation. In any case, such amendments must be notified beforehand by the Sociedad Gestora to the CNMV or other competent administrative body, or be authorised beforehand if necessary, and must also be notified to the Rating Agencies, provided that such amendments do not prejudice the rating assigned to the Bonds by the Rating Agencies. The Articles of Incorporation may also be subject to correction at the request of the CNMV.

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## **4.4 Incorporation Date and length of life of the Fund**

### **4.4.1 Incorporation Date of the Fund**

The Fund will be incorporated, when this Prospectus has been registered by the CNMV, through the granting of the Articles of Incorporation, on 11 May 2007 (the "**Incorporation Date**").

### **4.4.2 Length of life of the Fund**

The length of life of the Fund will start on the Incorporation Date and will end on 26 November 2049 or if this day is not a Business Day, the next Business Day (the "**Legal Maturity Date**"), unless beforehand the Fund is liquidated in advance in accordance with the provisions of the next section.

### **4.4.3 Early liquidation and Extinction of the Fund**

By virtue of the provisions of the Articles of Incorporation of the Fund and this Prospectus, the Sociedad Gestora will be authorised to carry out the early liquidation of the Fund and through this, the early redemption of the total Bond issue when, on any Payment Date, the Receivable Nominal Balance of the Participations and Certificates is less than 10% of the original balance of the Participations and the Certificates on the Incorporation Date, provided that the sale of the outstanding Participations and Certificates, together with the balance existing at that time in the accounts opened in the name of the Fund enables the total cancellation of all outstanding payment obligations with the Bondholders and respecting the payments prior thereto whose priority order takes preference, as set forth in section 3.4.6.3 of the Additional Building Block, and provided that the necessary authorisations for doing so have been obtained from the competent authorities.

The Sociedad Gestora will proceed to liquidate the Fund early in the following circumstances, and the CNMV and the Rating Agencies will be informed beforehand if any of them occur:

- (i) When there is a change in the tax regulations that, in the opinion of the Sociedad Gestora, has a significant and negative effect on the financial balance of the Fund.
- (ii) When, in the opinion of the Sociedad Gestora, exceptional circumstances occur which make it impossible, or extremely difficult, to maintain the financial equilibrium of the Fund.
- (iii) In the circumstances set forth in Article 19 of Royal Decree 926/1998, and that are referred to in section 3.7.2. of the Additional Building Block.
- (iv) When there occurs a non-payment indicative of a serious and permanent imbalance in relation to one of the Bonds issued, or it is foreseen that it is going to occur.
- (v) When thirty (30) months elapse since the last date of maturity of the Mortgage Loans pooled in the Fund.

In all these cases, the Sociedad Gestora will proceed to the orderly liquidation of the Fund in accordance with the Liquidation Payment Priority Order set forth in section 3.4.6.3. of the Additional Building Block.

The Fund will be extinguished, in any event, as a result of the following circumstances:

- (i) When the Participations and the Certificates are repaid in full. In the event that all the Participations and the Certificates have matured and amounts thereof remain to be collected and obligations remain to be paid to the Bondholders, the Fund will be extinguished on the Payment Date immediately after thirty-six (36) months elapse since



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the last date of maturity of the Mortgage Loans pooled in the Fund, that is to say, 26 November 2049 (the "**Legal Maturity Date**") or, if that day is not a Business Day, the next Business Day.

- (ii) When the Bonds issued are redeemed in full.
- (iii) In the event that one of the provisional ratings assigned to the Bonds by the Rating Agencies is not confirmed before the start of the Bond subscription period, which will start on 14 May 2007 at 12:00 noon (CET) and will end the same day at 2:00 p.m. (CET) (the "**Bond Subscription Period**"), the incorporation of the Fund, the issue and subscription of the Participations and the Certificates, the Guaranteed Interest Rate Deposit Contract (Reinvestment Account), the Bond Issue Management, Underwriting and Placement Contract, the Interest Swap Agreement, the Interest Rate Cap Agreement, the Initial Expenses Loan Contract and the Subordinated Loan Contract, as well as any other contracts entered into by the Fund and the issue of the Bonds will be considered rescinded.

In this event of the early termination of the Fund, the Seller will undertake to meet any initial expenses that may have been incurred in incorporating the Fund.

In the event that, at the time of the final liquidation of the Fund, any outstanding obligations remain to be paid by the Fund to any of the Bondholders, the Sociedad Gestora will proceed in one of the following ways:

- It will proceed to sell the Participations and Certificates, for which purpose it will obtain firm bids from at least five (5) of the entities that deal most actively in these assets that, in its opinion, can give a market value. The Sociedad Gestora will be obliged to accept the best bid received in relation to the assets offered from such entities. In order to establish the market value, the Sociedad Gestora may request any valuation reports that it deems necessary. The names of the entities will be reported to the CNMV and the Rating Agencies.

The Seller will have the right of pre-emption to recover the Participations and Certificates belonging to the Fund, corresponding to Participations and Certificates not redeemed at the time of the liquidation, under the terms stipulated by the Sociedad Gestora and in accordance with the provisions of the preceding section. The right of pre-emption does not, under any circumstances, imply an agreement or declaration to repurchase the Participations and Certificates issued by the Seller. The Seller will have 5 Business Days, counted from the date on which the Sociedad Gestora notifies it of the terms and conditions in which it will proceed to dispose of the Participations and Certificates, to exercise the said right of pre-emption, and must at least match the best bid made by third parties.

- Proceed to terminate any contracts that are not deemed necessary for the Fund liquidation process.
- Should that be insufficient or should loans or other assets remain, it will proceed to sell the other assets held by the Fund. The Sociedad Gestora will be authorised to accept any bids that, in its opinion, meet the market value of the asset in question and are paid in cash. In order to establish the market value, the Sociedad Gestora may request the valuation reports it considers necessary.

The Sociedad Gestora, after allocating the reserve to meet the expenses incurred in liquidating the Fund, will apply all the amounts that it obtains through the disposal of the assets of the Fund, together

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with the rest of the Available Resources that the Fund might have at that time, to the payment of the different items, in the form, amount and in accordance with the Liquidation Payment Priority Order.

In the event that, once the Fund has been liquidated and all the payments set forth in section 3.4.6.3. of the Additional Building Block have been made, there is any remainder, such remainder will be paid to the Seller. In the event that the remainder is not a liquid amount and consists of Participations and Certificates from Mortgage Loans that are pending rulings with respect to court or notarial proceedings initiated as a result of by Mortgagor default, both their continuation and the outcome of the ruling will be in favor of the Seller.

In any event, the Sociedad Gestora, acting on behalf of and for the account of the Fund, will not proceed to extinguish the Fund and to cancel its registration in the pertinent administrative registries until it has proceeded to sell the remaining assets of the Fund and to distribute the Available Resources, following the Liquidation Payment Priority Order, except for the reserve to be allocated to pay the extinction expenses.

Six (6) months after the liquidation of the remaining assets of the Fund and the distribution of the Available Resources, the Sociedad Gestora will grant a notary deed declaring (i) the extinction of the Fund, and the reasons, as set forth in the Articles of Incorporation and in this Prospectus, for the termination, (ii) the procedure for followed in notifying the Bondholders and the CNMV; and (iii) the distribution of the Available Resources in the Payment Priority Order. This deed will be submitted by the Sociedad Gestora to the CNMV.

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

The Fund will constitute a separate fund devoid of legal status that, pursuant to Royal Decree 926/1998, will be serviced by a management company (hereinafter "Sociedad Gestora"). The Sociedad Gestora will be responsible for the incorporation, servicing and representation of the Fund, and also, as the manager of third party funds, for representing and safeguarding the interests of holders of the bonds issued from the funds that it services and its other ordinary creditors. The Fund will only be liable for its obligations vis-à-vis its creditors with its assets.

The Fund will be constituted and the Securities will be issued from it in accordance with Spanish law: (i) Royal Decree 926/1998 and its implementing provisions; (ii) Ley 19/1992 of 7 July regulating Sociedades y Fondos de Inversión Inmobiliaria and Fondos de Titulización Hipotecaria (Real Estate Investment Funds and Companies and Mortgage Backed Securitisation Funds ("Ley 19/1992"), for those aspects not covered by Royal Decree 926/1998 and insofar as applicable; (iii) Ley 3/1994, of 14 April ("Ley 3/1994"), adapting Spanish legislation regarding credit institutions to the Second Banking Coordination Directive and introducing other modifications to the financial system and in Royal Decree 926/1998; (iv) article 18 of Ley 44/2002 de Medidas de Reforma del Sistema Financiero (Financial System Reform Act - the "Ley 44/2002"); (v) the Ley del Mercado de Valores or Law 24/1988, of 28 July, in its current wording, (Securities Market Act or the "Ley 24/1988"), regarding its supervision, inspection and penalties and any other applicable matters; and (vi) any other legal provisions prevailing from time to time that are applicable.

The Prospectus has been drawn up in accordance with the models set forth in Commission Regulation 809/2004.

The registered address of the Fund will be the same as that of the Sociedad Gestora, and therefore its registered address will be number 69, calle Orense, Postal Code 28080 in Madrid, and its telephone number is (+34) 91 702 08 08.

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#### **4.6 Fund tax system**

There follows a brief summary of the general tax regulations applicable to the Fund. This must be construed without prejudice to the particular nature of each local jurisdiction and of the regulations which may apply at the time the relevant income is obtained or declared.

The tax regime applicable to Fondos de Titulización de Activos (Asset Securitisation Funds) is regulated in Legislative Royal Decree 4/2004 of 5 March, approving the consolidated text of the Corporate Income Tax Act (Ley del Impuesto sobre Sociedades) and its implementing provisions, with the specific peculiarities arising from the provisions of Ley 19/1992, Ley 3/1994 and Royal Decree 926/1998 and in the Personal Income Tax Act 28/2006, dated 28 November, which partially amended the Corporate Income Tax Act, Non-Resident Income Tax Act and Wealth Tax Act ("**Ley 35/2006**").

The tax system may be summarised as follows:

- 1) In accordance with article 7.1.h) of the the consolidated text of the Corporate Income Tax Act, Asset Securitisation Funds are liable to Corporate Income Tax, subject to the general rules for determining the tax base, and to the general rate of the tax, which at present is 32.5% and which, however, from 2008 onwards is scheduled to be set at 30%, and to the common rules for deductions, set-off of losses and other substantive elements of the tax.
- 2) Investment income from Securitisation Funds is subject to the general rules on withholdings on account of Corporate Income Tax, with the particularity that article 57-k of the Regulations approved by Royal Decree 1777/2004, of 30 July stipulates that withholding does not apply to "income from mortgage participating units, mortgage loans and other credit rights that constitute revenue items for the securitisation funds.

In addition to the income from the directly securitised Participations and Certificates, the withholding exemption also extends, according to the expressly stated policy of the tax administration, to the income of the mortgage loans, insofar as they form part of the ordinary business activity of the said funds.

- 3) The incorporation of the Fund is subject to but exempt from classification as "corporate transactions" under Stamp Duty and from Real Estate Transfer Tax ("Impuesto sobre Transmisiones Patrimoniales y Actos Jurídicos Documentados).
- 4) The sale by the Fund of the Participations and the Certificates in the manner described in the Articles of Incorporation is a transaction that is subject to, but qualifies for an exemption from Value Added Tax, in accordance with the provisions of section 20.One.18-e of the Value Added Tax Act 37/1992 of 28 December ("**Ley del IVA**").
- 5) The Fund will be subject to the general rules of Value Added Tax, with the sole particularity that the management and deposit services provided to the Fund by the Sociedad Gestora will be exempt from Value Added Tax, pursuant to the provisions of section 20.One.18, n) of the Ley del IVA.
- 6) The Bonds issue will be exempt from VAT (section 20.One.18 of the Ley del IVA) and Capital Transfer Tax and Stamp Duty (Impuesto sobre Transmisiones Patrimoniales y Actos Jurídicos Documentados) (section 45.I.B, number 15, of the Consolidated Text of the Capital Transfer Tax and Stamp Duty Act).
- 7º) The Fund will be subject to the information obligations set forth in Act 13/1985, of 25 May, on investment coefficients, own funds and information requirements for financial

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intermediaries, as amended by law 23/2005, of 18 November, on tax reforms for boosting productivity.

Without prejudice to the preceding description, it must be taken into account that the Personal Income Tax Act 35/2006, of 28 November, which partially amended the Corporate Income Tax Act, Non-Resident Income Tax Act and Wealth Tax Act, which might affect some of the aspects contained in the preceding description of the tax system, have yet to be approved.

#### **4.7 Description of the issuer's authorised and issued capital and the amount of any capital agreed to be issued, the number and classes of the securities it comprises.**

Not applicable.

### **5. BUSINESS OVERVIEW**

#### **5.1 Brief description of the issuer's main activities**

As described throughout this Prospectus, the Fund will be set up as a vehicle intended to carry out a concrete transaction, pursuing the principal activities summarised below and explained in detail throughout this Prospectus:

- a) The Fund, on its Incorporation Date, will acquire, through the issue by IBERCAJA of Participations and Certificates and their subscription by the Fund, a portfolio of Mortgage Loans owned by IBERCAJA, the main characteristics of which are described in the Additional Building Block.
- b) To pay the price of that acquisition, the Fund will issue, on that same date, the Series A1, A2, B, C and D Bonds.
- c) In addition, on the same Incorporation Date, it will enter into a number of contracts, described throughout this Prospectus, for the purpose of giving the Series A1, A2, B, C, D and E Bonds a number of credit enhancements to avoid certain risks for those Bonds, in order to obtain the credit ratings described by the Rating Agencies. Therefore it will enter into an Interest Swap Agreement with IBERCAJA, a Guaranteed Interest Rate Deposit Contract (Reinvestment Account) with IBERCAJA and an Interest Rate Cap Agreement with JPMORGAN CHASE.
- d) the Reserve Fund will be allocated with the amount of the Series E Bonds, which will be issued by the Fund on the same Incorporation Date.
- e) In addition, on the same Incorporation Date, it will enter into a number of contracts needed for the servicing and management of the Fund and for the subscription and management of the Bonds issued and, in this respect:
  1. It will enter into an Initial Expenses Loan Contract with IBERCAJA, to obtain funds with which to pay the initial expenses of the Fund;
  2. It will enter into a Subordinated Loan Contract with IBERCAJA, to cover the differences between the amounts of interest of of the Participations and Certificates accrued and collected on the first Payment Date;

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3. It will enter into a Guaranteed Interest Rate Deposit Contract (Reinvestment Account) with IBERCAJA;
  4. It will enter into a Financial Services Contract with the Instituto de Crédito Oficial, for processing the payment of interest and the principal of the Bonds on the corresponding dates, including their Disbursement Date; and
  5. It will enter into a Bond Issue Management, Underwriting and Placement Contract, with EBN, IBERCAJA, J.P. Morgan Securities Ltd, la Caixa and Société Générale, for the underwriting and placement of the Bonds among qualified investors.
- f) In accordance with the above, the sole activity of the Fund, as issuer, with the Sociedad Gestora acting in its name and on its behalf, will be to manage the contracts and obligations described above, such that the main activities carried on by the Fund throughout its lifetime will be as follows:
1. It will receive the amount of principal, interest and any other sum belonging to the Fund, in accordance with the provisions of this Prospectus, from the Participations and Certificates serviced by IBERCAJA, which amounts will be deposited initially in the Reinvestment Account opened with IBERCAJA.
  2. On each Payment Date, the amount of the Participations and the Certificates deposited in the Treasury Account will be used to pay the obligations acquired by the Fund, in accordance with the Payment Priority Order set forth in section 3.4.6.2 of the Additional Building Block.
  3. In accordance with the provisions of the Financial Services Contract, the Sociedad Gestora, acting for and on behalf of the Fund, will give the necessary instructions to the Financial Agent for the latter to deliver to the Bondholders the amounts to which they are entitled in respect of interest and principal on each Payment Date.

The Sociedad Gestora declares that the summary descriptions of those contracts contained in the relevant sections of this Prospectus, which it will enter into for and on behalf of the Fund, contain the most important and material information on each of the contracts and give a true and fair view of their content, without leaving out any information that may have a bearing on the contents of the Prospectus.

## **5.2 General description of the parties to the securitisation transaction**

The main functions in the framework of the securitisation transaction described in this Prospectus have been carried out by the following entities:

- TITULIZACIÓN DE ACTIVOS, S.G.F.T., S.A., is the Sociedad Gestora of the Fund.  
TITULIZACIÓN DE ACTIVOS, S.G.F.T., S.A., is a Spanish corporation (sociedad anónima), that manages securitisation funds, with Tax Identification Number (C.I.F.) A-80352750, with registered office at number 69, Calle Orense, (Madrid), and registered in the Mercantile Registry of Madrid, Volume 4280, Book 0, Folio 183, Section 8, Sheet M-71066, and also registered under Num. 3 in the Registro Especial de Sociedades Gestoras de Fondos de Titulización Hipotecaria (Special Register of Mortgage Securitisation Fund Management Companies) kept by the CNMV, and with CNAE (National Classification of Economic Activities): 67.

It holds no credit ratings from any rating agencies.

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- Caja de Ahorros y Monte de Piedad de Zaragoza, Aragón y Rioja ("**IBERCAJA**" or the "**Seller**"), is (i) the Seller of the Mortgage Loans, (ii) the entity granting the Initial Expenses Loan and the Subordinated Loan, (iii) the bank where the Fund has opened the Reinvestment Account, (iv) the counterparty in the Interest Rate Swap Agreement and (v) Underwriting and Placement Agent.

IBERCAJA is a Spanish savings bank, a credit institution organised as a foundation for social welfare purposes, with Tax Identification Number (C.I.F.) G-50000652, with registered office at number 2, Plaza Basilio Paraíso, (Zaragoza), registered in the Mercantile Register of Zaragoza, in volume 1,194, folio 23, Section 8, Sheet Z-4,862, and with the Register of the Bank of Spain, under number 2085, and with CNAE (National Classification of Economic Activities): 0814.

The current ratings assigned by the rating agencies to the short-term and long-term non-subordinated and unsecured debt of IBERCAJA are as follows:

	Moody's Rating	S&P Rating
Short Term	P-1	A-1
Long Term	A1	A+

These ratings were confirmed by Moody's in June 2006 and by S&P in April 2006.

- J.P. Morgan Securities Ltd. ("**JPMorgan**") is acting as (i) Lead Manager of the placement; (ii) Underwriting and Placement Agent; and (iii) designer and structuring agent of the Fund.
- Of the functions and activities that Lead Managers can carry out in accordance with article 35.1 of Royal Decree 1310/2005, JPMorgan will be responsible, together with the other Lead Managers, for (i) temporary and commercial actions and activities involved in the public offering of the Bond Issue, (ii) coordination with the potential investors and (iii) the other actions and activities assigned to the Lead Managers in the Securities Note.

The registered office of JPMorgan is 125, London Wall EC2Y 5AJ London (United Kingdom), and its VAT Number is GB 268/8163038906. It is registered at the Register of Companies for England and Wales, with registered number 2711006 and was officially registered with the CNMV as an Investment Services Undertaking of the European Economic Area, by way of freedom to provide services under number 107 on 5 January 1996.

JPMorgan holds no credit ratings from any rating agency.

- EBN BANCO DE NEGOCIOS, S.A. (hereinafter ("**EBN**") is a Spanish credit institution with Tax Identification Code (CIF) A-28763043, with registered office at number 46, calle Almagro, in Madrid.

EBN holds no credit ratings from any rating agencies.

- CAJA DE AHORROS Y PENSIONES DE BARCELONA (hereinafter, "**LA CAIXA**") is a Spanish credit institution with Tax Identification Code (CIF) G-58899998, with registered office at Barcelona, Avenida Diagonal 621-629, registered at the Mercantile Registry of Barcelona, in volume 20,397, folio 1, sheet B-5614, with CNAE (National Classification of Economic Activities) number 65122

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	Moody's Rating	Fitch's Rating	S&P Rating
Short Term	P-1	F1+	A-1+
Long Term	Aa1	AA-	AA-

- Société Générale, Sucursal en España ("**Société Générale**"), together with EBN, IBERCAJA, la Caixa and JPMorgan will act as (i) Underwriting and Placement Agent (the "**Underwriting and Placement Agents**") and together with JPMorgan as (ii) Lead Manager of the placement (the "**Lead Managers**").

Société Générale is a bank incorporated in Spain that is registered number 0108 in the Special Register of Banks and Bankers and has and Tax Identification Number (C.I.F.) A-0011682-B. Its registered office is Torre Picasso, Plaza Pablo Ruiz Picasso, 1, 28020 Madrid.

Société Générale is registered at the Mercantile Registry of Madrid in Volume 10,215, Folio 35, Sheet 18,909, Entry N° 480.

EBN, IBERCAJA, JPMorgan, la Caixa and Société Générale will jointly be referred to as the "**Underwriting and Placement Agents**".

- The Instituto de Crédito Oficial (the "**ICO**") will be the Financial Agent of the Fund, and the entity where the Fund will open the Treasury Account.

The ICO is a State-owned enterprise of the kind described under section 43.1.b) of Act 6/1997, of 14 April, on the Organisation and Operation of the General Government Administration, which reports to the Ministry of the Economy and the Treasury through the Secretary of State for the Economy, which has the legal form of a financial institution, and the consideration of a Government Financial Agent, having its own legal personality, assets and funds, and independent authority to act with a view to achieving its ends. Its registered office is located at number 4, Paseo del Prado, in Madrid (Spain).

The current ratings assigned by the rating agencies to the short-term and long-term non-subordinated and unsecured debt of ICO are as follows:

	Moody's Rating	Fitch Rating	S&P Rating
Short Term	P-1	F1+	A-1+
Long Term	Aaa	AAA	AAA

These ratings were confirmed by Moody's in March 2006, by Fitch in December 2006 and by Standard and Poor's in August 2006.

JPMorgan and Société Générale (jointly, the "Bookrunners") will be the bookrunners.

- J.P. MORGAN CHASE BANK, N.A. SUCURSAL EN LONDRES ("**JPMORGAN CHASE**") will be the Counterparty of the Fund in the Interest Rate Cap Agreement.

JPMORGAN CHASE is the England and Wales branch of the US bank J.P. MORGAN CHASE BANK, N.A., whose Main Office is located at 1111 Polaris Parkway, Columbus, Ohio 43271. The registered office of its branch in London is 125, London Wall, EC2Y 5AJ London, United Kingdom, and is registered at the Register of Companies for England and Wales with registered number BR000746.

The ratings of the non-subordinated and unsecured short-term and long-term debt of JPMORGAN CHASE, N.A. assigned by the rating agencies:

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	Moody's Rating	Fitch's Rating	S&P Rating
Short Term	P-1	F1+	A-1
Long Term	Aa2	A+	AA-

- CUATRECASAS ABOGADOS, S.R.L. has provided the legal consultancy services for the transaction reviewed all its tax implications.

CUATRECASAS ABOGADOS, S.R.L. ("CUATRECASAS") is a private limited company incorporated in Spain, with Tax Identification Number (CIF): B-59942110, with registered office at number 111, Paseo de Gracia, 08008 Barcelona and and registered in the Mercantile Registry of Barcelona in Volume 37673, Folio 30, Section 8, Sheet 23850.

- Moody's Investors Service España, S.A. and Standard & Poor's España, S.A. are acting as the Rating Agencies of this transaction.

Moody's Investors Service España, S.A. ("Moody's") is a Spanish corporation, with Tax Identification Number (C.I.F.) A-80448475 and with registered office at number 2, 2º-D, C/Bárbara de Braganza.

- Standard & Poor's Spain, S.A. ("S&P") is a Spanish corporation, with Tax Identification Number (C.I.F.) A-90310824 and registered address at number 5, Planta 1ª, C/Marqués de Villamejor, 28006 Madrid.
- Pricewaterhouse Coopers Auditores, S.L., is acting as (i) auditor of the Fund, and (ii) auditor of the attributes of the Mortgage Loans that are going to be pooled in the assets of the Fund.

Pricewaterhouse Coopers Auditores, S.L., is a limited liability company with Tax Identification Number. B-79031290 and registered address at number 43, Paseo de la Castellana, in Madrid.

It holds no credit ratings from any rating agencies.

No direct or indirect ownership or control relationship is known to exist between the legal persons that are involved in the securitisation transaction, with the exception of the shares that EBN and IBERCAJA own in the Sociedad Gestora, and which represents 12.86% of the share capital, as listed in the table included in section 7 of this Registration Document.

## 6. ADMINISTRATION, MANAGEMENT AND SUPERVISORY BODIES

### 6.1 Management, administration and representation of the Sociedad Gestora

As provided by Royal Decree 926/1998, the Fund will be legally represented and managed by its Sociedad Gestora, Titulización de Activos, S.G.F.T., S.A.

The registered name of the Sociedad Gestora is Titulización de Activos, Sociedad Gestora de Fondos de Titulización, S.A., with Tax Identification Number (C.I.F.) A-80352750.

The Sociedad Gestora is a Spanish public limited company (sociedad anónima), incorporated on 12 May 1992, with registered office at C/Orense, 69 Madrid (Spain), (Tel: +34 91 702 08 08), and registered in the Mercantile Registry of Madrid, Volume 4280, Book 0, Folio 183, Section 8, Sheet M-71066, Entry nº 5, on 4 June, 1993, and also registered under Num. 3 in the Registro Especial de Sociedades Gestoras de Fondos de Titulización Hipotecaria (Special Register of Mortgage Securitisation Fund Management Companies) kept by the CNMV.



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The Sociedad Gestora is subject to supervision by the CNMV, pursuant to the provisions of Royal Decree 926/1998.

The Sociedad Gestora has been incorporated for an indefinite period of time, unless any of the grounds stipulated by law for its winding-up occurs.

## **6.2 Audit of the financial statements of the Sociedad Gestora**

The Sociedad Gestora has audited accounts for 2006, 2005 and 2004, which have been filed at the CNMV and at the Mercantile Registry. The audit reports on the annual financial statements for 2006, 2005 and 2004 contained no qualifications. The accounts of the Sociedad Gestora are audited by Ernst & Young, S.L., registered in the ROAC Register (Registro Oficial de Auditores de Cuentas) with number S0530, with registered office at Plaza Pablo Ruiz Picasso, s/n (no number), Madrid, and with Tax Identification Number (C.I.F.) A-78970506.

## **6.3 Principal activities**

The sole purpose of the Sociedad Gestora is the incorporation, management and legal representation of Fondos de Titulización de Activos and Fondos de Titulización Hipotecaria, in accordance with the provisions of Royal Decree 926/1998.

The Sociedad Gestora, Titulización de Activos, SGFT, S.A. will be responsible for the administration and legal representation of the Fund, in accordance with the provisions of Royal Decree 926/1998 and Ley 19/1992 vis-à-vis any aspects not covered by Royal Decree 926/1998, when applicable, and the rest of the applicable legal regulations, as well as the provisions of the Articles of Incorporation. The Sociedad Gestora will perform for the Fund those duties attributed to it in Royal Decree 926/1998. As the manager of third party funds, the Sociedad Gestora is also responsible for representing and safeguarding the interests of holders of Bonds issued by the Fund and its other ordinary creditors. Consequently, the Sociedad Gestora must subordinate its actions to safeguarding the interests of such persons, abiding by the applicable provisions in this regard prevailing from time to time. The Bondholders and remaining creditors of the Fund will have no recourse against the Sociedad Gestora, other than from non-performance of its duties or non-compliance with the provisions of Articles of Incorporation and this Prospectus.

As at 31 March 2007, the Sociedad Gestora has a total of 73 securitisation funds under management, the details of which are given in section 6.8. of this Registration Document.

## **6.4 Existence or non-existence of holdings in other companies**

The Sociedad Gestora does not hold equity interests in any company.

## **6.5 Entities from which the Sociedad Gestora has borrowed more than 10%**

The Sociedad Gestora has not been granted any financing by third parties.

## **6.6 Litigation of the Sociedad Gestora**

At the date of registration of this Prospectus, there are no disputes, litigation or bankruptcy-related situation liable to have a material effect on the economic and financial situation of the Sociedad Gestora or on its future capacity to perform the Fund management and administration duties stipulated in this Prospectus.

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## 6.7 Administration, management and supervisory bodies

Pursuant to the provisions of the articles of association of the Sociedad Gestora, and at the date of registration of this Prospectus, the Sociedad Gestora has no governing bodies other than the Shareholders' Meeting and the Board of Directors.

The members of the Board of Directors of the Sociedad Gestora, as at the date of registration of the Prospectus, are as follows:

Name	Position
Mr. Francisco Javier Soriano Arosa*	Chairman
Caja Municipal de Burgos, represented by Mr. Horacio Mesonero	Director
Mr. Francisco Javier Sáiz Alonso*	Director
Mr. Víctor Iglesias Ruiz*	Director
Caja de Ahorros del Mediterráneo, represented by Juan Luis Sabater Navarro	Director
Mr. Gumersindo Ruiz Bravo de Mansilla*	Director
Mr. José Carlos Contreras Gómez*	Director
Bear Stearns Spanish Securitisation Corporation, represented by Mr.	

\* Have been appointed and represent the shareholders mentioned in section 7 below.

Luis Vereterra Gutiérrez-Maturana has been the Secretary (non-Director) of the Board of Directors since 27 May 1992.

Mr. Ramón Pérez Hernández was appointed the Company's General Director by virtue of the deed dated 18 April 2002, granted before the Notary Public of Madrid Mr. Manuel Richi Alberti, and at the present time there is no Chief Executive Officer (Consejero Delegado).

The professional address of all these people is the registered office of the Sociedad Gestora (calle Orense, 69, (Madrid (Spain), and do not engage outside the Sociedad Gestora in any activity liable to enter into conflict with the Fund.

The Sociedad Gestora is subject to supervision by the CNMV, pursuant to the provisions of Royal Decree 926/1998.

In compliance with the provisions of the Ley 24/1988 and of Royal Decree 629 /1993, of May 3 on rules of conduct in securities market and mandatory recordkeeping, at the Board Meeting held on 7 December 1993, the Board of Directors of the Sociedad Gestora approved an Internal Code of Conduct containing the rules of conduct in relation to securities managed by the Sociedad Gestora for and on behalf of securitisation funds that are traded on organised markets.

The Code has been filed with the CNMV and contains, among other items, the rules on confidentiality of information, dealings with persons subject to the Code, disclosure of material information and conflicts of interest.

The Sociedad Gestora has not approved any regulations of the Board of Directors and is not subject to the application of any Code of Good Corporate Governance.

The individual persons appointed as Directors and Chairman of the Sociedad Gestora pursue the following significant activities outside the company:

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Name	Office in listed and/or material companies
Mr. Francisco Javier Soriano Arosa	Managing Director of EBN Banco de Negocios, S.A.
	Chairman of the Board of EBN Capital, S.G.C.R., S.A.
	Member of the Board of Cartera Nuvalia, S.L.
	Member of the Board of Planiger, S.A.
	Chairman of the Board of Campus Patrimonial, S.A.
	Member of the Board of Grupo Hoteles Playa, S.A.
Mr. Horacio Mesonero	Head of the Risk Control Department of Caja de Ahorros Municipal de Burgos.
	Member of the Board of Ahorro Gestión Hipotecario, E.F.C., S.A.
	Member of the Board of Inmobiliaria Burgoyal, S.A.
	Member of the Board of Europea de Desarrollos Urbanos, S.A.
Mr. Francisco Javier Sáiz	Deputy General Manager of the Finance Division of Caja Castilla La Mancha
	Member of the Board of Ahorro Corporación Gestión, S.G.I.I.C., S.A.
	Member of the Board of Analistas Financieros Internacionales, S.A.
	Member of the Board of Exportalia, S.L.
Mr. Víctor Iglesias Ruiz	Deputy General Manager, Director of Lending Operations and Capital Markets at IBERCAJA.
	Member of the Board of Ibercaja Leasing y Financiación, E.F.C., EFC.
	Member of the Board of Heraldo de Aragón, S.A.
	Member of the Board of Gestión de Activos de Aragón, S.A.
Mr. Juan Luis Sabater Navarro	Treasury Manager of Caja de Ahorros del Mediterráneo
Mr. Gumersindo Ruiz Bravo de Mansilla	Managing Director and General Manager of Unicorp Corporación Financiera.
	Deputy Chairman of Unicorp Vida
	Chairman of Unigest
	Co-chairman of Segurándalus
	Chairman of Unicorp Patrimonio
	Chairman of Unicorp Mercados
	Deputy Chairman of Carisa
Mr. José Carlos Contreras Gómez	Deputy Director General, Director of Corporate Finance at the Caja de Ahorros y Monte de Piedad de Madrid.
	Member of the Board of Banco Inversis
	Member of the Board of Corporación Interamericana de Financiamiento de Infraestructuras.
Mr. Jesús Río Cortés	Bear Stearns International Limited Securitisation Manager for Southern Europe.

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## 6.8 Funds Managed

As at 31 March 2007, the Sociedad Gestora has the following securitisation funds under management:

Fund	Date of Incorporation	Issued	Bond Balance 31 March 2007
<b>Mortgage Securitisation Funds</b>			
TDA 4 - F.T.H	22-Apr-98	€150,253,027	€28,005,493
TDA 5 - F.T.H	16-Oct-98	€1,171,973,634	€184,259,066
TDA 6 - F.T.H	20-Jan-99	€351,500,000	€67,917,522
TDA 7 - F.T.H	12-Mar-99	€1,051,700,000	€67,590,781
TDA 8 - F.T.H	9-Apr-99	€150,200,000	€45,602,982
TDA 9 - F.T.H	12-May-99	€32,400,000	€89,099,027
TDA 10 - F.T.H	21-Jul-99	€240,500,000	€52,955,108
TDA 11 - F.T.H	24-Jan-00	€660,600,000	€185,418,356
TDA 12 - F.T.H	26-Jun-00	€13,900,000	€158,505,822
<b>Asset Securitisation Funds</b>			
TDA 13-MIXTO - F.T.A	5-Dec-00	€89,500,000	€133,887,911
TDA 14-MIXTO - F.T.A	20-Jun-01	€601,100,000	€235,986,897
TDA 15-MIXTO - F.T.A	4-Nov-02	€450,900,000	€234,310,862
TDA 16-MIXTO - F.T.A	26-May-03	€32,000,000	€243,701,977
TDA 17-MIXTO - F.T.A	24-Oct-03	€455,000,000	€251,509,121
TDA 18-MIXTO - F.T.A	14-Nov-03	€421,000,000	€225,161,456
TDA 19-MIXTO - F.T.A	27-Feb-04	€600,000,000	€350,101,457
TDA 20-MIXTO - F.T.A	25-Jun-04	€421,000,000	€282,452,141
TDA 21-MIXTO - F.T.A	23-Jul-04	€775,000,000	€486,504,829
TDA 22-MIXTO - F.T.A	1-Dec-04	€30,000,000	€340,405,069
TDA 23 - F.T.A	17-Mar-05	€60,000,000	€624,320,079
TDA 24- F.T.A	28-Nov-05	€485,000,000	€409,172,028
TDA 25- F.T.A	29-Jul-06	€265,000,000	€254,117,607
TDA 26-MIXTO - F.T.A	5-Jul-06	€908,100,000	€845,291,522
TDA 27 - F.T.A	20-Dec-06	€930,600,000	€901,837,001
TDA PASTOR 1 - F.T.A	25-Feb-03	€94,600,000	€257,108,844
TDA CAM 1 - F.T.A	13-Mar-03	€1,000,000,000	€42,319,976
TDA CAM 2 - F.T.A	27-Jun-03	€1,100,000,000	€91,456,861
TDA CAM 3 - F.T.A	16-Jan-04	€1,200,000,000	€703,337,063
TDA CAM 4 - F.T.A	9-Mar-05	€2,000,000,000	€1,486,308,752
TDA CAM 5 - F.T.A	5-Oct-05	€2,000,000,000	€1,676,223,495
TDA CAM 6, FTA	29-Mar-06	€1,300,000,000	€1,180,132,430
TDA CAM 7, FTA	13-Oct-06	€1,750,000,000	€1,699,646,897
TDA CAM 8, FTA	7-Mar-07	€1,712,800,000	€1,712,800,000
TDA IBERCAJA 1 - F.T.A	8-Oct-03	€600,000,000	€370,191,225
TDA IBERCAJA 2 - F.T.A	13-Oct-05	€904,500,000	€767,332,452
TDA CAJAMAR 2 - F.T.A	18-May-05	€1,000,000,000	€751,639,485

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<b>TDA IBERCAJA 3 - F.T.A.</b>	12-May-06	€1,007,000,000	€36,866,432
<b>TDA IBERCAJA 4 - F.T.A.</b>	18-Oct-06	€1,410,500,000	€1,323,203,525
<b>CAIXA PENEDES 1 TDA - F.T.A.</b>	18-Oct-06	€1,000,000,000	€74,581,420
<b>MADRID RMBS I, F.T.A.</b>	15-Nov-06	€2,000,000,000	€1,954,902,152
<b>MADRID RMBS II, F.T.A.</b>	12-Dec-06	€1,800,000,000	€1,757,651,620
<b>FTPYME TDA 3 - F.T.A</b>	14-Feb-02	€25,055,000	€6,081,320
<b>FTPYME TDA 4 - F.T.A</b>	10-Oct-03	€250,000,000	€4,814,298
<b>FTPYME TDA 5 - F.T.A</b>	29-Dec-04	€200,000,000	€7,426,292
<b>FTPYME TDA 6 - F.T.A</b>	24-Nov-05	€150,000,000	€105,448,175
<b>FTPYME TDA SABADELL 1 - F.T.A</b>	3-Jun-02	€600,000,000	€164,703,418
<b>FTPYME TDA SABADELL 2 - F.T.A</b>	12-Nov-03	€500,000,000	€40,706,869
<b>FTPYME TDA CAM 1 - F.T.A</b>	17-Jun-02	€600,000,000	€149,682,493
<b>FTPYME TDA CAM 2 - F.T.A</b>	17-Nov-04	€750,000,000	€431,789,568
<b>FTPYME TDA CAM 4 - F.T.A</b>	13-Dec-06	€1,529,300,000	€1,374,319,525
<b>CIBELES III FTPYME - F.T.A</b>	18-Dec-03	€500,000,000	€49,815,250
<b>FTPYME TDA BANCA MARCH - F.T.A</b>	25-Oct-04	€200,000,000	€4,110,042
<b>CM BANCAJA 1 - F.T.A</b>	28-Sep-05	€56,200,000	€75,788,798
<b>EMPRESAS HIPOTECARIO TDA CAM 3, F.T.A.</b>	7-Jul-06	€750,000,000	€99,703,635
<b>CÉDULAS TDA 1, F.T.A.</b>	12-Jun-03	€1,750,000,000	€1,750,000,000
<b>CÉDULAS TDA 2, F.T.A.</b>	13-Nov-03	€2,000,000,000	€2,000,000,000
<b>CÉDULAS TDA 3, F.T.A.</b>	25-Feb-04	€2,000,000,000	€2,000,000,000
<b>CÉDULAS TDA 4, F.T.A.</b>	10-Jun-04	€1,500,000,000	€1,500,000,000
<b>CÉDULAS TDA 5, F.T.A.</b>	24-Nov-04	€1,500,000,000	€1,500,000,000
<b>CÉDULAS TDA 6, F.T.A.</b>	18-May-05	€3,000,000,000	€3,000,000,000
<b>CÉDULAS TDA 7, F.T.A.</b>	10-Jun-05	€2,000,000,000	€2,000,000,000
<b>PROGRAMA CEDULAS TDA, FTA</b>	2-Mar-06	Maximum €30,000,000,000	€6,650,000,000
<b>TDA AUTO ABS 2002, F.T.A.</b>	8-Jul-02	€50,000,000	-
<b>GLOBALDRIVE (SPAIN) 2002-1 TDA, F.T.A.</b>	3-Dec-02	€488,000,000	-
<b>GLOBALDRIVE DEALER FLOORPLAN (SPAIN) TdA, F.T.A.</b>	5-Apr-04	Maximum €3,000,000,000	-
<b>GLOBALDRIVE SERIES 3 (SPAIN) TDA, F.T.A.</b>	10-May-05	€99,999,948	-
<b>BANCO FINANTIA SOFINLOC N° 1, F.T.A.</b>	1-Jul-04	Maximum €150,000,000	-
<b>BANCO FINANTIA SOFINLOC TDA N° 2, F.T.A.</b>	11-Mar-05	Maximum 500,000,000	-
<b>CAP-TDA 1, F.T.A.</b>	25-Jun-03	€300,000,000	€300,000,000
<b>FONDO DE TITULACION DE ACTIVOS RESULTANTES DE LA MORATORIA NUCLEAR</b>	25-Apr-96	€1,297,236,546	-
<b>CAJA SAN FERNANDO CDO I, F.T.A.</b>	17-Feb-05	\$167,250,000 €16,400,000	- -
<b>MORTGAGE FINANCE SPAIN - F.T.A.</b>	13-Dec-06	Maximum €10,000,000,000	-

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## 6.9 Share Capital and Equity

The share capital of the Sociedad Gestora at the time of registering the Fund Prospectus was €903,000, fully paid in.

All the shares issued by the Sociedad Gestora up until the date of registration of this Prospectus (150,000 shares with a nominal value of €6.02 each) are ordinary shares and offer identical voting, and financial financial rights. All the shares are of the same class and series.

The equity of the Sociedad Gestora is as listed below:

Equity (€000's)	31/12/2004	31/12/2005	31/12/2006(*)
<b>Capital</b>	903.00	903.00	903.00
<b>Reserves</b>			
Legal Reserve	180.60	180.60	180.60
Voluntary Reserves	1,426.15	1,899.19	2,461.71
<b>Profit and Loss</b>			
Net income for the year	1,273.04	1,511.40	1,825.34
<b>TOTAL</b>	<b>3,782.79</b>	<b>4,494.19</b>	<b>5,370.65</b>

## 6.10 Principal transactions with related parties and conflicts of interest

There are no dealings with related parties or conflicts of interest, although several shareholders of the Sociedad Gestora, described in the next section, have participated as Sellers to some of the Funds managed by the Company.

## 7. MAJOR SHAREHOLDERS

The Sociedad Gestora does not form part of any group of companies.

The shareholding structure, at the time of Prospectus Registration, of the Sociedad Gestora is as follows:

Registered Name	Percentage	Nº. Shares
Caja de Ahorros de Castilla La Mancha	12.86%	19,286
Caja de Ahorros de Zaragoza. Aragón y Rioja (Ibercaja)	12.86%	19,286
Caja de Ahorros del Mediterráneo	12.86%	19,286
Caja de Ahorros Municipal de Burgos	12.86%	19,286
Unicorp (Unicaja)	12.86%	19,286
EBN Banco de Negocios, S.A.(EBN)	12.86%	19,286
Caja de Ahorros y Monte de Piedad de Madrid	12.86%	19,284
Bear Stearns Spanish Securitisation Corporation	10.00%	15,000
<b>TOTAL</b>	<b>100.00%</b>	<b>150,000</b>

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

### **8.1 Declaration on commencement of operations and financial statements of issuer prior to the date of the Registration Document.**

The Fund's operations will commence on the Incorporation Date, and therefore no financial statement is attached to this Registration Document.

### **8.2 Historical financial information**

Not applicable.

### **8.2 bis Historical financial information on security Issues with an individual denomination of Euros 50,000 or more.**

Not applicable.

### **8.3 Legal and arbitration proceedings**

Not applicable.

### **8.4 Material adverse change in the Fund's financial situation**

Not applicable.

## **9. THIRD PARTY INFORMATION AND STATEMENTS BY EXPERTS AND DECLARATIONS OF ANY INTEREST.**

### **9.1 Statements or reports attributed to a person as an expert**

No such statement or report is included.

### **9.2 Information from third parties**

No information from third parties is included

## **10. DOCUMENTS ON DISPLAY**

If necessary, the following documents (or their copies) can be inspected, by physical means, during the life of this Registration Document:

1. The Articles of Association, the Articles of Incorporation and the audited annual accounts of the Sociedad Gestora.
2. The Articles of Incorporation of the Fund, once granted.
3. This Prospectus.
4. The transaction contracts, once formalised.
5. Resolutions of the Board of Directors of the Seller and of the Sociedad Gestora.

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6. Auditor's Report on the attributes of the Mortgage Loans from among which the Participations and Certificates will be drawn, for pooling in the Fund.
7. Letters from the Rating Agencies, assigning provisional ratings and, where applicable, definitive ratings to each of the Series of Bonds..

These documents will be available for physical examination at the registered office of the Sociedad Gestora, at number 69, calle Orense, in Madrid (Spain).

A copy of all the aforementioned documents will be available for physical examination at the offices of the CNMV.

The Prospectus is available on the website of the Sociedad Gestora (<http://www.tda-sgft.com>), the website of the CNMV (<http://www.cnmv.es>), the website of the AIAF market (<http://www.aiaf.es>) and is available to the public at the registered office of each of the Lead Managers..

The Articles of Incorporation will be available for physical examination at the Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. ("**Iberclear**"), with registered offices at number 1, Plaza de la Lealtad, Madrid.



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## **SECURITIES NOTE (ANNEX XIII TO REGULATIONS 809/2004)**

### **1. PERSONS RESPONSIBLE**

#### **1.1. Persons responsible for the information contained in the Securities Note**

Mr. Ramón Pérez Hernández, on behalf of the Sociedad Gestora, the originator of the Fund, and as General Director of the Sociedad Gestora, by virtue of the power of attorney of 18 April 2002 granted before the Notary Public of Madrid Mr. Manuel Richi Alberti under number 737 of his Official Record and especially for the incorporation of the Fund by virtue of the resolution adopted by the Board of Directors of the Sociedad Gestora at the meeting held on 2 March 2007

#### **1.2. Persons responsible for the information contained in the Securities Note.**

Mr. Ramón Pérez Hernández, on behalf of the Sociedad Gestora, declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Securities Note and its Additional Building Block is, to his knowledge, consistent with the facts and contains no omission likely to affect its contents.

### **2. RISK FACTORS WITH RESPECT TO THE SECURITIES**

The risk factors with respect to the Securities are detailed in section 2 of Risk Factors, and the risk factors with respect to the assets backing the issue are detailed in section 3 of the Risk Factors.

### **3. KEY INFORMATION**

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

There are no private interests of the persons listed below other than those detailed in section 5.2. of the Registration Document:

- a) Titulización de Activos, S.G.F.T., S.A., is the Sociedad Gestora of the Fund.
- b) JPMorgan has arranged and designed the structure of the transaction and is acting as Lead Manager and Underwriting and Placement Agent.
- c) IBERCAJA is (i) the Seller of the Mortgage Loans through the issue of the Participations and Certificates that will be fully subscribed by the Fund upon its incorporation, (ii) Servicer of the Mortgage Loans (iii) the entity granting the Initial Expenses Loan and the Subordinated Loan, (iv) the bank where the Reinvestment Account is to be opened, (v) the counterparty in the Interest Rate Swap Agreement and (vi) Underwriting and Placement Agent.
- d) Instituto de Crédito Oficial (ICO) is the Financial Agent.
- e) EBN, IBERCAJA, JPMorgan, la Caixa and Société Générale are acting as Underwriting and Placement Agents.
- f) JPMorgan and Société Générale will be the bookrunners.

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- g) Pricewaterhouse Coopers is acting as auditor for the verification of a series of attributes of a selection of mortgage loans owned by IBERCAJA from which the Mortgage Loans will be extracted in order to issue the Participations and Certificates that will be subscribed by the Fund upon its incorporation. Pricewaterhouse Coopers is also acting as Chartered Accountant of the Fund.
- h) Cuatrecasas is acting as the legal advisor to the transaction.
- i) Moody's and S&P are acting as the Bond credit risk Rating Agencies.
- j) JPMORGAN CHASE is acting as counterparty of the Fund in the Interest Rate Cap Agreement.

### **3.2. Description of any interest, including conflicting interests, that is important for the issue, detailing persons involved and the nature of their interests.**

The Sociedad Gestora declares that it is unaware of any legal, economic or family ties existing between the parties participating in the Fund (with the exception of the shares that the Seller owns in the Sociedad Gestora and which were referred to in section 5.2. of the Registration Document), and between the latter and the holders of the Mortgage Loans pooled in the Participations and the Certificates acquired by the Fund, that might harm the interests of the Fund in general and of the investors of the Bonds issued by the latter in particular.

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

### **4.1. Total amount of the securities**

The total amount of the Bond Issue is one thousand two hundred and seven million euros (€1,207,000,000). The issue will be formed by twelve thousand and seventy (12,070) Bonds, each with a face value of one hundred thousand euros (€100,000), represented by book entries, pursuant to the provisions of Royal Decree 116/1992, of 14 February, regarding the representation of securities by means of book entries and clearing and settlement of stock market transactions.

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

#### **4.2.1. Type and class of securities**

This Securities Note is issued for the purposes of the issue of the Bonds.

The asset securitisation bonds are securities issued by asset securitisation funds that represent a debt for their issuer, accrue interest, and are redeemable through early redemption or at final maturity. The Bonds legally qualify as homogeneous, standardized and therefore marketable fixed interest securities with an explicit yield, and are subject to the provisions of Ley 24/1988 and the regulations in development thereof.

The Bonds will be pooled in five Classes (A, B, C, D and E), as follows:

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### ***Class A formed by 2 Series of Bonds:***

Series A1 for a total nominal amount of one hundred and fifty million euros (€150,000,000), represented by one thousand five hundred (1,500) securities, each with a face value of one hundred thousand euros (€100,000) (the **"Series A1 Bonds"**).

Series A2 for a total nominal amount of one thousand and two million euros (€1,002,000,000), represented by ten thousand and twenty (10,020) securities, each with a face value of one hundred thousand euros (€100,000) (the **"Series A2 Bonds"**, jointly with the Series A1 Bonds, the **"Class A Bonds"**).

### ***Class B or Series B***

Series B, for a total nominal amount of thirty two million four hundred thousand (€32,400,000), represented by three hundred and twenty-four (324) securities, each with a face value of one hundred thousand euros (€100,000) (jointly and severally the **"Series or Class B Bonds"** or the **"Series B"**).

### ***Class C or Series C***

Series C, for a total nominal amount of ten million eight hundred thousand euros (€10,800,000), represented by one hundred and eight (108) securities, each with a face value of one hundred thousand euros (€100,000) (jointly and severally the **"Series or Class C Bonds"** or the **"Series C"**).

### ***Class D or Series D***

Series D, for a total nominal amount of four million eight hundred thousand euros (€4,800,000), represented by forty-eight (48) securities, each with a face value of one hundred thousand euros (€100,000) (jointly and severally the **"Series or Class D Bonds"** or **"the Series D"**).

### ***Class E or Series E***

Series E, for a total nominal amount of seven million euros (€7,000,000), represented by seventy (70) securities, each with a face value of one hundred thousand euros (€100,000) (jointly and severally the **"Series or Class E Bonds"** or the **"Series E"**).

Holding or subscribing Bonds of one of the Series does not imply holding or subscribing Bonds of the other Series.

The Bonds will be issued for 100% of their face value. The issue price of the Bonds of each Series will be one hundred thousand euros (€100,000) per Bond, and the Fund will not charge subscribers any tax or subscription expenses. The expenses and taxes inherent to the Bond Issue will be for the account of the Fund.

#### **4.2.2. Underwriting and placement of the securities**

At the same time as the Incorporation of the Fund and for the account of the latter, the Sociedad Gestora will enter into a bond issue placement subscription and underwriting contract (the **"Bond Issue Management, Underwriting and Placement Contract"**), with the Lead Managers and with the Underwriting and Placement Agents mentioned in section 5.2. of the Registration Document, whereby the said entities undertake to subscribe on their own behalf or

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to obtain, at their own responsibility, subscribers for the Bonds, in the amounts mentioned in the Bond Issue Management, Underwriting and Placement Contract and that in any case implies that 100% of the issue is underwritten.

Should any Underwriting and Placement Agent not deliver to the Fund the amounts in accordance with the provisions of the Placement Management, Subscription and Underwriting Contract, this will not affect the other Underwriting and Placement Agents, who will only remain obliged to meet their respective individual commitments and, accordingly, will not be obliged to assume responsibility for the part payable by the breaching Underwriting and Placement Agent. All the above, without detriment to any action that the Fund, represented by the Sociedad Gestora, may be entitled to take against such Underwriting and Placement Agent, and that, in the event of a breach of the payment obligations with respect to the Fund, the latter will no longer be entitled to receive the fee stipulated in the Bond Issue Management, Underwriting and Placement Contract.

The Underwriting and Placement Agents will assume the obligations contained in the Bond Issue Management, Underwriting and Placement Contract.

The Bonds will be placed during the Subscription Period.

In consideration of the commitment undertaken by the Underwriting and Placement Agents, the latter will receive an underwriting and placement fee, an estimate of which is included in the Fund's initial expenses, in section 6 of the Securities Note. Each of the Bond Underwriting and Placement Agents will receive a Underwriting and Placement fee, applied to the underwritten nominal amount of the Bonds of the corresponding Series, which will be between 0.04% and 0.08% for the Series A1, A2, B, C, and D Bonds.

The definitive underwriting fees of each of the Series A1, A2, B, C and D, expressed as a percentage, will be determined by mutual agreement of the Lead Managers before 10.00 a.m. (CET) and notified in writing to the Sociedad Gestora before 10.30 a.m. (CET) on the second Business Day prior to the Disbursement Date (that is to say, 14 May 2007). If the Lead Managers fail to reach an agreement or the fee is not notified on time, and without detriment to any liability deriving therefrom, the Sociedad Gestora will set the underwriting and placement fee of the Series(s) of Bonds about which no agreement has been reached or that has not been notified properly, as 0.05% of the nominal amount of the Series A1, A2, B, C and D Bonds.

IBERCAJA will not receive any remuneration for the Series E Bonds subscription commitment.

Furthermore, the definitive fees will be stated in the notarial disbursement record.

The non-confirmation before the start of the Subscription Period of the provisional ratings assigned to the Bonds by the Rating Agencies will be construed as grounds for cancelling the incorporation of the Fund, the issue of the Bonds, the termination of the Bond Issue Management, Underwriting and Placement Contract and of the Fund's other contracts.

#### **4.2.3. Lead Managers**

JPMorgan and Société Générale are acting as Lead Managers, and receive no fee for performing those management duties.

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

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The Fund has been incorporated and the Bonds are being issued in accordance with the Spanish law applicable to the Fund and to the Bonds. In particular, they are being issued in accordance with the provisions of (i) Ley 24/1988, (ii) Royal Decree 926/1998 and its implementing provisions and Ley 19/1992 as to matters not provided for in Royal Decree 926/1998 and insofar as applicable, and (iii) Royal Decree 1310/2005, of 4 November ("**Royal Decree 1310/2005**"), partially implementing Ley 24/1988, with regard to the admission of Securities to trading on official secondary markets, initial public offerings and the prospectus that must be issued for these purposes, (iv) Order EHA 3537/2005, of 10 November, developing section 27.4 of Ley 24/1988 and (v) other statutory provisions and regulatory in force and that apply from time to time.

This Securities Note has been drawn up in accordance with the models set forth in Commission Regulation (EC) 809/2004, of 29 April 2004 ("**Regulation 809/2004**").

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

The Bonds will only be represented by book entries, in accounts managed by the Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. ("**IBERCLEAR**"), with registered office at Madrid, at number 1, Plaza de la Lealtad, 28012, Madrid (Spain). In this respect, it is hereby stated that the Articles of Incorporation will produce the effect set forth in article 6 of the Ley del Mercado de Valores. The Bondholders will be identified in accordance with the book entries made by the entities that participate in IBERCLEAR.

#### **4.5. Currency of the issue**

The Bonds will be denominated in euros.

#### **4.6. Ranking of the securities according to the subordination rules**

##### **4.6.1. Simple mention of the ranking of principal payments for the Bonds of each Series in the Fund Payment Priority Order.**

The payment of interest accrued by the Series A1 Bonds will rank third (3<sup>rd</sup>) in the Payment Priority Order set forth in section 3.4.6.2 of the Additional Building Block and third (3<sup>rd</sup>) in the Liquidation Payment Priority Order set forth in section 3.4.6.3 of the Additional Building Block.

The payment of interest accrued by the Series A2 Bonds will rank third (3<sup>rd</sup>) in the Payment Priority Order set forth in section 3.4.6.2 of the Additional Building Block and third (3<sup>rd</sup>) in the Liquidation Payment Priority Order set forth in section 3.4.6.3 of the Additional Building Block.

The payment of interest of the Series B Bonds will rank fourth (4<sup>th</sup>) in the Payment Priority Order set forth in section 3.4.6.2 of the Additional Building Block, unless the circumstances stipulated in the same section of the Additional Building Block for its deferral occur, in which case it will rank eighth (8<sup>th</sup>) in the Payment Priority Order, and fifth (5<sup>th</sup>) in the Liquidation Payment Priority Order set forth in section 3.4.6.3 of the Additional Building Block.

The payment of interest of the Series C Bonds will rank fifth (5<sup>th</sup>) in the Payment Priority Order set forth in section 3.4.6.2 of the Additional Building Block, unless the circumstances stipulated

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in the same section of the Additional Building Block for its deferral occur, in which case it will rank ninth (9<sup>th</sup>) in the Payment Priority Order, and seventh (7<sup>th</sup>) in the Liquidation Payment Priority Order set forth in section 3.4.6.3 of the Additional Building Block.

The payment of interest of the Series D Bonds will rank sixth (6<sup>th</sup>) in the Payment Priority Order set forth in section 3.4.6.2 of the Additional Building Block, unless the circumstances stipulated in the same section of the Additional Building Block for its deferral occur, in which case it will rank tenth (10<sup>th</sup>) in the Payment Priority Order, and ninth (9<sup>th</sup>) in the Liquidation Payment Priority Order set forth in section 3.4.6.3 of the Additional Building Block.

The payment of interest of the Series E Bonds will rank twelfth (12<sup>th</sup>) in the Payment Priority Order set forth in section 3.4.6.2 of the Additional Building Block and twelfth (12<sup>th</sup>) in the Liquidation Payment Priority Order set forth in section 3.4.6.3 of the Additional Building Block.

#### **4.6.2. Simple mention of the ranking of principal payments for the Bonds of each Series in the Fund Payment Priority Order.**

The payment of principal of Series A1, A2, B, C and D will rank seventh (7<sup>th</sup>) in the Payment Priority Order set forth in section 3.4.6.2 of the Additional Building Block, which will be applied in accordance with the rules set forth in section 4.9.2 of this Securities Note.

In the event of Early Liquidation, the payments of principal of Series A1, A2, B, C and D will rank 4<sup>th</sup>, 6<sup>th</sup>, 8<sup>th</sup> and 10<sup>th</sup> respectively, in the Liquidation Payment Priority Order set forth in section 3.4.6.3 of the Additional Building Block.

In the case of the Series E Bonds, the payment of principal will rank thirteenth (13<sup>th</sup>) in the Payment Priority Order set forth in section 3.4.6.2 of the Additional Building Block and thirteenth (13<sup>th</sup>) in the Liquidation Payment Priority Order set forth in section 3.4.6.3 of the Additional Building Block.

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

Pursuant to current legislation, the securities detailed in this Securities Note will offer no future or present rights to the investor over the Fund or its Sociedad Gestora.

The Investor's economic and financial rights associated with the acquisition and ownership of the Bonds will be those derived from the interest rates, yields and redemption prices with which the Bonds are issued and which are detailed in sections 4.8. and 4.9. infra in this Securities Note.

The Bondholders are subject, with respect to the payment of interest and repayment of the principal of the Bonds of each Series, to the Payment Priority Order and to the Liquidation Payment Priority Order established in sections 3.4.6.2 and 3.4.6.2, respectively, of the Additional Building Block.

The Bondholders will have no recourse against the Sociedad Gestora, other than from non-performance of its duties or non-compliance with the provisions of this Prospectus, of the Articles of Incorporation and the applicable laws and regulations.

Any dispute regarding the Fund or the Bonds that may arise during its operations or liquidation, be it amongst the Bondholders or between the latter and the Sociedad Gestora, will be submitted

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to the courts and tribunals of Spain, with waiver of any other jurisdiction to which the parties may be entitled.

#### **4.8. Interest payment and principal reimbursement dates**

##### ***Bond Interest***

From the Disbursement Date until their total maturity, all the Bonds will accrue a annual nominal rate of interest, adjusted quarterly. This interest will be paid quarterly in arrears on each Payment Date on the Receivable Nominal Balance of each Bond.

The interest of the Bonds will be paid, in relation to the other Fund payments, in the Payment Priority Order set forth in section 3.4.6.2. of the Additional Building Block.

With regard to the accrual of the interest for the Bond issue, payment of interest will be divided into interest accrual periods ("Interest Accrual Periods") which will include the days elapsed between each Payment Date (including the first Payment Date and excluding the last one). Exceptionally, the first Interest Accrual Period will last more than one calendar quarter, will start on (and include) the Disbursement Date and will end on (and exclude) the first Payment Date, in other words, 27 August 2007.

The annual Nominal Interest Rate accrued by each Series of Bonds during each Interest Accrual Period will be the result of adding (i) the Reference Interest Rate, calculated as stipulated below, and rounded to the nearest thousandth, taking into account that, in the event of equal conditions for rounding up or down, the amount will always be rounded up; plus (ii) the margin applicable to each Series of Bonds, as indicated below.

##### ***Reference Interest Rate:***

The Reference Interest Rate for fixing the interest rate applicable to the Bonds of all the Series will be the 3 month EURIBOR or, if necessary, its substitute, determined as stated below.

##### ***Fixing of the Bond Reference Interest Rate***

The EURIBOR will be fixed according to the rules established in this section.

On each of the Interest Rate Fixing Dates, (as such date is defined in this section), the Sociedad Gestora, with the information received from the Financial Agent, will fix the Reference Interest Rate, which will be equal to the EURIBOR, as follows:

- (i) The 3-month EURIBOR displayed on the EURIBOR01 page of the REUTERS screen, on the Fixing Date at 11:00 a.m. (CET). "REUTERS screen, "EURIBOR01" page is the one that displays the contents of the "EURIBOR01" page on the REUTERS MONITOR MONEY RATES SERVICE (or any other page that may replace it in this service).
- (ii) In the absence of rates as indicated in number (i) supra, the simple arithmetic mean of London interbank rates for non transferable deposits in euros, with three (3) month maturity, for an amount equivalent to the Outstanding Nominal Balance of the Bonds offered on the Fixing Date by the entities mentioned below, after and at about 11:00 a.m. (CET) will prevail. This interest rate will be requested simultaneously from the following entities:
  - Banco Santander Central Hispano (London)
  - Banco Bilbao Vizcaya Argentaria (London)
  - Barclays Bank (London)

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- Confederación Española de Cajas de Ahorros (London Branch)

In the event that one or several of the aforementioned institutions do not furnish a list of quoted rates, the rate applied will be the rate that results from applying the simple arithmetic mean of the rates declared by at least two of the remaining institutions.

- (iii) In the absence of the rates in accordance with the provisions of paragraphs (i) and (ii), the Reference Interest Rate for the immediately previous Interest Accrual Period will apply. On the First Interest Fixing Date, in the event that the Reference Rate is not published in accordance with the provisions of paragraphs (i) and (ii), in accordance with paragraph (i), the rate applied will be the rate published on the last Business Date on which such Reference Interest Rate was published.

The Sociedad Gestora will keep copies of the REUTERS screen printouts, or if appropriate, the quote statements from the banks referred to in paragraph (ii) above, as documents accrediting the EURIBOR rate determined.

Notwithstanding the above, the Reference Interest Rate for the first Interest Accrual Period, in other words, the period between the Disbursement Date and the first Payment Date, will be the result of the linear interpolation between the three (3) month EURIBOR rate and the four (4) month EURIBOR rate, taking into account the number of days of the first Interest Accrual Period. The Interest Rate for the first Interest Accrual Period will be calculated with the following formula:

$$R = E3 + ((d-92)/31)*(E4-E3)$$

Where:

R= Reference Interest Rate for the first Interest Accrual Period.

d = Number of days of the first Interest Accrual Period.

E3 = three (3) month EURIBOR rate.

E4 = four (4) month EURIBOR rate.

The three (3) and four (4) month EURIBOR rate for the first Interest Accrual Period will be fixed in accordance with the rules established in the previous paragraphs of this section, without prejudice to the time references made beforehand changing, as a result thereof, from three (3) to four (4) or five (5) months, except for the rule set forth in the first sentence of paragraph (iii) above, which will not apply.

***Date for Fixing the Reference Interest Rate and Bond Interest Rate***

The Reference Interest Rate Fixing Date for each Interest Accrual Period will be the second (2<sup>nd</sup>) Business Day prior to the Payment Date (the "Fixing Date") and will apply for the next Interest Accrual Period. Exceptionally, for the first Interest Accrual Period the Reference Rate will be fixed on the second (2<sup>nd</sup>) Business Day prior to the Disbursement Date (that is to say, 14 May 2007).

Once the Bond Reference Interest Rate has been fixed, and on the same Fixing Date, the Sociedad Gestora will calculate and fix, for each of the Series of Bonds, the interest rate applicable to the next Interest Accrual Period.

***Margin applicable to the Reference Interest Rate for each Series of Bonds***

A margin that as a maximum will be as follows for each Series of Bonds:

- Series A1 Bonds: 0.13%.
- Series A2 Bonds: 0.17%.



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- Series B Bonds: 0.40%.
- Series C Bonds: 0.65%.
- Series D Bonds: 2.75%.
- Series E Bonds: 3.75%.

The margin applicable to each of the series of Bonds, expressed as a percentage, will be fixed by common agreement by the Lead Managers, at the latest, before 10.00 a.m. (CET) of the second (2<sup>nd</sup>) Business Day prior to the Disbursement Date (that is to say, 14 May 2007). The definitive margin applicable to the Bonds will be reported by fax to the Sociedad Gestora before 10:30 a.m. (CET) of the second (2<sup>nd</sup>) Business Day prior to the Disbursement Date (that is to say, 14 May 2007) by the Lead Managers. In the event of the absence of this notification, the Sociedad Gestora will set the margin for those Series as:

Series A1 Bonds: 0.13%.

Series A2 Bonds: 0.17%.

Series B Bonds: 0.40%.

Series C Bonds: 0.65%.

Series D Bonds: 2.75%.

Series E Bonds: 3.75%.

If the Sociedad Gestora fixes the definitive margins applicable to each Series in the absence of an agreement, before the start of the Subscription Period it will inform the Lead Managers, who will in turn inform the Underwriting and Placement Agents, who will in turn inform the investors interested in subscribing the Bonds. The final margin applicable will be registered in the disbursement certificate.

#### ***Formulae for calculating the Interest of the Bonds***

The Sociedad Gestora will calculate the interest accrued by the Bonds of each Series, during each Interest Accrual Period, in accordance with the following formula:

$$I_i = N_i * r_i * \frac{n_i}{360}$$

Where:

$N_i$ : Receivable Nominal Balance of the Bond at the start of the Interest Accrual Period.

$I_i$ : Total amount of interest accrued by the Bond in the Interest Accrual Period.

$r_i$ : the rate of interest of the Bond on an annual basis, calculated as the sum of the Reference Interest Rate of the pertinent Interest Accrual Period plus the margin specified for that Series.

$n_i$ : is the number of days in the Interest Accrual Period.

#### **4.8.1. Time limit on the validity of claims to interest and repayment of principal**

Interest on the Bonds, regardless of the Series to which they belong, will be paid by quarters in arrears, on 26 February, 26 May, 26 August and 26 November of each year until the total maturity of the Bonds (each one of them, a "**Payment Date**"). In the event of any of those days not being a Business Day, the interest and principal corresponding to the quarter will be paid on the following Business Day. The first Payment Date will be 27 August 2007.

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For the purposes of this Prospectus, business days (“**Business Days**”) are considered to be all those days which are not:

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

In the event that on a Payment Date, and despite the mechanisms established for the protection of the rights of the Bondholders, the Available Resources, as the latter are defined in sections 3.4.6.2. and 3.4.6.3. of the Additional Building Block, are not sufficient to pay all or part of the interest accrued by the Bonds of any of the Series, pursuant to the Payment Priority Order or the Liquidation Payment Priority Order set forth in such sections and in the event that the Available Resources only suffice to partially meet obligations that rank in the same order of priority, the amount will be distributed among the Bonds involved, in proportion to the Receivable Nominal Balance thereof, and any amounts that the Bondholders have not been paid will be paid on the next Payment Date that this is possible, without accruing default interest. Any payments not made to the Bondholders will be made on the next Payment Date (if sufficient Available Resources exist to do so) that ranks immediately prior to the payments to the holders of Bonds of that same Series corresponding to that period. The Fund, acting through its Sociedad Gestora, will not postpone the payment of interest or principal of the Bonds later than the Fund's Legal Maturity Date, 26 November 2049 or, if that day is not a Business Day, the next Business Day.

Any current or future withholdings, rates and taxes to which the capital, interest or yields of these same are subject will be for the sole account of their holders and, where applicable, their corresponding amount will be deducted by the entity obliged to do so in the legally established manner.

Payment will be made through the ICO using IBERCLEAR and its participative entities to distribute the amounts.

#### **4.8.2. Calculation Agent**

The agent responsible for calculating the Bond interest will be the Sociedad Gestora.

### **4.9. Security maturity and redemption dates**

#### **4.9.1. Redemption price**

The securities will be redeemed at par value, that is to say, one hundred thousand euros (€100,000) per Bond.

#### **4.9.2. Date and types of redemption**

##### **4.9.2.1. Ordinary rules regarding redemption of the Bonds**

**Series A1:** The redemption of the Series A1 Bonds will be conducted on a pro rata basis among the Bonds of the same Series by reducing the nominal amount, until it has been completed, on each Payment Date, by the amount of the Amount Available for Redemption applied to the

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Series A1 Bonds in accordance with the distribution and application rules set forth in section 4.9.2.4. below.

The first partial redemption of the Series A1 Bonds will take place on the first Fund Payment Date, that is to say, 27 August 2007.

**Series A2:** The redemption of the Series A2 Bonds will be conducted on a pro rata basis among the Bonds of the same Series by reducing the nominal amount, until it has been completed, on each Payment Date by the amount of the Amount Available for Redemption applied to the Series A2 Bonds in accordance with the distribution and application rules set forth in section 4.9.2.4 below.

The first partial redemption of the Series A2 Bonds will take place on the first Fund Payment Date, that is to say, 27 August 2007.

**Series B:** The redemption of the Series B Bonds will be conducted on a pro rata basis among the Bonds of the same Series by reducing the nominal amount, until it has been completed, on each Payment Date by the amount of the Amount Available for Redemption applied to the Series B Bonds in accordance with the distribution and application rules set forth in section 4.9.2.4 below.

The first partial redemption of the Series B Bonds will take place after the Payment Date on which the Series A1 and Series A2 Bonds have been redeemed in full. However, even if the Series A1 and Series A2 have not been redeemed in full, should the exceptional circumstances set forth in section 4.9.2.3 below occur, the Series B Bonds will be redeemed in accordance with the rules set forth in that section.

**Series C:** The redemption of the Series C Bonds will be conducted on a pro rata basis among the Bonds of the same Series by reducing the nominal amount, until it has been completed, on each Payment Date by the amount of the Amount Available for Redemption applied to the Series C Bonds in accordance with the distribution and application rules set forth in section 4.9.2.4 below.

The first partial redemption of the Series C Bonds will take place after the Payment Date on which the Series A1, A2 and B Bonds have been redeemed in full. However, even if the Series A1, A2 and B have not been redeemed in full, should the exceptional circumstances set forth in section 4.9.2.3 below occur, the Series C Bonds will be redeemed in accordance with the rules set forth in that section.

**Series D:** The redemption of the Series D Bonds will be conducted on a pro rata basis among the Bonds of the same Series by reducing the nominal amount, until it has been completed, on each Payment Date by the amount of the Amount Available for Redemption applied to the Series D Bonds in accordance with the distribution and application rules set forth in section 4.9.2.4 below.

The first partial redemption of the Series D Bonds will take place after the Payment Date on which the Series A1, A2, B and C Bonds have been redeemed in full. However, even if the Series A1, A2, B and C have not been redeemed in full, should the exceptional circumstances set forth in section 4.9.2.3 below occur, the Series D Bonds will be redeemed in accordance with the rules set forth in that section.

**Series E:** The redemption of the Series E Bonds will be conducted on a pro rata basis among the Bonds of the same Series, by means of partial redemptions on each of the Payment Dates, in accordance with the redemption rules set forth below and up to its total nominal amount, for the

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amount of the Available Resources applied on each Payment Date to the redemption of the Series E, in accordance with the Payment Priority Order.

The partial redemption of the Series E Bonds will take place on each of the Payment Dates, the principal being repaid by an amount equal to the positive difference between the Required Level of the Reserve Fund on the previous Payment Date and the Required Level of the Reserve Fund on the corresponding Payment Date, in accordance with the provisions of section 3.4.2.1 of the Additional Building Block.

#### ***Final redemption of the Bonds***

The final redemption of the Series A1, A2, B, C, D and E Bonds will take place on the Fund Legal Maturity Date (26 November 2049 or, if this day is not a Business Day, the next Business Day), without prejudice to the scheduled partial redemptions and to the Sociedad Gestora, acting for and on behalf of the Fund, and in accordance with the provisions of section 4.4.3. of the Registration Document, proceeding to the early redemption of the Bond Issue before the Legal Maturity Date.

#### **4.9.2.2. Exceptional rules regarding redemption of the Class A Bonds**

Exceptionally, if on a Payment Date, the ratio between (i) the Receivable Nominal Balance of the Participations and Certificates less than 90 days in arrears plus the Amount Available for Redemption and (ii) the Receivable Nominal Balance of the Class A (before the amount redeemed on that Payment Date), is less than or equal to 1, the Amount Available for Redemption will be distributed pro rata among the Series A1 and A2 Bonds (the "**Pro Rata Redemption of Class A**") in terms of the proportion that the Receivable Nominal Balance of each Series represents with regard to the Receivable Nominal Balance of the Class A.

#### **4.9.2.3. Extraordinary rules regarding the pro rata redemption of the Class A, B, C and D Bonds.**

Without detriment to the ordinary rules regarding redemption of the Class A, B, C and D Bonds set forth in section 4.9.2.1 of this Securities Note, the Amount Available for Redemption will be distributed pro rata among the Classes A, B, C and D, in terms of the proportion represented by the Receivable Nominal Balance of each Class with respect to the sum of the Receivable Nominal Balance of the Classes A, B, C and D, provided that, prior to the corresponding Payment Date, the following circumstances exist at the same time:

- (a) To proceed to the redemption of the Class B, that prior to the corresponding Payment Date:
  - (i) the Receivable Nominal Balance of the Class B is equal to or greater than 5.40% of the sum of the Receivable Nominal Balance of the Classes A, B, C and D,
  - (ii) the Receivable Nominal Balance of the Non-Defaulted Participations and Certificates, more than 90 days in arrears, does not exceed 1.25% of the Receivable Nominal Balance of the Non-Defaulted Participations and Certificates pooled in the Fund,
  - (iii) that the Pro Rata Redemption of Class A, as set forth in section 4.9.2.2. of the Securities Note, does not apply
  - (iv) the Required Level of the Reserve Fund on the Payment Date preceeding the corresponding Payment Date has been allocated in full,

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- (v) the Receivable Nominal Balance of the Non-Defaulted Participations and Certificates is equal to or higher than 10% of the Original Balance of the Participations and Certificates on the Incorporation Date of the Fund.
- (b) To proceed to the redemption of the Class C, that prior to the corresponding Payment Date:
  - (i) the Receivable Nominal Balance of the Class C is equal to or greater than 1.80% of the sum of the Receivable Nominal Balance of the Classes A, B, C and D,
  - (ii) the Receivable Nominal Balance of the Non-Defaulted Participations and Certificates, more than 90 days in arrears, does not exceed 1.00% of the Receivable Nominal Balance of the Participations and Certificates pooled in the Fund,
  - (iii) that the Pro Rata Redemption of Class A, as set forth in section 4.9.2.2. of the Securities Note, does not apply
  - (iv) the Required Level of the Reserve Fund on the Payment Date preceeding the corresponding Payment Date has been allocated in full,
  - (v) the Receivable Nominal Balance of the Non-Defaulted Participations and Certificates is equal to or higher than 10% of the Original Balance of the Non-Defaulted Participations and Certificates on the Incorporation Date of the Fund.
- (c) To proceed to the redemption of the Class D, that prior to the corresponding Payment Date:
  - (i) the Receivable Nominal Balance of the Class D is equal to or greater than 0.80% of the sum of the Receivable Nominal Balance of the Classes A, B, C and D,
  - (ii) the Receivable Nominal Balance of the Non-Defaulted Participations and Certificates, more than 90 days in arrears, does not exceed 0.75% of the Receivable Nominal Balance of the Non-Defaulted Participations and Certificates pooled in the Fund,
  - (iii) that the Pro Rata Redemption of Class A, as set forth in section 4.9.2.2. of the Securities Note, does not apply
  - (iv) the Required Level of the Reserve Fund on the Payment Date preceeding the corresponding Payment Date has been allocated in full,
  - (v) the Receivable Nominal Balance of the Non-Defaulted Participations and Certificates is equal to or higher than 10% of the Original Balance of the Participations and Certificates on the Incorporation Date of the Fund.

#### **4.9.2.4. Amount Available for Redemption**

On each Payment Date, the amount that will be allocated to the redemption of the Class A, B, C and D Bonds, will be an amount equal to the lesser of the following amounts (the "**Amount Available for Redemption**"):

- (a) The positive difference on that Payment Date between the Receivable Nominal Balance of the Series A1, A2, B, C and D Bonds (before the amount redeemed on that Payment Date) and the Outstanding Nominal Balance of the non-defaulted Participations and Certificates (the "**Non-Defaulted Participations and Certificates**"), for the last day of the month prior to the month of the Payment Date; and

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- (b) the Available Resources on that Payment Date, after deducting the amounts of the items indicated in items one (1) to six (6) of the Payment Priority Order described in section 3.4.6.2 of the Additional Building Block.

Consequently, in the event of Defaulted Participations and Certificates, the Series A1, A2, B, C and D Bonds will be redeemed by an amount equal to their Nominal Balance Outstanding on the last day of the calendar month prior to the current Payment Date, plus the amounts due and uncollected since the last Payment Date. The Bonds will be redeemed using the Available Resources, always after paying any obligations that rank before the redemption in the Payment Priority Order described in section 3.4.6.2. of the Additional Building Block or in the Liquidation Payment Priority Order described in section 3.4.6.3 of the Additional Building Block. Should there be Available Resources for making these payments, the corresponding amounts will remain pending redemption until the immediately next Payment Date.

### **Distribution and application.**

1. When on a Payment Date the Bond redemption conditions are as set forth in section 4.9.2.1. above, the Amount Available for Redemption will be distributed and applied as follows:
  - a. Redemption of the Series A1 Bonds, by 18% of the Amount Available for Redemption.
  - b. Redemption of the Series A2 Bonds, by the difference between the Amount Available for Redemption and the amount by which the Series A1 Bonds have been redeemed, as described in section a above.
  - c. When the Class A Bonds have been fully redeemed, the Amount Available for Redemption will be will be distributed and applied sequentially first of all to the redemption of the Series B Bonds, secondly to the redemption of the Series C Bonds and thirdly to the redemption of the Series D Bonds.
2. When the conditions for the Pro Rata Redemption of the Class A, set forth in section 4.9.2.2. above, exist on a Payment Date, the Amount Available for Redemption will be distributed pro rata between the Series that form Class A, in terms of the proportion that the Receivable Nominal Balance of each Series represents with regard to the Receivable Nominal Balance of the Class A.
3. When the circumstances for the pro rata redemption between Classes, set forth in section 4.9.2.3. above, exist on a Payment Date, the Amount Available for Redemption will be distributed pro rata among the Classes A, B, C and/or D, in terms of the proportion that the Receivable Nominal Balance of each Class represents with regard to the sum of the Receivable Nominal Balance of the Classes A, B, C and D.

When this distribution has been completed: the Class B, C and/or D Bonds will be redeemed by the amount applicable thereto.

The amount applicable to the redemption of the Class A Bonds will be distributed and applied as follows:

- a. Redemption of the Series A1 Bonds by 18% of the Amount Available for Redemption that is applicable to the Class A Bonds.

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- b. Redemption of the Series A2 Bonds, by the difference between the Amount Available for Redemption that is applicable to the Class A Bonds and the amount by which the Series A1 Bonds have been redeemed, as described in section a above.

#### **4.9.4. Legal Maturity Date**

The Legal Maturity Date and, consequently, the date of the definitive redemption of the Bonds will be 26 November 2049 (which coincides with the Payment Date immediately following the date obtained by adding 36 months to the last Mortgage Loan Redemption Date) or, if that day is not a Business Day, the next Business Day. However, the Sociedad Gestora, for and on behalf of the Fund, and pursuant to the provisions of section 4.4.3. of the Registration Document, may proceed to redeem the Bonds before the Legal Maturity Date. The definitive redemption of the Bonds on the Legal Maturity Date will be carried out in accordance with the Liquidation Payment Priority Order.

#### **4.9.5. Collection Dates, Collection Periods and Notification Dates**

**"Collection Date"**, will be the 20<sup>th</sup> day of each month. On these dates the transfers will be made from the Seller, as the servicer of the Mortgage Loans, to the Reinvestment Account. If this day is not a Business Day, the transfer will be made on the Business Day immediately before. The transfers will be made with at a weekly interval in the circumstances set forth in section 3.4.4.1. of the Additional Building Block. The first Collection Date will be 20 June 2007.

**"Collection Period"** will mean a period that coincides with the calendar month. Payment to the Fund of the amounts collected from the borrowers will be performed during these periods. Exceptionally, the first Collection Period will be between the Incorporation Date and the last day of the month of May, 2007.

**"Notification Date"**, will be the second (2nd) Business Day prior to each Payment Date throughout the lifetime of the Fund. On these dates the Sociedad Gestora will notify the amounts to be paid for principal and interest to the holders of the Bonds issued, in the manner described in section 4.1. of the Additional Building Block.

#### **4.9.6. Early Redemption of the Bonds**

Notwithstanding the obligation of the Fund, through its Sociedad Gestora, to redeem the Bonds of each Series on the Legal Maturity Date (26 November 2049, or, if this is not a Business Day, the next Business Day) or the partial redemptions on each Payment Date, as established in the previous sections, the Sociedad Gestora will be authorised to proceed to carry out the Early Liquidation of the Fund and hence the early redemption (the **"Early Redemption"**), on a Payment Date, of the entire Bond Issue, in accordance with the Events of Early Liquidation and the requirements set forth in section 4.4.3 of the Registration Document and subject to the Liquidation Payment Priority Order set forth in section 3.4.6.3 of the Additional Building Block.

#### **4.10. Indication of the yield for investors and method of calculation**

The main characteristic of the Bonds is that their periodic redemption depends on the aggregate behaviour of the Mortgage Loans.

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The average life, yield, duration and final maturity of the Bonds of each Series depends on diverse factors, the most significant of which are as follows:

- a) The repayment system and calendar for each of the Mortgage Loans stipulated in the related contracts.
- b) The capacity of the Debtors to prepay, in full or in part, the Mortgage Loans and the rate at which such prepayment takes place in aggregate over the life of the Fund.
- c) The floating interest rates that will apply to each of the Mortgage Loans, which will cause the amount of each repayment instalment to vary.
- d) Delinquency of the debtors in making the Mortgage Loan repayments.

In this regard, prepayments by the Debtors of the Mortgage Loans are very significant. The prepayments are subject to continuous change and in this Prospectus are estimated using several assumptions for the future behaviour of the constant effective annual early redemption rate (the "ERR") which will have a direct bearing on the rate at which the Bonds are redeemed and hence on their average life and duration.

To calculate the data shown in the tables contained in this section, and in view of the uncertain nature of many of the parameters, the following hypotheses have been assumed:

1. The annual Nominal Interest Rates applicable to the Series A1, A2, B, C, D and E Bonds, variable quarterly, taking into account the 3-month EURIBOR of 27 April 2007, that is to say, 4.013%, and assuming that the final margin applicable will be set at 0.13% for the Series A1 Bonds, 0.17% for the Series A2 Bonds, 0.40% for the Series B Bonds, 0.60% for the Series C Bonds, 2.75% for the Series D Bonds and 3.75% for the Series E Bonds.

	Series A1	Series A2	Series B	Series C	Series D	Series E
Nominal interest rate	4.143%	4.183%	4.413%	4.663%	6.763%	7.763%

Taking into account that, on the first Payment Date, the Reference Interest Rate will be the rate that results from the linear interpolation between the three (3) month EURIBOR rate and the four (4) month EURIBOR rate, pursuant to the provisions of section 4.8 of this Securities Note, and since the three (3) month and four (4) month EURIBOR rates on 27 April 2007 are 3.934% and 4.013%, and, therefore, the interpolated EURIBOR is 3.974%, the Nominal Rate of Interest applicable to the Bonds of each Series on the first Payment Date would be as follows:

	Series A1	Series A2	Series B	Series C	Series D	Series E
Nominal interest rate	4.089%	4.129%	4.359%	4.609%	6.709%	7.709%

2. weighted average interest rate for the pooled Participations and Certificates: 4.501%.



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3. Assuming the redemption charts of each of the Mortgage Loans, and supposing 3 constant annual early redemption rates (9%, 12% and 15%) throughout life of the Fund, which are coherent with the Seller's portfolio.
4. Arrears of more than 90 days of the portfolio of Participations and Certificates: 0.50% per annum, with 85% recovered in 15 months.
5. The Disbursement Date of the Securitisation Bonds will be 17 May 2007.
6. Estimated annual Ordinary Expenses of the Fund: €235,000.

The arrears, recovery and early redemption rates are coherent with those observed by the Seller with respect to credit rights of a similar nature to those that form the audited portfolio.

Assuming that the Sociedad Gestora will exercise the option relating to the Early Liquidation and Early Redemption of the Bond Issue, that is to say, when the Receivable Nominal Balance of the Mortgage Loans is less than 10% of their Receivable Nominal Balance on the Incorporation Date, the average life, IRR, duration and final maturity of the Securities at different ERR, would be as follows:

% ERR	9%	12%	15%
	<b>Series A1 Bonds</b>		
Average life (years)	3,78	3.08	2.60
IRR	4.26%	4,26%	4,26%
Duration (years)	3.27	2.72	2.32
Fund Early Liquidation Date - 10%	26-May-22	26-Feb-20	26-Feb-18

% ERR	9%	12%	15%
	<b>Series A2 Bonds</b>		
Average life (years)	6.68	5.54	4.68
IRR	4.31%	4.31%	4.30%
Duration (years)	5.26	4.50	3.90
Fund Early Liquidation Date - 10%	26-May-22	26-Feb-20	26-Feb-18

% ERR	9%	12%	15%
	<b>Series B Bonds</b>		
Average life (years)	10.48	8.73	7,34
IRR	4.55%	4.55%	4.55%
Duration (years)	7.90	6.84	5.93
Fund Early Liquidation Date - 10%	26-May-22	26-Feb-20	26-Feb-18

% ERR	9%	12%	15%
	<b>Series C Bonds</b>		
Average life (years)	10.48	8.73	7.34
IRR	4.81%	4.81%	4.81%
Duration (years)	7.79	6.75	5.86
Fund Early Liquidation Date - 10%	26-May-22	26-Feb-20	26-Feb-18

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% ERR	9%	12%	15%
	<b>Series D Bonds</b>		
<b>Average life (years)</b>	10.48	8.73	7.34
<b>IRR</b>	7.03%	7.03%	7.03%
<b>Duration (years)</b>	6.89	6.06	5.33
<b>Fund Early Liquidation Date - 10%</b>	26-May-22	26-Feb-20	26-Feb-18

% ERR	9%	12%	15%
	<b>Series E Bonds</b>		
<b>Average life (years)</b>	13.75	11.68	9.85
<b>IRR</b>	8.10%	8.10%	8.10%
<b>Duration (years)</b>	7.74	7.03	6.32
<b>Fund Early Liquidation Date - 10%</b>	26-May-22	26-Feb-20	26-Feb-18

The average life of the Bonds has been calculated with the following formula:

$$A = \frac{\sum_{n=1}^n (B_n * m_n)}{C} * \frac{1}{12}$$

Where:

A= Average life expressed in years.

B<sub>n</sub>= Principal to be redeemed of each Series of Bonds on each Payment Date.

m<sub>n</sub>= Months between the Disbursement Date of the issue and each Payment Date.

n = 1,...,n. Number of quarters (Payment Dates) in which the B<sub>n</sub> amounts will be paid.

C = Total amount in Euros of each Bond Series.

**Internal Rate of Return (IRR) has been calculated with the following formula:**

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

Where:

N= Bond subscription price.

i= IRR expressed as an annual rate, as a decimal fraction of one.

dn= Days between the Disbursement Date of the corresponding issue and each Payment Date.

an= a<sub>1</sub>,...,a<sub>n</sub>. Total amounts to be redeemed (on maturity) and/or interest that investors will receive every quarter.

n= 1,...,t. Number of quarters during which the "an" amounts will be paid.

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

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$$D = \frac{\sum_{j=1}^n (Pn \times VA_n)}{PE} \times \frac{1}{(1 + I)}$$

Where:

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

Pn = Time elapsed (in years) between the Disbursement Date and each Payment Date.

VA<sub>n</sub>= Present value of the total amounts of principal and interest that investors will receive every quarter, discounted on an annual basis at the internal rate of return (IRR).

PE= Bond issue price, 100,000 euros.

I= Internal rate of return (IRR) expressed as a percentage of one.

n = 1,...,n. Number of quarters (Payment Dates) in which the VA<sub>n</sub> amounts will be paid.

**Final maturity:** for each of the Series, date on which the final redemption of the Bonds is expected, assuming exercise of the option for Early Liquidation of the Fund and Early Redemption of the Bond Issue when the Receivable Nominal Balance of the Mortgage Loans is less than 10% of the original Receivable Nominal Balance.

The tables below display the financial servicing per Bond of each of the Series for different early redemption rates calculated in accordance with the aforementioned hypotheses. The Sociedad Gestora expressly declares that these tables are merely theoretical and given for illustrative purposes, and do not represent any payment obligation.

#### **NOTE FOR THE INVESTOR:**

The Sociedad Gestora declares that the information in the charts displayed below is only given by way of example, and the amounts do not represent a specific obligation by the Fund to make payments to third parties on the respective dates or in the periods to which they refer. The figures have been drawn up on the hypothesis that the loan default and repayment rates remain constant throughout the life of the Fund yet are actually subject to constant change. Therefore any investor interested in knowing the payments that the Fund is scheduled to make on each specific date must request the pertinent information from the institutions authorised to distribute it, Sociedad Gestora, AIAF Market and CNMV. Nevertheless, the information can also be requested through the Underwriting Agents and other entities that operate on the secondary market.

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SERIES A1 BONDS						
Flows for each EUR 100,000.00 withholding from the bondholder (CPR = 9%)						
Payment Date	Amortization	Gross Interest	Total	% Initial Balance	% Remaining Balance	Remaining Balance
17/05/2007			-100,000.00			100,000.00
27/08/2007	4,131.71	1,158.55	5,290.26	4.13%	95.87%	95,868.29
26/11/2007	4,413.39	1,003.99	5,417.38	4.41%	91.45%	91,454.90
26/02/2008	4,293.14	968.29	5,261.43	4.29%	87.16%	87,161.76
26/05/2008	4,175.99	902.78	5,078.77	4.18%	82.99%	82,995.77
26/08/2008	4,061.96	878.63	4,940.49	4.06%	78.92%	78,923.91
26/11/2008	3,950.67	835.62	4,786.29	3.95%	74.97%	74,973.24
26/02/2009	3,842.35	793.79	4,636.14	3.84%	71.13%	71,130.89
26/05/2009	3,736.82	728.55	4,465.37	3.74%	67.39%	67,394.07
26/08/2009	3,634.01	713.55	4,347.56	3.63%	63.76%	63,760.06
26/11/2009	3,533.87	675.07	4,208.94	3.53%	60.23%	60,226.19
26/02/2010	3,436.33	637.65	4,073.98	3.44%	56.79%	56,789.86
26/05/2010	3,341.30	581.67	3,922.97	3.34%	53.45%	53,448.56
26/08/2010	3,248.74	565.90	3,814.64	3.25%	50.20%	50,199.82
26/11/2010	3,158.57	531.50	3,690.07	3.16%	47.04%	47,041.25
28/02/2011	3,070.75	508.88	3,579.63	3.07%	43.97%	43,970.50
26/05/2011	2,985.20	440.24	3,425.44	2.99%	40.99%	40,985.30
26/08/2011	2,901.06	433.94	3,335.00	2.90%	38.08%	38,084.24
28/11/2011	2,818.29	411.99	3,230.28	2.82%	35.27%	35,265.95
27/02/2012	2,738.29	369.33	3,107.62	2.74%	32.53%	32,527.66
28/05/2012	2,660.34	340.65	3,000.99	2.66%	29.87%	29,867.32
27/08/2012	2,584.49	312.79	2,897.28	2.58%	27.28%	27,282.83
26/11/2012	2,504.66	285.72	2,590.38	2.50%	24.98%	24,978.17
26/02/2013	2,233.30	264.46	2,497.76	2.23%	22.74%	22,744.87
27/05/2013	2,163.47	235.58	2,399.05	2.16%	20.58%	20,581.40
26/08/2013	2,095.95	215.54	2,311.49	2.10%	18.49%	18,485.45
26/11/2013	2,028.36	195.72	2,224.08	2.03%	16.46%	16,457.09
26/02/2014	1,965.68	174.24	2,139.92	1.97%	14.49%	14,491.41
26/05/2014	1,903.20	148.43	2,051.63	1.90%	12.59%	12,588.21
26/08/2014	1,843.82	133.28	1,977.10	1.84%	10.74%	10,744.39
26/11/2014	1,785.70	113.76	1,899.46	1.79%	8.96%	8,963.69
26/02/2015	1,731.31	94.85	1,826.16	1.73%	7.23%	7,227.38
26/05/2015	1,676.96	74.03	1,750.99	1.68%	5.55%	5,550.42
26/08/2015	1,625.25	58.77	1,684.02	1.63%	3.93%	3,925.17
26/11/2015	1,574.35	41.56	1,615.91	1.57%	2.35%	2,350.82
26/02/2016	1,524.07	24.89	1,548.96	1.52%	0.83%	826.75
26/05/2016	826.75	8.56	835.31	0.83%	0.00%	0.00
26/08/2016	0.00	0.00	0.00	0.00%	0.00%	0.00
28/11/2016	0.00	0.00	0.00	0.00%	0.00%	0.00
27/02/2017	0.00	0.00	0.00	0.00%	0.00%	0.00
26/05/2017	0.00	0.00	0.00	0.00%	0.00%	0.00
28/08/2017	0.00	0.00	0.00	0.00%	0.00%	0.00
27/11/2017	0.00	0.00	0.00	0.00%	0.00%	0.00
26/02/2018	0.00	0.00	0.00	0.00%	0.00%	0.00
28/05/2018	0.00	0.00	0.00	0.00%	0.00%	0.00
27/08/2018	0.00	0.00	0.00	0.00%	0.00%	0.00
26/11/2018	0.00	0.00	0.00	0.00%	0.00%	0.00
26/02/2019	0.00	0.00	0.00	0.00%	0.00%	0.00
27/05/2019	0.00	0.00	0.00	0.00%	0.00%	0.00
26/08/2019	0.00	0.00	0.00	0.00%	0.00%	0.00
26/11/2019	0.00	0.00	0.00	0.00%	0.00%	0.00
26/02/2020	0.00	0.00	0.00	0.00%	0.00%	0.00
26/05/2020	0.00	0.00	0.00	0.00%	0.00%	0.00
26/08/2020	0.00	0.00	0.00	0.00%	0.00%	0.00
26/11/2020	0.00	0.00	0.00	0.00%	0.00%	0.00
26/02/2021	0.00	0.00	0.00	0.00%	0.00%	0.00
26/05/2021	0.00	0.00	0.00	0.00%	0.00%	0.00
26/08/2021	0.00	0.00	0.00	0.00%	0.00%	0.00
26/11/2021	0.00	0.00	0.00	0.00%	0.00%	0.00
28/02/2022	0.00	0.00	0.00	0.00%	0.00%	0.00
26/05/2022	0.00	0.00	0.00	0.00%	0.00%	0.00
26/08/2022	0.00	0.00	0.00	0.00%	0.00%	0.00
28/11/2022	0.00	0.00	0.00	0.00%	0.00%	0.00
27/02/2023	0.00	0.00	0.00	0.00%	0.00%	0.00
26/05/2023	0.00	0.00	0.00	0.00%	0.00%	0.00
28/08/2023	0.00	0.00	0.00	0.00%	0.00%	0.00
27/11/2023	0.00	0.00	0.00	0.00%	0.00%	0.00
26/02/2024	0.00	0.00	0.00	0.00%	0.00%	0.00
27/05/2024	0.00	0.00	0.00	0.00%	0.00%	0.00
26/08/2024	0.00	0.00	0.00	0.00%	0.00%	0.00
<b>100,000.00</b>	<b>15,862.75</b>	<b>115,862.75</b>	<b>100.00%</b>			

SERIES A1 BONDS						
Flows for each EUR 100,000.00 withholding from the bondholder (CPR = 12%)						
Payment Date	Amortization	Gross Interest	Total	% Initial Balance	% Remaining Balance	Remaining Balance
17/05/2007			-100,000.00			100,000.00
27/08/2007	5,239.96	1,158.55	6,398.51	5.24%	94.76%	94,760.04
26/11/2007	5,500.39	992.38	6,492.77	5.50%	89.26%	89,259.65
26/02/2008	5,300.91	945.05	6,245.96	5.30%	83.96%	83,958.74
26/05/2008	5,108.34	869.60	5,977.94	5.11%	78.85%	78,850.40
26/08/2008	4,922.48	834.84	5,757.32	4.92%	73.93%	73,927.92
26/11/2008	4,743.05	782.72	5,525.77	4.74%	69.18%	69,184.87
26/02/2009	4,569.89	732.51	5,302.40	4.57%	64.61%	64,614.98
26/05/2009	4,402.74	661.81	5,064.55	4.40%	60.21%	60,212.24
26/08/2009	4,241.42	637.51	4,878.93	4.24%	55.97%	55,970.82
26/11/2009	4,085.73	592.60	4,678.33	4.09%	51.89%	51,895.09
26/02/2010	3,935.49	549.34	4,484.83	3.94%	47.95%	47,949.60
26/05/2010	3,790.49	491.12	4,281.61	3.79%	44.16%	44,159.11
26/08/2010	3,650.56	467.54	4,118.10	3.65%	40.51%	40,508.55
26/11/2010	3,515.53	428.89	3,944.42	3.52%	36.99%	36,993.02
28/02/2011	3,385.24	400.18	3,785.42	3.39%	33.61%	33,607.78
26/05/2011	3,259.53	336.49	3,596.02	3.26%	30.38%	30,348.25
26/08/2011	3,137.51	321.32	3,458.83	3.14%	27.21%	27,210.74
28/11/2011	2,774.89	294.36	3,069.25	2.77%	24.44%	24,435.85
27/02/2012	2,670.38	256.91	2,926.29	2.67%	21.77%	21,765.47
28/05/2012	2,569.56	227.94	2,797.50	2.57%	19.20%	19,195.91
27/08/2012	2,472.35	201.03	2,673.38	2.47%	16.72%	16,723.56
26/11/2012	2,376.02	175.14	2,551.16	2.38%	14.35%	14,347.54
26/02/2013	2,281.30	151.91	2,433.21	2.28%	12.07%	12,066.24
27/05/2013	2,189.76	124.98	2,314.74	2.19%	9.88%	9,876.48
26/08/2013	2,101.92	103.43	2,205.35	2.10%	7.77%	7,774.56
26/11/2013	2,015.80	82.31	2,098.11	2.02%	5.76%	5,758.76
26/02/2014	1,935.36	60.97	1,996.33	1.94%	3.82%	3,823.40
26/05/2014	1,856.68	39.16	1,895.84	1.87%	1.96%	1,966.72
26/08/2014	1,782.03	20.82	1,802.85	1.78%	0.18%	184.69
26/11/2014	1,704.14	1,96	1,806.10	1.70%	0.00%	0.00
26/02/2015	0.00	0.00	0.00	0.00%	0.00%	0.00
26/05/2015	0.00	0.00	0.00	0.00%	0.00%	0.00
26/08/2015	0.00	0.00	0.00	0.00%	0.00%	0.00
26/11/2015	0.00	0.00	0.00	0.00%	0.00%	0.00
26/02/2016	0.00	0.00	0.00	0.00%	0.00%	0.00
26/05/2016	0.00	0.00	0.00	0.00%	0.00%	0.00
26/08/2016	0.00	0.00	0.00	0.00%	0.00%	0.00
28/11/2016	0.00	0.00	0.00	0.00%	0.00%	0.00
27/02/2017	0.00	0.00	0.00	0.00%	0.00%	0.00
26/05/2017	0.00	0.00	0.00	0.00%	0.00%	0.00
28/08/2017	0.00	0.00	0.00	0.00%	0.00%	0.00
27/11/2017	0.00	0.00	0.00	0.00%	0.00%	0.00
26/02/2018	0.00	0.00	0.00	0.00%	0.00%	0.00
28/05/2018	0.00	0.00	0.00	0.00%	0.00%	0.00
27/08/2018	0.00	0.00	0.00	0.00%	0.00%	0.00
26/11/2018	0.00	0.00	0.00	0.00%	0.00%	0.00
26/02/2019	0.00	0.00	0.00	0.00%	0.00%	0.00
27/05/2019	0.00	0.00	0.00	0.00%	0.00%	0.00
26/08/2019	0.00	0.00	0.00	0.00%	0.00%	0.00
26/11/2019	0.00	0.00	0.00	0.00%	0.00%	0.00
26/02/2020	0.00	0.00	0.00	0.00%	0.00%	0.00
26/05/2020	0.00	0.00	0.00	0.00%	0.00%	0.00
26/08/2020	0.00	0.00	0.00	0.00%	0.00%	0.00
26/11/2020	0.00	0.00	0.00	0.00%	0.00%	0.00
26/02/2021	0.00	0.00	0.00	0.00%	0.00%	0.00
26/05/2021	0.00	0.00	0.00	0.00%	0.00%	0.00
26/08/2021	0.00	0.00	0.00	0.00%	0.00%	0.00
26/11/2021	0.00	0.00	0.00	0.00%	0.00%	0.00
28/02/2022	0.00	0.00	0.00	0.00%	0.00%	0.00
26/05/2022	0.00	0.00	0.00	0.00%	0.00%	0.00
26/08/2022	0.00	0.00	0.00	0.00%	0.00%	0.00
28/11/2022	0.00	0.00	0.00	0.00%	0.00%	0.00
27/02/2023	0.00	0.00	0.00	0.00%	0.00%	0.00
26/05/2023	0.00	0.00	0.00	0.00%	0.00%	0.00
28/08/2023	0.00	0.00	0.00	0.00%	0.00%	0.00
27/11/2023	0.00	0.00	0.00	0.00%	0.00%	0.00
26/02/2024	0.00	0.00	0.00	0.00%	0.00%	0.00
27/05/2024	0.00	0.00	0.00	0.00%	0.00%	0.00
26/08/2024	0.00	0.00	0.00	0.00%	0.00%	0.00
<b>100,000.00</b>	<b>12,942.37</b>	<b>112,942.37</b>	<b>100.00%</b>			

SERIES A1 BONDS						
Flows for each EUR 100,000.00 withholding from the bondholder (CPR = 15%)						
Payment Date	Amortization	Gross Interest	Total	% Initial Balance	% Remaining Balance	Remaining Balance
17/05/2007			-100,000.00			100,000.00
27/08/2007	6,377.28	1,158.55	7,535.83	6.38%	93.62%	93,622.72
2						

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SERIES A2 BONDS						
Flows for each EUR 100,000.00 withholding from the bondholder (CPR = 9%)						
Payment Date	Amortization	Gross Interest	Total	% Initial Balance	% Remaining Balance	Remaining Balance
17/05/2007			-100,000.00			100,000.00
27/08/2007	2,817.70	1,169.88	3,987.58	2.82%	97.18%	97,182.30
26/11/2007	3,009.80	1,027.58	4,037.38	3.01%	94.17%	94,172.50
26/02/2008	2,927.79	1,006.69	3,934.48	2.93%	91.24%	91,244.71
26/05/2008	2,847.90	954.19	3,802.09	2.85%	88.40%	88,396.81
26/08/2008	2,770.06	844.95	3,715.01	2.77%	85.63%	85,626.75
26/11/2008	2,694.23	915.34	3,609.57	2.69%	82.93%	82,932.52
26/02/2009	2,620.36	886.54	3,506.90	2.62%	80.31%	80,312.16
26/05/2009	2,548.40	830.53	3,378.93	2.55%	77.76%	77,763.76
26/08/2009	2,478.29	831.29	3,309.58	2.48%	75.29%	75,285.47
26/11/2009	2,409.99	804.79	3,214.78	2.41%	72.88%	72,875.48
26/02/2010	2,343.47	779.03	3,122.50	2.34%	70.53%	70,532.00
26/05/2010	2,278.66	729.30	3,008.05	2.28%	68.25%	68,253.35
26/08/2010	2,215.54	729.62	2,945.16	2.22%	66.04%	66,037.81
26/11/2010	2,154.05	705.94	2,859.99	2.15%	63.88%	63,883.76
28/02/2011	2,094.16	697.76	2,791.92	2.09%	61.79%	61,789.60
26/05/2011	2,035.82	624.63	2,660.45	2.04%	59.75%	59,753.78
26/08/2011	1,978.44	638.76	2,617.20	1.98%	57.78%	57,775.34
28/11/2011	1,921.98	631.04	2,553.02	1.92%	55.85%	55,853.36
27/02/2012	1,867.43	590.58	2,458.01	1.87%	53.99%	53,985.93
28/05/2012	1,814.27	570.83	2,385.10	1.81%	52.17%	52,171.66
27/08/2012	1,762.55	551.65	2,314.20	1.76%	50.41%	50,409.11
26/11/2012	1,571.71	533.01	2,104.72	1.57%	48.84%	48,837.40
26/02/2013	1,523.04	522.07	2,045.11	1.52%	47.31%	47,314.36
27/05/2013	1,475.42	494.79	1,970.21	1.48%	45.84%	45,838.94
26/08/2013	1,428.37	464.69	1,914.06	1.43%	44.41%	44,408.57
26/11/2013	1,383.28	474.83	1,858.01	1.38%	43.03%	43,026.29
26/02/2014	1,340.54	459.95	1,800.49	1.34%	41.69%	41,685.75
26/05/2014	1,297.92	431.09	1,729.01	1.30%	40.39%	40,387.83
26/08/2014	1,257.43	431.74	1,689.17	1.26%	39.13%	39,130.40
26/11/2014	1,217.79	418.30	1,636.09	1.22%	37.91%	37,912.61
26/02/2015	1,180.70	405.28	1,585.98	1.18%	36.73%	36,731.91
26/05/2015	1,143.83	379.86	1,523.69	1.14%	35.59%	35,588.28
26/08/2015	1,108.37	380.43	1,488.80	1.11%	34.48%	34,479.91
26/11/2015	1,073.66	368.59	1,442.25	1.07%	33.41%	33,406.25
26/02/2016	1,039.37	357.11	1,396.48	1.04%	32.37%	32,366.88
26/05/2016	1,101.76	338.48	1,440.24	1.10%	31.27%	31,265.12
26/08/2016	1,184.02	334.22	1,518.24	1.18%	30.08%	30,081.10
28/11/2016	1,145.17	328.55	1,473.72	1.15%	28.94%	28,935.93
27/02/2017	1,107.57	305.96	1,413.53	1.11%	27.83%	27,828.36
26/05/2017	1,071.60	284.55	1,356.15	1.07%	26.76%	26,756.76
28/08/2017	1,037.08	292.24	1,329.32	1.04%	25.72%	25,719.68
27/11/2017	1,003.90	271.95	1,275.85	1.00%	24.72%	24,715.78
26/02/2018	970.81	261.34	1,232.15	0.97%	23.74%	23,744.97
29/05/2018	939.19	251.07	1,190.26	0.94%	22.81%	22,805.78
27/08/2018	908.84	241.14	1,149.98	0.91%	21.90%	21,896.94
26/11/2018	879.01	231.53	1,110.54	0.88%	21.02%	21,017.93
26/02/2019	849.83	224.68	1,074.51	0.85%	20.17%	20,168.10
27/05/2019	821.92	210.91	1,032.83	0.82%	19.35%	19,346.18
26/08/2019	793.32	204.56	997.88	0.79%	18.55%	18,552.86
26/11/2019	766.37	198.33	964.70	0.77%	17.79%	17,796.49
26/02/2020	741.07	190.14	931.21	0.74%	17.05%	17,045.42
26/05/2020	715.64	178.25	893.89	0.72%	16.33%	16,329.78
26/08/2020	690.25	174.56	864.81	0.69%	15.64%	15,639.53
26/11/2020	665.93	167.18	833.11	0.67%	14.97%	14,973.60
26/02/2021	642.86	160.07	802.93	0.64%	14.33%	14,330.74
26/05/2021	618.74	148.20	766.94	0.62%	13.71%	13,712.00
26/08/2021	595.67	146.58	742.25	0.60%	13.12%	13,116.33
26/11/2021	573.58	140.21	713.79	0.57%	12.54%	12,542.75
28/02/2022	551.63	137.00	688.63	0.55%	11.99%	11,991.12
26/05/2022	11,991.12	121.22	12,112.34	11.99%	0.00%	0.00
26/08/2022	0.00	0.00	0.00	0.00%	0.00%	0.00
28/11/2022	0.00	0.00	0.00	0.00%	0.00%	0.00
27/02/2023	0.00	0.00	0.00	0.00%	0.00%	0.00
26/05/2023	0.00	0.00	0.00	0.00%	0.00%	0.00
28/08/2023	0.00	0.00	0.00	0.00%	0.00%	0.00
27/11/2023	0.00	0.00	0.00	0.00%	0.00%	0.00
26/02/2024	0.00	0.00	0.00	0.00%	0.00%	0.00
27/05/2024	0.00	0.00	0.00	0.00%	0.00%	0.00
26/08/2024	0.00	0.00	0.00	0.00%	0.00%	0.00
<b>100,000.00</b>	<b>28,305.55</b>	<b>128,305.55</b>	<b>100,000.00</b>			

SERIES A2 BONDS						
Flows for each EUR 100,000.00 withholding from the bondholder (CPR = 12%)						
Payment Date	Amortization	Gross Interest	Total	% Initial Balance	% Remaining Balance	Remaining Balance
17/05/2007			-100,000.00			100,000.00
27/08/2007	3,573.50	1,169.88	4,743.38	3.57%	96.43%	96,426.50
26/11/2007	3,751.10	1,019.58	4,770.68	3.75%	92.68%	92,675.40
26/02/2008	3,615.06	990.69	4,605.75	3.62%	89.06%	89,060.34
26/05/2008	3,483.73	931.35	4,415.08	3.48%	85.58%	85,576.61
26/08/2008	3,356.98	914.80	4,271.78	3.36%	82.22%	82,219.63
26/11/2008	3,234.61	878.92	4,113.53	3.23%	78.99%	78,985.02
26/02/2009	3,116.52	844.34	3,960.86	3.12%	75.87%	75,868.50
26/05/2009	3,002.54	784.58	3,787.12	3.00%	72.87%	72,865.96
26/08/2009	2,892.52	778.93	3,671.45	2.89%	69.97%	69,973.44
26/11/2009	2,786.34	748.01	3,534.35	2.79%	67.19%	67,187.10
26/02/2010	2,683.88	718.22	3,402.10	2.68%	64.50%	64,503.22
26/05/2010	2,585.00	667.05	3,252.05	2.59%	61.92%	61,918.22
26/08/2010	2,489.57	661.90	3,151.47	2.49%	59.43%	59,428.65
26/11/2010	2,397.49	635.29	3,032.78	2.40%	57.03%	57,031.16
28/02/2011	2,308.63	622.91	2,931.54	2.31%	54.72%	54,722.53
26/05/2011	2,222.90	553.19	2,776.09	2.22%	52.50%	52,499.63
26/08/2011	2,139.69	561.22	2,700.91	2.14%	50.36%	50,359.94
28/11/2011	1,992.39	550.05	2,442.44	1.89%	48.47%	48,467.55
27/02/2012	1,821.12	512.48	2,333.60	1.82%	46.63%	46,646.43
28/05/2012	1,752.36	493.23	2,245.59	1.75%	44.89%	44,894.07
27/08/2012	1,686.06	474.70	2,160.76	1.69%	43.21%	43,208.01
26/11/2012	1,620.38	456.87	2,077.25	1.62%	41.59%	41,587.63
26/02/2013	1,555.77	444.57	2,000.34	1.56%	40.03%	40,031.86
27/05/2013	1,493.35	418.63	1,911.98	1.49%	38.54%	38,538.51
26/08/2013	1,433.45	407.49	1,840.94	1.43%	37.11%	37,105.06
26/11/2013	1,374.72	396.65	1,771.37	1.37%	35.73%	35,730.34
26/02/2014	1,319.86	381.95	1,701.81	1.32%	34.41%	34,410.48
26/05/2014	1,266.20	355.85	1,622.05	1.27%	33.14%	33,144.28
26/08/2014	1,215.29	354.31	1,569.60	1.22%	31.93%	31,928.99
26/11/2014	1,164.40	341.32	1,505.72	1.16%	30.77%	30,534.59
26/02/2015	1,115.64	326.41	1,442.05	1.11%	29.77%	29,168.95
26/05/2015	1,069.39	301.65	1,371.04	1.07%	28.86%	28,000.66
26/08/2015	1,025.91	297.81	1,323.72	1.02%	28.06%	26,600.66
26/11/2015	1,027.47	284.36	1,491.37	1.21%	25.39%	25,393.65
26/02/2016	1,157.51	271.46	1,428.97	1.16%	24.24%	24,236.14
26/05/2016	1,108.89	253.45	1,362.34	1.11%	23.13%	23,127.25
26/08/2016	1,061.62	247.23	1,308.85	1.06%	22.07%	22,065.63
28/11/2016	1,017.24	241.01	1,258.25	1.02%	21.05%	21,048.39
27/02/2017	974.67	222.56	1,197.23	0.97%	20.07%	20,073.72
26/05/2017	934.13	205.26	1,139.39	0.93%	19.14%	19,139.59
28/08/2017	895.45	209.05	1,104.50	0.90%	18.24%	18,244.14
27/11/2017	858.49	192.91	1,051.40	0.86%	17.39%	17,385.65
26/02/2018	822.35	183.83	1,006.18	0.82%	16.56%	16,563.30
29/05/2018	787.95	175.14	963.09	0.79%	15.78%	15,775.35
27/08/2018	755.13	166.80	921.93	0.76%	15.02%	15,020.22
26/11/2018	723.32	158.82	882.14	0.72%	14.30%	14,296.90
26/02/2019	692.62	152.83	845.45	0.69%	13.60%	13,604.28
27/05/2019	663.38	142.27	805.65	0.66%	12.94%	12,940.90
26/08/2019	634.27	136.83	771.10	0.63%	12.31%	12,306.63
26/11/2019	606.87	131.58	738.45	0.61%	11.70%	11,699.76
26/02/2020	0.00	125.07	11,824.83	11.70%	0.	

The "Folleto Informativo" drafted in the Spanish language is the only official document, and no document other than the "Folleto Informativo" shall have any legal effect or be relied upon with regard to the Bond Issue. This prospectus is a 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 March 8, 2007. Not for distribution in US or to US persons.

SERIES B BONDS Flows for each EUR 100,000.00 withholding from the bondholder (CPR = 9%)						
Payment Date	Amortization	Gross Interest	Total	% Initial Balance	% Remaining Balance	Remaining Balance
17/05/2007			-100,000.00			100,000.00
27/08/2007	0.00	1,235.05	1,235.05	0.00%	100.00%	100,000.00
26/11/2007	0.00	1,115.51	1,115.51	0.00%	100.00%	100,000.00
26/02/2008	0.00	1,127.77	1,127.77	0.00%	100.00%	100,000.00
26/05/2008	0.00	1,103.25	1,103.25	0.00%	100.00%	100,000.00
26/08/2008	0.00	1,127.77	1,127.77	0.00%	100.00%	100,000.00
26/11/2008	0.00	1,127.77	1,127.77	0.00%	100.00%	100,000.00
26/02/2009	0.00	1,127.77	1,127.77	0.00%	100.00%	100,000.00
26/05/2009	0.00	1,090.99	1,090.99	0.00%	100.00%	100,000.00
26/08/2009	0.00	1,127.77	1,127.77	0.00%	100.00%	100,000.00
26/11/2009	0.00	1,127.77	1,127.77	0.00%	100.00%	100,000.00
26/02/2010	0.00	1,127.77	1,127.77	0.00%	100.00%	100,000.00
26/05/2010	0.00	1,090.99	1,090.99	0.00%	100.00%	100,000.00
26/08/2010	0.00	1,127.77	1,127.77	0.00%	100.00%	100,000.00
26/11/2010	0.00	1,127.77	1,127.77	0.00%	100.00%	100,000.00
26/02/2011	0.00	1,152.28	1,152.28	0.00%	100.00%	100,000.00
26/05/2011	0.00	1,066.48	1,066.48	0.00%	100.00%	100,000.00
26/08/2011	0.00	1,127.77	1,127.77	0.00%	100.00%	100,000.00
28/11/2011	0.00	1,152.28	1,152.28	0.00%	100.00%	100,000.00
27/02/2012	0.00	1,115.51	1,115.51	0.00%	100.00%	100,000.00
28/05/2012	0.00	1,115.51	1,115.51	0.00%	100.00%	100,000.00
27/08/2012	0.00	1,115.51	1,115.51	0.00%	100.00%	100,000.00
26/11/2012	3,517.35	4,632.86	8,150.21	3.52%	96.48%	96,482.65
26/02/2013	3,408.43	4,496.53	7,904.96	3.41%	93.07%	93,074.22
27/05/2013	3,301.85	4,328.69	7,630.54	3.30%	89.77%	89,772.37
26/08/2013	3,198.81	4,200.23	7,399.04	3.20%	86.57%	86,573.56
26/11/2013	3,095.65	4,072.35	7,168.00	3.10%	83.48%	83,477.91
26/02/2014	3,000.00	3,941.44	6,941.44	3.00%	80.48%	80,477.91
26/05/2014	2,904.64	3,816.01	6,720.65	2.90%	77.57%	77,573.27
26/08/2014	2,814.01	3,688.86	6,502.87	2.81%	74.76%	74,759.26
26/11/2014	2,725.31	3,568.42	6,293.73	2.73%	72.03%	72,033.95
26/02/2015	2,642.30	3,454.67	6,096.97	2.64%	69.39%	69,391.65
26/05/2015	2,559.34	3,346.40	5,905.74	2.56%	66.83%	66,832.31
26/08/2015	2,480.44	3,234.15	5,714.59	2.48%	64.35%	64,351.87
26/11/2015	2,402.76	3,128.50	5,531.26	2.40%	61.95%	61,948.11
26/02/2016	2,326.01	3,024.65	5,350.66	2.33%	59.62%	59,623.10
26/05/2016	2,248.94	2,926.73	5,175.67	2.25%	57.37%	57,374.16
26/08/2016	2,172.77	2,835.62	5,008.39	2.17%	55.20%	55,201.39
28/11/2016	2,101.48	2,750.56	4,852.04	2.10%	53.10%	53,099.91
27/02/2017	2,032.48	2,671.33	4,703.81	2.03%	51.06%	51,067.43
26/05/2017	1,966.48	2,597.89	4,564.37	1.97%	49.10%	49,100.95
28/08/2017	1,903.13	2,530.29	4,433.42	1.90%	47.20%	47,197.82
27/11/2017	1,842.25	2,467.75	4,310.00	1.84%	45.35%	45,355.57
26/02/2018	1,781.52	2,410.07	4,191.59	1.78%	43.57%	43,574.05
28/05/2018	1,723.50	2,357.72	4,081.22	1.72%	41.85%	41,850.55
27/08/2018	1,667.80	2,310.00	3,977.80	1.67%	40.18%	40,182.75
26/11/2018	1,613.05	2,267.44	3,880.49	1.61%	38.57%	38,569.70
26/02/2019	1,559.51	2,229.49	3,789.00	1.56%	37.01%	37,010.19
27/05/2019	1,508.29	2,196.60	3,704.89	1.51%	35.50%	35,501.90
26/08/2019	1,455.81	2,168.63	3,624.44	1.46%	34.05%	34,046.09
26/11/2019	1,406.36	2,145.99	3,552.35	1.41%	32.64%	32,639.73
26/02/2020	1,359.92	2,128.02	3,487.94	1.36%	31.28%	31,279.81
26/05/2020	1,313.26	2,114.99	3,428.25	1.31%	29.97%	29,966.55
26/08/2020	1,266.67	2,106.62	3,373.29	1.27%	28.70%	28,699.88
26/11/2020	1,222.94	2,102.67	3,325.61	1.22%	27.48%	27,477.84
26/02/2021	1,179.71	2,103.89	3,283.60	1.18%	26.30%	26,298.13
26/05/2021	1,135.44	2,110.35	3,245.79	1.14%	25.16%	25,162.69
26/08/2021	1,093.11	2,117.89	3,211.00	1.09%	24.07%	24,069.58
26/11/2021	1,052.57	2,125.62	3,188.19	1.05%	23.02%	23,017.01
28/02/2022	1,012.28	2,133.62	3,165.90	1.01%	22.00%	22,004.73
26/05/2022	972.04	2,142.19	3,144.23	0.97%	21.00%	21,000.00
26/08/2022	932.87	2,150.99	3,123.86	0.93%	20.00%	20,000.00
28/11/2022	894.71	2,160.00	3,104.71	0.89%	19.00%	19,000.00
27/02/2023	857.56	2,169.23	3,086.79	0.86%	18.00%	18,000.00
26/05/2023	821.44	2,178.70	3,070.14	0.82%	17.00%	17,000.00
28/08/2023	786.33	2,188.42	3,054.75	0.79%	16.00%	16,000.00
27/11/2023	752.25	2,198.40	3,040.65	0.75%	15.00%	15,000.00
26/02/2024	719.19	2,208.63	3,027.82	0.72%	14.00%	14,000.00
27/05/2024	687.16	2,219.21	3,016.37	0.69%	13.00%	13,000.00
26/08/2024	656.16	2,230.14	3,006.28	0.66%	12.00%	12,000.00
26/11/2024	626.18	2,241.42	3,000.00	0.63%	11.00%	11,000.00
<b>100,000.00</b>	<b>46,857.74</b>	<b>146,857.74</b>	<b>100.00%</b>			

SERIES B BONDS Flows for each EUR 100,000.00 withholding from the bondholder (CPR = 12%)						
Payment Date	Amortization	Gross Interest	Total	% Initial Balance	% Remaining Balance	Remaining Balance
17/05/2007			-100,000.00			100,000.00
27/08/2007	0.00	1,235.05	1,235.05	0.00%	100.00%	100,000.00
26/11/2007	0.00	1,115.51	1,115.51	0.00%	100.00%	100,000.00
26/02/2008	0.00	1,127.77	1,127.77	0.00%	100.00%	100,000.00
26/05/2008	0.00	1,103.25	1,103.25	0.00%	100.00%	100,000.00
26/08/2008	0.00	1,127.77	1,127.77	0.00%	100.00%	100,000.00
26/11/2008	0.00	1,127.77	1,127.77	0.00%	100.00%	100,000.00
26/02/2009	0.00	1,127.77	1,127.77	0.00%	100.00%	100,000.00
26/05/2009	0.00	1,090.99	1,090.99	0.00%	100.00%	100,000.00
26/08/2009	0.00	1,127.77	1,127.77	0.00%	100.00%	100,000.00
26/11/2009	0.00	1,127.77	1,127.77	0.00%	100.00%	100,000.00
26/02/2010	0.00	1,127.77	1,127.77	0.00%	100.00%	100,000.00
26/05/2010	0.00	1,090.99	1,090.99	0.00%	100.00%	100,000.00
26/08/2010	0.00	1,127.77	1,127.77	0.00%	100.00%	100,000.00
26/11/2010	0.00	1,127.77	1,127.77	0.00%	100.00%	100,000.00
26/02/2011	0.00	1,152.28	1,152.28	0.00%	100.00%	100,000.00
26/05/2011	0.00	1,066.48	1,066.48	0.00%	100.00%	100,000.00
26/08/2011	0.00	1,127.77	1,127.77	0.00%	100.00%	100,000.00
28/11/2011	4,239.66	5,391.94	9,631.60	4.24%	95.76%	95,760.34
27/02/2012	4,079.99	5,148.20	9,228.19	4.08%	91.68%	91,680.35
28/05/2012	3,925.94	4,948.64	8,874.58	3.93%	87.75%	87,754.41
27/08/2012	3,772.42	4,756.33	8,528.75	3.78%	83.98%	83,976.99
26/11/2012	3,630.25	4,567.02	8,197.27	3.63%	80.36%	80,346.74
26/02/2013	3,485.52	4,391.64	7,877.16	3.49%	76.86%	76,861.22
27/05/2013	3,345.66	4,231.45	7,577.11	3.35%	73.52%	73,515.56
26/08/2013	3,211.46	4,078.03	7,289.49	3.21%	70.30%	70,304.10
26/11/2013	3,079.88	3,932.75	7,012.63	3.08%	67.22%	67,224.22
26/02/2014	2,956.97	3,797.13	6,754.10	2.96%	64.27%	64,267.25
26/05/2014	2,836.76	3,671.15	6,507.91	2.84%	61.43%	61,430.49
26/08/2014	2,722.71	3,551.29	6,274.00	2.72%	58.71%	58,707.78
26/11/2014	2,612.46	3,439.55	6,052.01	2.61%	56.10%	56,095.32
26/02/2015	2,508.82	3,334.44	5,843.26	2.51%	53.59%	53,586.50
26/05/2015	2,407.30	3,235.22	5,642.52	2.41%	51.18%	51,179.20
26/08/2015	2,310.92	3,141.92	5,452.84	2.31%	48.87%	48,868.28
26/11/2015	2,217.41	3,054.12	5,271.53	2.22%	46.65%	46,650.87
26/02/2016	2,128.48	2,971.11	5,099.59	2.13%	44.52%	44,524.39
26/05/2016	2,037.15	2,893.27	4,930.42	2.04%	42.49%	42,487.24
26/08/2016	1,950.30	2,820.46	4,770.76	1.95%	40.54%	40,536.94
28/11/2016	1,868.78	2,753.88	4,622.66	1.87%	38.67%	38,668.16
27/02/2017	1,790.57	2,692.31	4,482.88	1.79%	36.88%	36,877.59
26/05/2017	1,716.11	2,636.81	4,352.92	1.72%	35.16%	35,161.48
28/08/2017	1,645.04	2,586.16	4,231.20	1.65%	33.52%	33,516.44
27/11/2017	1,577.15	2,540.38	4,117.53	1.58%	31.94%	31,939.29
26/02/2018	1,510.74	2,500.29	4,011.03	1.51%	30.43%	30,428.55
28/05/2018	1,447.55	2,465.43	3,912.98	1.45%	28.98%	28,981.00
27/08/2018	1,387.25	2,435.29	3,822.54	1.39%	27.59%	27,593.75
26/11/2018	1,328.82	2,409.81	3,738.63	1.33%	26.26%	26,264.93
26/02/2019	1,272.42	2,389.21	3,661.63	1.27%	24.99%	24,992.51
27/05/2019	1,218.69	2,373.73	3,592.42	1.22%	23.77%	23,773.82
26/08/2019	1,165.23	2,363.20	3,528.43	1.17%	22.61%	22,608.59
26/11/2019	1,114.88	2,357.63	3,469.51	1.11%	21.49%	21,493.71
26/02/2020	1,067.41	2,357.02	3,424.43	1.07%	20.41%	20,410.00
26/05/2020	1,022.00	2,361.49	3,383.49	1.02%	19.37%	19,370.00
26/08/2020	977.71	2,370.92	3,348.63	0.98%	18.37%	18,370.00
26/11/2020	934.51	2,385.31	3,319.82	0.94%	17.40%	17,400.00
26/02/2021	892.40	2,404.66	3,297.06	0.90%	16.46%	16,460.00
26/05/2021	851.40	2,429.07	3,280.47	0.86%	15.54%	15,540.00
26/08/2021	811.50	2,458.54	3,269.04	0.82%	14.64%	14,640.00
26/11/2021	772.71	2,493.07	3,262.76	0.78%	13.76%	13,760.00
28/02/20						

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SERIES C BONDS						
Flows for each EUR 100,000.00 withholding from the bondholder (CPR = 9%)						
Payment Date	Amortization	Gross Interest	Total	% Initial Balance	% Remaining Balance	Remaining Balance
17/05/2007			-100,000.00			100,000.00
27/08/2007	0.00	1,305.88	1,305.88	0.00%	100.00%	100,000.00
26/11/2007	0.00	1,178.70	1,178.70	0.00%	100.00%	100,000.00
26/02/2008	0.00	1,191.66	1,191.66	0.00%	100.00%	100,000.00
26/05/2008	0.00	1,165.75	1,165.75	0.00%	100.00%	100,000.00
26/08/2008	0.00	1,191.66	1,191.66	0.00%	100.00%	100,000.00
26/11/2008	0.00	1,191.66	1,191.66	0.00%	100.00%	100,000.00
26/02/2009	0.00	1,191.66	1,191.66	0.00%	100.00%	100,000.00
26/05/2009	0.00	1,152.80	1,152.80	0.00%	100.00%	100,000.00
26/08/2009	0.00	1,191.66	1,191.66	0.00%	100.00%	100,000.00
26/11/2009	0.00	1,191.66	1,191.66	0.00%	100.00%	100,000.00
26/02/2010	0.00	1,191.66	1,191.66	0.00%	100.00%	100,000.00
26/05/2010	0.00	1,152.80	1,152.80	0.00%	100.00%	100,000.00
26/08/2010	0.00	1,191.66	1,191.66	0.00%	100.00%	100,000.00
26/11/2010	0.00	1,191.66	1,191.66	0.00%	100.00%	100,000.00
28/02/2011	0.00	1,217.56	1,217.56	0.00%	100.00%	100,000.00
26/05/2011	0.00	1,126.89	1,126.89	0.00%	100.00%	100,000.00
26/08/2011	0.00	1,191.66	1,191.66	0.00%	100.00%	100,000.00
28/11/2011	0.00	1,217.56	1,217.56	0.00%	100.00%	100,000.00
27/02/2012	0.00	1,178.70	1,178.70	0.00%	100.00%	100,000.00
28/05/2012	0.00	1,178.70	1,178.70	0.00%	100.00%	100,000.00
27/08/2012	0.00	1,178.70	1,178.70	0.00%	100.00%	100,000.00
26/11/2012	3,517.35	1,178.70	4,696.05	3.52%	96.48%	96,482.65
26/02/2013	3,408.43	1,149.74	4,558.17	3.41%	93.07%	93,074.22
27/05/2013	3,301.85	1,085.01	4,386.86	3.30%	89.77%	89,772.37
26/08/2013	3,198.81	1,058.15	4,256.96	3.20%	86.57%	86,573.56
26/11/2013	3,085.65	1,031.66	4,117.31	3.10%	83.48%	83,477.91
26/02/2014	3,000.00	994.77	3,994.77	3.00%	80.48%	80,477.91
26/05/2014	2,904.64	927.75	3,832.39	2.90%	77.57%	77,573.27
26/08/2014	2,814.01	924.41	3,738.42	2.81%	74.76%	74,759.26
26/11/2014	2,725.31	890.87	3,616.18	2.73%	72.03%	72,033.95
26/02/2015	2,642.30	856.40	3,500.70	2.64%	69.39%	69,391.65
26/05/2015	2,559.34	799.95	3,359.29	2.56%	66.83%	66,832.31
26/08/2015	2,480.44	796.41	3,276.85	2.48%	64.35%	64,351.87
26/11/2015	2,402.76	766.85	3,169.61	2.40%	61.95%	61,949.11
26/02/2016	2,326.01	738.22	3,064.23	2.33%	59.62%	59,623.10
26/05/2016	2,248.94	695.06	2,944.00	2.25%	57.37%	57,374.16
26/08/2016	2,172.77	683.70	2,856.47	2.17%	55.20%	55,201.39
28/11/2016	2,101.48	672.11	2,773.59	2.10%	53.10%	53,099.91
27/02/2017	2,032.48	625.89	2,658.37	2.03%	51.07%	51,067.43
26/05/2017	1,966.48	582.09	2,548.57	1.97%	49.10%	49,100.95
28/08/2017	1,903.13	597.83	2,500.96	1.90%	47.20%	47,197.82
27/11/2017	1,842.25	556.32	2,398.57	1.84%	45.36%	45,355.57
26/02/2018	1,781.52	534.61	2,316.13	1.78%	43.57%	43,574.05
26/05/2018	1,725.50	513.61	2,239.11	1.72%	41.85%	41,850.55
27/08/2018	1,667.80	493.29	2,161.09	1.67%	40.18%	40,182.75
26/11/2018	1,613.05	473.64	2,086.69	1.61%	38.57%	38,569.70
26/02/2019	1,559.51	459.62	2,019.13	1.56%	37.01%	37,010.19
27/05/2019	1,508.29	431.45	1,939.74	1.51%	35.50%	35,501.90
26/08/2019	1,455.81	418.46	1,874.27	1.46%	34.05%	34,046.09
26/11/2019	1,406.36	405.71	1,812.07	1.41%	32.64%	32,639.73
26/02/2020	1,359.92	388.95	1,748.87	1.36%	31.28%	31,279.81
26/05/2020	1,313.26	364.64	1,677.90	1.31%	29.97%	29,966.55
26/08/2020	1,266.67	357.10	1,623.77	1.27%	28.70%	28,699.88
26/11/2020	1,222.04	342.00	1,564.04	1.22%	27.48%	27,477.84
26/02/2021	1,179.71	327.44	1,507.15	1.18%	26.30%	26,298.13
26/05/2021	1,135.44	303.16	1,438.60	1.14%	25.16%	25,162.69
26/08/2021	1,093.11	299.85	1,392.96	1.09%	24.07%	24,069.58
26/11/2021	1,052.57	286.63	1,339.40	1.05%	23.02%	23,017.01
28/02/2022	1,012.28	280.25	1,292.53	1.01%	22.00%	22,004.73
26/05/2022	22,004.73	247.97	22,252.70	22.00%	0.00%	0.00
26/08/2022	0.00	0.00	0.00	0.00%	0.00%	0.00
28/11/2022	0.00	0.00	0.00	0.00%	0.00%	0.00
27/02/2023	0.00	0.00	0.00	0.00%	0.00%	0.00
26/05/2023	0.00	0.00	0.00	0.00%	0.00%	0.00
28/08/2023	0.00	0.00	0.00	0.00%	0.00%	0.00
27/11/2023	0.00	0.00	0.00	0.00%	0.00%	0.00
26/02/2024	0.00	0.00	0.00	0.00%	0.00%	0.00
27/05/2024	0.00	0.00	0.00	0.00%	0.00%	0.00
26/08/2024	0.00	0.00	0.00	0.00%	0.00%	0.00
<b>100,000.00</b>	<b>49,513.11</b>	<b>149,513.11</b>	<b>100,000.00</b>			

SERIES C BONDS						
Flows for each EUR 100,000.00 withholding from the bondholder (CPR = 12%)						
Payment Date	Amortization	Gross Interest	Total	% Initial Balance	% Remaining Balance	Remaining Balance
17/05/2007			-100,000.00			100,000.00
27/08/2007	0.00	1,305.88	1,305.88	0.00%	100.00%	100,000.00
26/11/2007	0.00	1,178.70	1,178.70	0.00%	100.00%	100,000.00
26/02/2008	0.00	1,191.66	1,191.66	0.00%	100.00%	100,000.00
26/05/2008	0.00	1,165.75	1,165.75	0.00%	100.00%	100,000.00
26/08/2008	0.00	1,191.66	1,191.66	0.00%	100.00%	100,000.00
26/11/2008	0.00	1,191.66	1,191.66	0.00%	100.00%	100,000.00
26/02/2009	0.00	1,191.66	1,191.66	0.00%	100.00%	100,000.00
26/05/2009	0.00	1,152.80	1,152.80	0.00%	100.00%	100,000.00
26/08/2009	0.00	1,191.66	1,191.66	0.00%	100.00%	100,000.00
26/11/2009	0.00	1,191.66	1,191.66	0.00%	100.00%	100,000.00
26/02/2010	0.00	1,191.66	1,191.66	0.00%	100.00%	100,000.00
26/05/2010	0.00	1,152.80	1,152.80	0.00%	100.00%	100,000.00
26/08/2010	0.00	1,191.66	1,191.66	0.00%	100.00%	100,000.00
26/11/2010	0.00	1,191.66	1,191.66	0.00%	100.00%	100,000.00
28/02/2011	0.00	1,217.56	1,217.56	0.00%	100.00%	100,000.00
26/05/2011	0.00	1,126.89	1,126.89	0.00%	100.00%	100,000.00
26/08/2011	0.00	1,191.66	1,191.66	0.00%	100.00%	100,000.00
28/11/2011	4,238.66	1,217.56	5,456.22	4.24%	95.76%	95,760.34
27/02/2012	4,079.99	1,128.73	5,208.72	4.08%	91.68%	91,680.35
28/05/2012	3,925.94	1,080.64	5,006.58	3.93%	87.75%	87,754.41
27/08/2012	3,777.42	1,034.36	4,811.78	3.78%	83.97%	83,976.99
26/11/2012	3,630.25	989.84	4,620.09	3.63%	80.35%	80,346.74
26/02/2013	3,485.52	957.46	4,442.98	3.49%	76.86%	76,861.22
27/05/2013	3,345.66	896.01	4,241.67	3.35%	73.52%	73,515.56
26/08/2013	3,211.46	865.53	4,077.99	3.21%	70.30%	70,304.10
26/11/2013	3,079.88	837.78	3,917.66	3.08%	67.22%	67,224.22
26/02/2014	2,956.97	801.08	3,758.05	2.96%	64.27%	64,267.25
26/05/2014	2,836.76	740.87	3,577.63	2.84%	61.43%	61,430.49
26/08/2014	2,722.71	732.04	3,454.75	2.72%	58.71%	58,707.78
26/11/2014	2,612.46	699.59	3,312.05	2.61%	56.10%	56,095.32
26/02/2015	2,508.82	668.46	3,177.28	2.51%	53.59%	53,596.50
26/05/2015	2,407.30	617.74	3,025.04	2.41%	51.18%	51,179.20
26/08/2015	2,310.92	609.68	2,920.60	2.31%	48.87%	48,868.28
26/11/2015	2,217.41	582.34	2,799.75	2.22%	46.65%	46,650.87
26/02/2016	2,126.48	555.92	2,682.40	2.13%	44.52%	44,524.39
26/05/2016	2,037.15	519.04	2,556.19	2.04%	42.49%	42,487.21
26/08/2016	1,950.30	506.30	2,456.60	1.95%	40.54%	40,538.94
28/11/2016	1,868.78	493.56	2,362.34	1.87%	38.67%	38,668.16
27/02/2017	1,790.57	465.78	2,246.35	1.79%	36.88%	36,877.59
26/05/2017	1,716.11	420.35	2,136.46	1.72%	35.16%	35,161.48
28/08/2017	1,645.04	428.11	2,073.15	1.65%	33.52%	33,516.44
27/11/2017	1,577.15	395.06	1,972.21	1.58%	31.94%	31,939.29
26/02/2018	1,510.74	376.47	1,887.21	1.51%	30.43%	30,428.55
28/05/2018	1,447.55	358.66	1,806.21	1.45%	28.98%	28,981.00
27/08/2018	1,387.25	341.60	1,728.85	1.39%	27.59%	27,593.75
26/11/2018	1,328.82	325.25	1,654.07	1.33%	26.26%	26,264.93
26/02/2019	1,272.42	312.99	1,585.41	1.27%	24.99%	24,992.51
27/05/2019	1,218.69	291.35	1,510.04	1.22%	23.77%	23,773.82
26/08/2019	1,165.23	280.22	1,445.45	1.17%	22.61%	22,608.59
26/11/2019	1,114.88	269.42	1,384.30	1.11%	21.49%	21,493.71
26/02/2020	21,493.71	256.13	21,749.84	21.49%	0.00%	0.00
26/05/2020	0.00	0.00	0.00	0.00%	0.00%	0.00
26/08/2020	0.00	0.00	0.00	0.00%	0.00%	0.00
26/11/2020	0.00	0.00	0.00	0.00%	0.00%	0.00
26/02/2021	0.00	0.00	0.00	0.00%	0.00%	0.00
26/05/2021	0.00	0.00	0.00	0.00%	0.00%	0.00
26/08/2021	0.00	0.00	0.00	0.00%	0.00%	0.00
26/11/2021	0.00	0.00	0.00	0.00%	0.00%	0.00
28/02/2022	0.00	0.00	0.00	0.00%	0.00%	0.00
26/05/2022	0.00	0.00	0.00	0.00%	0.00%	0.00
26/08/2022	0.00	0.00	0.00	0.00%	0.00%	0.00
28/11/2022	0.00	0.00	0.00	0.00%	0.00%	0.00
27/02/2023	0.00	0.00	0.00	0.00%	0.00%	0.00
26/05/2023	0.00	0.00	0.00	0.00%	0.00%	0.00
28/08/2023	0					



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SERIES D BONDS						
Flows for each EUR 100,000.00 withholding from the bondholder (CPR = 9%)						
Payment Date	Amortization	Gross Interest	Total	% Initial Balance	% Remaining Balance	Remaining Balance
17/05/2007			-100,000.00			100,000.00
27/08/2007	0,00	1.900,88	1.900,88	0,00%	100,00%	100,000.00
26/11/2007	0,00	1.709,54	1.709,54	0,00%	100,00%	100,000.00
26/02/2008	0,00	1.728,32	1.728,32	0,00%	100,00%	100,000.00
26/05/2008	0,00	1.690,75	1.690,75	0,00%	100,00%	100,000.00
26/08/2008	0,00	1.728,32	1.728,32	0,00%	100,00%	100,000.00
26/11/2008	0,00	1.728,32	1.728,32	0,00%	100,00%	100,000.00
26/02/2009	0,00	1.728,32	1.728,32	0,00%	100,00%	100,000.00
26/05/2009	0,00	1.671,96	1.671,96	0,00%	100,00%	100,000.00
26/08/2009	0,00	1.728,32	1.728,32	0,00%	100,00%	100,000.00
26/11/2009	0,00	1.728,32	1.728,32	0,00%	100,00%	100,000.00
26/02/2010	0,00	1.728,32	1.728,32	0,00%	100,00%	100,000.00
26/05/2010	0,00	1.671,96	1.671,96	0,00%	100,00%	100,000.00
26/08/2010	0,00	1.728,32	1.728,32	0,00%	100,00%	100,000.00
26/11/2010	0,00	1.728,32	1.728,32	0,00%	100,00%	100,000.00
28/02/2011	0,00	1.765,89	1.765,89	0,00%	100,00%	100,000.00
26/05/2011	0,00	1.634,39	1.634,39	0,00%	100,00%	100,000.00
26/08/2011	0,00	1.728,32	1.728,32	0,00%	100,00%	100,000.00
28/11/2011	0,00	1.765,89	1.765,89	0,00%	100,00%	100,000.00
27/02/2012	0,00	1.709,54	1.709,54	0,00%	100,00%	100,000.00
28/05/2012	0,00	1.709,54	1.709,54	0,00%	100,00%	100,000.00
27/08/2012	0,00	1.709,54	1.709,54	0,00%	100,00%	100,000.00
26/11/2012	3.517,35	1.709,54	5.226,89	3,52%	96,48%	96.482,65
26/02/2013	3.408,43	1.667,53	5.075,96	3,41%	93,07%	93.074,23
27/05/2013	3.301,85	1.573,65	4.875,50	3,30%	89,77%	89.772,37
26/08/2013	3.198,81	1.534,69	4.733,50	3,20%	86,57%	86.573,57
26/11/2013	3.095,65	1.496,27	4.591,92	3,10%	83,48%	83.477,92
26/02/2014	3.002,04	1.442,77	4.442,77	3,00%	80,48%	80.477,92
26/05/2014	2.904,64	1.393,76	4.298,40	2,90%	77,57%	77.573,57
26/08/2014	2.814,02	1.340,72	4.154,74	2,81%	74,76%	74.759,27
26/11/2014	2.725,31	1.292,08	4.017,39	2,72%	72,03%	72.033,96
26/02/2015	2.642,30	1.244,98	3.887,28	2,64%	69,39%	69.391,65
26/05/2015	2.559,34	1.160,20	3.719,54	2,56%	66,83%	66.832,31
26/08/2015	2.480,44	1.155,08	3.635,52	2,48%	64,35%	64.351,87
26/11/2015	2.402,76	1.112,21	3.514,97	2,40%	61,99%	61.949,11
26/02/2016	2.326,01	1.070,68	3.396,69	2,33%	59,62%	59.623,10
26/05/2016	2.248,94	1.008,08	3.257,02	2,25%	57,37%	57.374,16
26/08/2016	2.172,77	991,61	3.164,38	2,17%	55,20%	55.201,39
28/11/2016	2.101,48	974,80	3.076,28	2,10%	53,10%	53.099,91
27/02/2017	2.032,48	907,76	2.940,24	2,03%	51,07%	51.067,43
26/05/2017	1.966,48	844,24	2.810,72	1,97%	49,10%	49.100,95
28/08/2017	1.903,13	867,07	2.770,20	1,90%	47,20%	47.197,82
27/11/2017	1.842,25	806,86	2.649,11	1,84%	45,36%	45.355,57
26/02/2018	1.781,52	775,37	2.556,89	1,78%	43,57%	43.574,05
28/05/2018	1.723,50	744,91	2.468,41	1,72%	41,85%	41.856,56
27/08/2018	1.667,80	715,45	2.383,25	1,67%	40,18%	40.182,76
26/11/2018	1.613,05	686,94	2.299,99	1,61%	38,57%	38.569,71
26/02/2019	1.559,51	666,61	2.226,12	1,56%	37,01%	37.010,19
27/05/2019	1.508,29	625,75	2.134,04	1,51%	35,50%	35.501,91
26/08/2019	1.455,81	606,92	2.062,73	1,46%	34,05%	34.046,10
26/11/2019	1.406,36	588,43	1.994,79	1,41%	32,64%	32.639,74
28/02/2020	1.359,93	564,12	1.924,05	1,36%	31,28%	31.279,82
26/05/2020	1.313,26	528,86	1.842,12	1,31%	29,97%	29.966,55
26/08/2020	1.266,67	517,92	1.784,59	1,27%	28,70%	28.699,88
26/11/2020	1.222,04	496,03	1.718,07	1,22%	27,48%	27.477,84
26/02/2021	1.179,71	474,91	1.654,62	1,18%	26,30%	26.298,13
26/05/2021	1.135,44	439,70	1.575,14	1,14%	25,16%	25.162,70
26/08/2021	1.091,11	430,58	1.520,69	1,10%	24,06%	24.062,58
28/11/2021	1.052,57	416,00	1.468,57	1,05%	23,02%	23.017,01
28/02/2022	1.012,28	406,46	1.418,74	1,01%	22,00%	22.004,73
26/05/2022	22.004,73	359,64	22.364,37	22,00%	0,00%	0,00
26/08/2022	0,00	0,00	0,00	0,00%	0,00%	0,00
28/11/2022	0,00	0,00	0,00	0,00%	0,00%	0,00
27/02/2023	0,00	0,00	0,00	0,00%	0,00%	0,00
26/05/2023	0,00	0,00	0,00	0,00%	0,00%	0,00
26/08/2023	0,00	0,00	0,00	0,00%	0,00%	0,00
27/11/2023	0,00	0,00	0,00	0,00%	0,00%	0,00
26/02/2024	0,00	0,00	0,00	0,00%	0,00%	0,00
27/05/2024	0,00	0,00	0,00	0,00%	0,00%	0,00
26/08/2024	0,00	0,00	0,00	0,00%	0,00%	0,00
<b>100,000,00</b>	<b>71.818,37</b>	<b>171.818,37</b>	<b>100,00%</b>			

SERIES D BONDS						
Flows for each EUR 100,000.00 withholding from the bondholder (CPR = 12%)						
Payment Date	Amortization	Gross Interest	Total	% Initial Balance	% Remaining Balance	Remaining Balance
17/05/2007			-100,000.00			100,000.00
27/08/2007	0,00	1.900,88	1.900,88	0,00%	100,00%	100,000.00
26/11/2007	0,00	1.709,54	1.709,54	0,00%	100,00%	100,000.00
26/02/2008	0,00	1.728,32	1.728,32	0,00%	100,00%	100,000.00
26/05/2008	0,00	1.690,75	1.690,75	0,00%	100,00%	100,000.00
26/08/2008	0,00	1.728,32	1.728,32	0,00%	100,00%	100,000.00
26/11/2008	0,00	1.728,32	1.728,32	0,00%	100,00%	100,000.00
26/02/2009	0,00	1.728,32	1.728,32	0,00%	100,00%	100,000.00
26/05/2009	0,00	1.671,96	1.671,96	0,00%	100,00%	100,000.00
26/08/2009	0,00	1.728,32	1.728,32	0,00%	100,00%	100,000.00
26/11/2009	0,00	1.728,32	1.728,32	0,00%	100,00%	100,000.00
26/02/2010	0,00	1.728,32	1.728,32	0,00%	100,00%	100,000.00
26/05/2010	0,00	1.671,96	1.671,96	0,00%	100,00%	100,000.00
26/08/2010	0,00	1.728,32	1.728,32	0,00%	100,00%	100,000.00
26/11/2010	0,00	1.728,32	1.728,32	0,00%	100,00%	100,000.00
28/02/2011	0,00	1.765,89	1.765,89	0,00%	100,00%	100,000.00
26/05/2011	0,00	1.634,39	1.634,39	0,00%	100,00%	100,000.00
26/08/2011	0,00	1.728,32	1.728,32	0,00%	100,00%	100,000.00
28/11/2011	4.239,66	1.765,89	6.005,55	4,24%	95,76%	95.760,34
27/02/2012	4.079,99	1.637,06	5.717,05	4,08%	91,68%	91.680,35
28/05/2012	3.925,94	1.592,94	5.498,25	3,93%	87,99%	87.993,39
27/08/2012	3.777,42	1.500,19	5.277,61	3,78%	83,98%	83.976,99
26/11/2012	3.630,25	1.435,62	5.065,87	3,63%	80,35%	80.346,74
26/02/2013	3.485,52	1.388,65	4.874,17	3,49%	76,86%	76.861,23
27/05/2013	3.345,66	1.299,53	4.645,19	3,35%	73,52%	73.515,57
26/08/2013	3.211,46	1.256,78	4.468,24	3,21%	70,30%	70.304,11
26/11/2013	3.079,98	1.215,08	4.294,96	3,08%	67,22%	67.224,24
26/02/2014	2.956,97	1.161,85	4.118,82	2,96%	64,27%	64.267,26
26/05/2014	2.840,84	1.112,77	3.953,61	2,84%	61,47%	61.473,84
26/08/2014	2.722,71	1.061,72	3.784,43	2,72%	58,71%	58.707,79
26/11/2014	2.612,46	1.014,66	3.627,12	2,61%	56,10%	56.095,33
26/02/2015	2.508,82	969,51	3.478,33	2,51%	53,59%	53.586,51
26/05/2015	2.407,30	895,95	3.303,25	2,41%	51,18%	51.179,21
26/08/2015	2.310,92	884,54	3.195,46	2,31%	48,87%	48.868,29
26/11/2015	2.217,41	844,60	3.062,01	2,22%	46,65%	46.650,88
26/02/2016	2.126,48	806,28	2.932,76	2,13%	44,52%	44.524,40
26/05/2016	2.037,15	752,80	2.789,95	2,04%	42,49%	42.487,25
26/08/2016	1.950,30	734,32	2.684,62	1,95%	40,54%	40.536,95
28/11/2016	1.868,78	715,84	2.584,62	1,87%	38,67%	38.668,17
27/02/2017	1.790,57	661,05	2.451,62	1,79%	36,88%	36.877,60
26/05/2017	1.716,11	609,65	2.325,76	1,72%	35,16%	35.161,49
28/08/2017	1.645,04	620,91	2.265,95	1,65%	33,52%	33.516,45
27/11/2017	1.577,15	572,98	2.150,13	1,58%	31,94%	31.939,30
26/02/2018	1.510,74	546,01	2.056,75	1,51%	30,43%	30.428,57
28/05/2018	1.447,55	520,19	1.967,74	1,45%	28,98%	28.981,92
27/08/2018	1.387,25	495,44	1.882,69	1,39%	27,59%	27.593,77
26/11/2018	1.328,83	471,73	1.800,56	1,33%	26,26%	26.264,94
26/02/2019	1.272,42	453,94	1.726,36	1,27%	24,99%	24.992,52
27/05/2019	1.218,69	422,56	1.641,25	1,22%	23,77%	23.773,82
26/08/2019	1.165,23	406,42	1.571,65	1,17%	22,61%	22.608,59
26/11/2019	1.114,98	3				



The "Folleto Informativo" drafted in the Spanish language is the only official document, and no document other than the "Folleto Informativo" shall have any legal effect or be relied upon with regard to the Bond Issue. This prospectus is a 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 March 8, 2007. Not for distribution in US or to US persons.

SERIES E BONDS						
Flows for each EUR 100,000.00 withholding from the bondholder (CPR = 9%)						
Payment Date	Amortization	Gross Interest	Total	% Initial Balance	% Remaining Balance	Remaining Balance
17/05/2007			-100,000.00			100,000.00
27/08/2007	0.00	2,184.22	2,184.22	0.00%	100.00%	100,000.00
26/11/2007	0.00	1,962.31	1,962.31	0.00%	100.00%	100,000.00
26/02/2008	0.00	1,983.88	1,983.88	0.00%	100.00%	100,000.00
26/05/2008	0.00	1,940.75	1,940.75	0.00%	100.00%	100,000.00
26/08/2008	0.00	1,983.88	1,983.88	0.00%	100.00%	100,000.00
26/11/2008	0.00	1,983.88	1,983.88	0.00%	100.00%	100,000.00
26/02/2009	0.00	1,983.88	1,983.88	0.00%	100.00%	100,000.00
26/05/2009	0.00	1,919.19	1,919.19	0.00%	100.00%	100,000.00
26/08/2009	0.00	1,983.88	1,983.88	0.00%	100.00%	100,000.00
26/11/2009	0.00	1,983.88	1,983.88	0.00%	100.00%	100,000.00
26/02/2010	0.00	1,983.88	1,983.88	0.00%	100.00%	100,000.00
26/05/2010	0.00	1,919.19	1,919.19	0.00%	100.00%	100,000.00
26/08/2010	0.00	1,983.88	1,983.88	0.00%	100.00%	100,000.00
26/11/2010	0.00	1,983.88	1,983.88	0.00%	100.00%	100,000.00
28/02/2011	0.00	2,027.01	2,027.01	0.00%	100.00%	100,000.00
26/05/2011	0.00	1,876.06	1,876.06	0.00%	100.00%	100,000.00
26/08/2011	0.00	1,983.88	1,983.88	0.00%	100.00%	100,000.00
28/11/2011	0.00	2,027.01	2,027.01	0.00%	100.00%	100,000.00
27/02/2012	0.00	1,962.31	1,962.31	0.00%	100.00%	100,000.00
28/05/2012	0.00	1,962.31	1,962.31	0.00%	100.00%	100,000.00
27/08/2012	0.00	1,962.31	1,962.31	0.00%	100.00%	100,000.00
26/11/2012	1,561.82	1,962.31	3,524.13	1.56%	98.44%	98,438.18
26/02/2013	3,462.41	1,952.89	5,415.30	3.46%	94.98%	94,975.77
27/05/2013	3,355.19	1,843.24	5,198.43	3.36%	91.62%	91,620.58
26/08/2013	3,250.28	1,787.88	5,038.16	3.25%	88.37%	88,370.29
26/11/2013	2,656.01	1,753.16	4,409.17	2.66%	85.71%	85,714.28
26/02/2014	0.00	1,700.47	1,700.47	0.00%	85.71%	85,714.28
26/05/2014	0.00	1,645.02	1,645.02	0.00%	85.71%	85,714.28
26/08/2014	0.00	1,700.47	1,700.47	0.00%	85.71%	85,714.28
26/11/2014	0.00	1,700.47	1,700.47	0.00%	85.71%	85,714.28
26/02/2015	0.00	1,700.47	1,700.47	0.00%	85.71%	85,714.28
26/05/2015	0.00	1,645.02	1,645.02	0.00%	85.71%	85,714.28
26/08/2015	0.00	1,700.47	1,700.47	0.00%	85.71%	85,714.28
26/11/2015	0.00	1,700.47	1,700.47	0.00%	85.71%	85,714.28
26/02/2016	0.00	1,700.47	1,700.47	0.00%	85.71%	85,714.28
26/05/2016	0.00	1,663.50	1,663.50	0.00%	85.71%	85,714.28
26/08/2016	0.00	1,700.47	1,700.47	0.00%	85.71%	85,714.28
28/11/2016	0.00	1,737.43	1,737.43	0.00%	85.71%	85,714.28
27/02/2017	0.00	1,681.98	1,681.98	0.00%	85.71%	85,714.28
26/05/2017	0.00	1,626.53	1,626.53	0.00%	85.71%	85,714.28
28/08/2017	0.00	1,737.43	1,737.43	0.00%	85.71%	85,714.28
27/11/2017	0.00	1,681.98	1,681.98	0.00%	85.71%	85,714.28
26/02/2018	0.00	1,681.98	1,681.98	0.00%	85.71%	85,714.28
28/05/2018	0.00	1,681.98	1,681.98	0.00%	85.71%	85,714.28
27/08/2018	0.00	1,681.98	1,681.98	0.00%	85.71%	85,714.28
26/11/2018	0.00	1,681.98	1,681.98	0.00%	85.71%	85,714.28
26/02/2019	0.00	1,700.47	1,700.47	0.00%	85.71%	85,714.28
27/05/2019	0.00	1,663.50	1,663.50	0.00%	85.71%	85,714.28
26/08/2019	0.00	1,681.98	1,681.98	0.00%	85.71%	85,714.28
28/11/2019	0.00	1,700.47	1,700.47	0.00%	85.71%	85,714.28
26/02/2020	0.00	1,700.47	1,700.47	0.00%	85.71%	85,714.28
26/05/2020	0.00	1,663.50	1,663.50	0.00%	85.71%	85,714.28
26/08/2020	0.00	1,700.47	1,700.47	0.00%	85.71%	85,714.28
26/11/2020	0.00	1,700.47	1,700.47	0.00%	85.71%	85,714.28
26/02/2021	0.00	1,700.47	1,700.47	0.00%	85.71%	85,714.28
26/05/2021	0.00	1,645.02	1,645.02	0.00%	85.71%	85,714.28
26/08/2021	0.00	1,700.47	1,700.47	0.00%	85.71%	85,714.28
28/11/2021	0.00	1,700.47	1,700.47	0.00%	85.71%	85,714.28
28/02/2022	0.00	1,737.43	1,737.43	0.00%	85.71%	85,714.28
26/05/2022	85,714.28	1,608.05	87,322.33	85.71%	0.00%	0.00
26/08/2022	0.00	0.00	0.00	0.00%	0.00%	0.00
28/11/2022	0.00	0.00	0.00	0.00%	0.00%	0.00
27/02/2023	0.00	0.00	0.00	0.00%	0.00%	0.00
26/05/2023	0.00	0.00	0.00	0.00%	0.00%	0.00
28/08/2023	0.00	0.00	0.00	0.00%	0.00%	0.00
27/11/2023	0.00	0.00	0.00	0.00%	0.00%	0.00
26/02/2024	0.00	0.00	0.00	0.00%	0.00%	0.00
27/05/2024	0.00	0.00	0.00	0.00%	0.00%	0.00
26/08/2024	0.00	0.00	0.00	0.00%	0.00%	0.00
	<b>100,000.00</b>	<b>108,244.76</b>	<b>208,244.76</b>	<b>100.00%</b>		

SERIES E BONDS						
Flows for each EUR 100,000.00 withholding from the bondholder (CPR = 12%)						
Payment Date	Amortization	Gross Interest	Total	% Initial Balance	% Remaining Balance	Remaining Balance
17/05/2007			-100,000.00			100,000.00
27/08/2007	0.00	2,184.22	2,184.22	0.00%	100.00%	100,000.00
26/11/2007	0.00	1,962.31	1,962.31	0.00%	100.00%	100,000.00
26/02/2008	0.00	1,983.88	1,983.88	0.00%	100.00%	100,000.00
26/05/2008	0.00	1,940.75	1,940.75	0.00%	100.00%	100,000.00
26/08/2008	0.00	1,983.88	1,983.88	0.00%	100.00%	100,000.00
26/11/2008	0.00	1,983.88	1,983.88	0.00%	100.00%	100,000.00
26/02/2009	0.00	1,983.88	1,983.88	0.00%	100.00%	100,000.00
26/05/2009	0.00	1,919.19	1,919.19	0.00%	100.00%	100,000.00
26/08/2009	0.00	1,983.88	1,983.88	0.00%	100.00%	100,000.00
26/11/2009	0.00	1,983.88	1,983.88	0.00%	100.00%	100,000.00
26/02/2010	0.00	1,983.88	1,983.88	0.00%	100.00%	100,000.00
26/05/2010	0.00	1,919.19	1,919.19	0.00%	100.00%	100,000.00
26/08/2010	0.00	1,983.88	1,983.88	0.00%	100.00%	100,000.00
26/11/2010	0.00	1,983.88	1,983.88	0.00%	100.00%	100,000.00
28/02/2011	0.00	2,027.01	2,027.01	0.00%	100.00%	100,000.00
26/05/2011	0.00	1,876.06	1,876.06	0.00%	100.00%	100,000.00
26/08/2011	0.00	1,983.88	1,983.88	0.00%	100.00%	100,000.00
29/11/2011	1,661.38	2,027.01	3,688.39	1.66%	98.34%	98,338.62
27/02/2012	4,169.23	1,929.71	6,098.94	4.17%	94.17%	94,169.39
28/05/2012	4,012.21	1,847.90	5,860.11	4.01%	90.16%	90,157.18
27/08/2012	3,860.72	1,769.17	5,629.89	3.86%	86.30%	86,296.46
26/11/2012	582.18	1,693.41	2,275.59	0.58%	85.71%	85,714.28
26/02/2013	0.00	1,700.47	1,700.47	0.00%	85.71%	85,714.28
27/05/2013	0.00	1,663.50	1,663.50	0.00%	85.71%	85,714.28
26/08/2013	0.00	1,681.98	1,681.98	0.00%	85.71%	85,714.28
26/11/2013	0.00	1,700.47	1,700.47	0.00%	85.71%	85,714.28
26/02/2014	0.00	1,700.47	1,700.47	0.00%	85.71%	85,714.28
26/05/2014	0.00	1,645.02	1,645.02	0.00%	85.71%	85,714.28
26/08/2014	0.00	1,700.47	1,700.47	0.00%	85.71%	85,714.28
26/11/2014	0.00	1,700.47	1,700.47	0.00%	85.71%	85,714.28
26/02/2015	0.00	1,700.47	1,700.47	0.00%	85.71%	85,714.28
26/05/2015	0.00	1,645.02	1,645.02	0.00%	85.71%	85,714.28
26/08/2015	0.00	1,700.47	1,700.47	0.00%	85.71%	85,714.28
26/11/2015	0.00	1,700.47	1,700.47	0.00%	85.71%	85,714.28
26/02/2016	0.00	1,700.47	1,700.47	0.00%	85.71%	85,714.28
26/05/2016	0.00	1,663.50	1,663.50	0.00%	85.71%	85,714.28
26/08/2016	0.00	1,700.47	1,700.47	0.00%	85.71%	85,714.28
28/11/2016	0.00	1,737.43	1,737.43	0.00%	85.71%	85,714.28
27/02/2017	0.00	1,681.98	1,681.98	0.00%	85.71%	85,714.28
26/05/2017	0.00	1,626.53	1,626.53	0.00%	85.71%	85,714.28
28/08/2017	0.00	1,737.43	1,737.43	0.00%	85.71%	85,714.28
27/11/2017	0.00	1,681.98	1,681.98	0.00%	85.71%	85,714.28
26/02/2018	0.00	1,681.98	1,681.98	0.00%	85.71%	85,714.28
28/05/2018	0.00	1,681.98	1,681.98	0.00%	85.71%	85,714.28
27/08/2018	0.00	1,681.98	1,681.98	0.00%	85.71%	85,714.28
26/11/2018	0.00	1,681.98	1,681.98	0.00%	85.71%	85,714.28
26/02/2019	0.00	1,700.47	1,700.47	0.00%	85.71%	85,714.28
27/05/2019	0.00	1,663.50	1,663.50	0.00%	85.71%	85,714.28
26/08/2019	0.00	1,681.98	1,681.98	0.00%	85.71%	85,714.28
28/11/2019	0.00	1,700.47	1,700.47	0.00%	85.71%	85,714.28
26/02/2020	0.00	1,700.47	1,700.47	0.00%	85.71%	85,714.28
26/05/2020	85,714.28	1,700.47	87,414.75	85.71%	0.00%	0.00
26/08/2020	0.00	0.00	0.00	0.00%	0.00%	0.00
26/11/2020	0.00	0.00	0.00	0.00%	0.00%	0.00
26/02/2021	0.00	0.00	0.00	0.00%	0.00%	0.00
26/05/2021	0.00	0.00	0.00	0.00%	0.00%	0.00
26/08/2021	0.00	0.00	0.00	0.00%	0.00%	0.00
28/11/2021	0.00	0.00	0.00	0.00%	0.00%	0.00
28/02/2022	0.00	0.00	0.00	0.00%	0.00%	0.00
26/05/2022	0.00	0.00	0.00	0.00%	0.00%	0.00
26/08/2022	0.00	0.00	0.00	0.00%	0.00%	0.00
28/11/2022	0.00	0.00	0.00	0.00%	0.00%	0.00
27/02/2023	0.00	0.00	0.00	0.00%	0.00%	0.00
26/05/2023	0.00	0.00	0.00	0.00%	0.00%	0.00
28/08/2023	0.00	0.00	0.00	0.00%	0.00%	0.00
27/11/2023	0.00	0.00	0.00	0.00%		

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#### **4.11. Representation of the security holders**

No bondholder syndicate will be set up for the securities included in this Issue. The Bondholders will be represented by the Sociedad Gestora in accordance with the provisions of article 12 of Royal Decree 926/1998. Consequently, the Sociedad Gestora must subordinate its actions to safeguarding the interests of the holders of the Bonds issued by the Fund.

#### **4.12. Resolutions, authorisations, and approvals for the securities issue**

The resolutions and agreements under which these Bonds are issued, the validity whereof is material through the certifications sent to the CNMV, are as detailed below.

##### **4.12.1. Corporate resolutions**

###### **4.12.1.1. Resolution to transfer mortgage loans by the issue of mortgage participations and mortgage transfer certificates.**

At the meeting held on 28 February 2007, the Board of Directors of IBERCAJA, resolved to authorise the sale of mortgage guarantee loans owned by IBERCAJA through the issue of mortgage shares and mortgage transfer certificates for their pooling or subscription by the Fund.

###### **4.12.1.2. Resolution to set up the Fund and issue the securities.**

At the meeting held on 2 March 2007, the Board of Directors of the Sociedad Gestora, resolved to (i) incorporate the Fund, (ii) pool the Participations and the Certificates in the Fund, and (iii) issue the securities from the Fund under this Securities Note.

##### **4.12.2. Registration by the CNMV.**

This Bond Issue Prospectus was filed at the CNMV on 8 May 2007.

###### **4.12.3. Granting of the Public Articles of Incorporation for the Fund.**

Once the CNMV has registered the Prospectus and before the start of the Subscription Period, the Sociedad Gestora and IBERCAJA, as the issuer of the Participations and the Certificates to be subscribed by the Fund, will proceed to grant the Articles of Incorporation of the Fund, in the terms set forth in article 6 of Royal Decree 926/1998, the contents of which will match the provisions of this Prospectus and the draft Articles of Incorporation filed with the CNMV. Under no circumstances will the terms of the Articles of Incorporation contradict, modify, alter or invalidate the contents of this Prospectus. The Articles of Incorporation will be granted on 11 May 2007. A copy of the Articles of Incorporation will be sent to the CNMV for its registration in the public register.

#### **4.13. Securities issue date**

The Bond issue date will coincide with the date on which the Articles of Incorporation are granted, in other words, 11 May 2007 .

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The securities will be issued in order to be acquired by institutional investors. The Bonds will be subscribed during the Subscription Period.

The Bonds will be disbursed on 17 May 2007 (the "**Disbursement Date**").

The investors to whom the Bonds have been awarded must pay the subscription price payable for each awarded Bond to the Underwriting Agents before 10:00 a.m. (CET) on the Disbursement Date, for value that same day. For their part, the Underwriting and Placement Agents must pay their corresponding amounts into the account opened in the name of the Fund in the Financial Agent, before 11:00 a.m. (CET) of the Disbursement Date, for value that same day.

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

The Bonds are freely transferable and can be transmitted through any legally permissible mean and in accordance with the rules of the AIAF Fixed Income Market. Registration of the transfer to the purchaser in the accounting register will have the same effects as the trading of shares, and from that moment onwards the transfer can be relied upon as against third parties.

### **5. ADMISSION TO TRADING AND DEALING ARRANGEMENTS**

#### **5.1. Market where the securities will be traded**

The Sociedad Gestora, for and on behalf of the Fund, will apply to have the Issue admitted to official trading, once the Fund has been incorporated, on the AIAF Fixed Income Market ("**AIAF**") so that it can be traded no later than thirty (30) days from the Disbursement Date.

If the Sociedad Gestora fails to have the Bonds admitted to trading in the aforementioned time frame, it undertakes to publish, in a nationwide newspaper both the reasons for such failure and the new date on which the issued Bonds are scheduled to be admitted to trading, without prejudice to the possibility for the Sociedad Gestora to be held contractually liable if the failure is attributable to it.

Moreover, the Sociedad Gestora will request the inclusion of the Bonds in the accounting register managed by IBERCLEAR, so that they are cleared and settled in accordance with the operating rules applicable to securities quoted in the AIAF Market established, or to be approved in the future by IBERCLEAR.

The Sociedad Gestora hereby declares that it knows the requirements and conditions necessary for listing, quotation and delisting of securities in the AIAF according to the applicable laws and the requirements of its ruling body and agrees to comply with the same.

#### **5.2. Financial Agent and Depository Agent**

The payment of interest and principal for the Bond Issue referred to in this Securities Note will be handled by ICO, located for these purposes at number 4, Paseo del Prado, in Madrid (Spain), which has the resources to carry out this function.

The interest of the Bonds of each Series will be paid until the final redemption thereof in Interest Accrual Periods in arrears, on each of the Payment Dates, in accordance with the conditions set forth in section 4.8 of this Securities Note.

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The Sociedad Gestora, on behalf of and for the account of the Fund, will enter, with ICO, into a contract that will regulate the deposit of the Participations and the Certificates, the Treasury Account and the Fund's paying agency (the "Financial Services Contract").

The obligations to be assumed by the ICO in this Financial Services Contract are as summarised below:

- (i) On the Disbursement Date, it will pay to each of the Underwriting and Placement Agents the amount of the underwriting and distribution fee owing to each of them.
- (ii) It will make the Bond interest and redemption payments, and the rest of the Fund's payments on the corresponding Payment Date, after receiving appropriate instructions from the Sociedad Gestora.
- (iii) On each of the Interest Rate Fixing Dates, it will notify the Sociedad Gestora of the Reference Interest Rate that will serve as the basis for calculating the Nominal Interest Rate applicable to each Series of the Bonds for each pertinent Interest Accrual Period.
- (iv) The Financial Agent will act as the custodian of the Multiple Securities and of the Treasury Account.

As consideration for the services to be performed by the Financial Agent, the Fund will pay the latter on each Payment Date a fee that is regulated in the Financial Services Contract and that will be formed by a fixed amount, and another variable amount that will be the result of applying a percentage (on an annual basis) to the Outstanding Nominal Balance of the Participations and Certificates pooled in the Fund on the immediately previous Payment Date.

Without prejudice to the provisions of the previous paragraphs, the non-confirmation before the start of the Subscription Period of the provisional ratings assigned to the Bonds by the Rating Agencies will be construed as grounds for termination of the Financial Services Contract and of the Fund's other contracts.

The Financial Agent may subcontract with, or delegate on, third parties of recognised solvency and capacity vis-à-vis the performance of any services undertaken, provided that (i) this is legally allowed, (ii) beforehand the Seller and the CNMV have been notified and, where applicable, the corresponding authorisations have been obtained, (iii) the Sociedad Gestora gives its prior written consent, on behalf of the Fund; (iv) the subcontractor or delegate has been assigned a short-term rating of P-1 in the case of Moody's or, where applicable, no detriment is caused to the rating assigned to the Bonds by S&P and provided that (v) such subcontractor or delegate has waived any action claiming liability against the Fund, and to extinguish such subcontracts and/or delegations except as provided for by Law. In any case, such subcontract or delegation must not imply any additional expense or cost for the Fund nor for the Sociedad Gestora, or cause any detriment, in any way, to the ratings assigned to the Bonds by the Rating Agencies. Notwithstanding any subcontract or delegation, the Financial Agent will not be exonerated or released by such subcontract or delegation from any of the responsibilities accepted in this Agreement. The Sociedad Gestora is authorised to substitute the Financial Agent (in all or some of its duties as the administrator of the Treasury Account, paying agency or depository of the Participations and the Certificates), provided that this is permitted under current law and, if and when necessary, the authorisation of the competent authorities is obtained. The grounds that give rise to the substitution must be a serious breach of its obligations and be liable to harm the interests of the Bondholders and a downgrading of the Bond Ratings awarded by the Rating Agencies. The substitution will be reported to the CNMV, the Rating Agencies and the Seller.

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In the event that the rating assigned by the Rating Agencies to the Financial Agent's short-term risk, such Financial Agent's current ratings being P-1 in the case of Moody's and A-1+ in the case of S&P, is downgraded below P-1 in the case of Moody's, or below A-1 in the case of S&P, or either of the Rating Agencies withdraws such rating for any reason, within the thirty (1) days following such downgrading the Sociedad Gestora, in order to maintain the ratings assigned to each Series by the Rating Agencies, and after notifying the latter, will put into practice, on behalf of the Fund, one of the options that are described below and are necessary, to permit an appropriate level of collateralisation to be maintained with respect to the commitments derived from the duties as depository of the Participations and the Certificates, paying agent, and maintenance of the Treasury Account:

- (i) Secure similar guarantees or commitments from one or several credit institutions with a Moody's rating of no less than P-1, and an S&P rating of no less than A-1, in accordance with S&P criteria, that guarantees the commitments accepted by the Financial Agent.
- ii) Substitute the Financial Agent with an entity that has a Moody's rating of no less than P-1, and an S&P rating of no less than A-1. This new entity will perform the Financial Agent's duties in the same terms and conditions.

For these purposes, the Financial Agent will give an irrevocable undertaking to notify the Sociedad Gestora, as soon as such circumstance occurs, throughout the life of the Bond Issue, if the long and short term ratings assigned to it by the Rating Agencies are modified or withdrawn.

## 6. EXPENSE OF THE ADMISSION TO TRADING

The initial expenses of the Fund will be paid with the Initial Expenses Loan, as detailed in section 3.4.3.1. of the Additional Building Block. In this regard, there follows a breakdown of the Fund's estimated expenses as at this registration date:

<b>Fund formation expenses and Bond issue expenses</b>	<b>Amount</b>
Registration of the Prospectus with the CNMV	39,813.66
Supervision of the admission to AIAF trading by the CNMV	9,180.00
AIAF listing fee	52,200.00
Inclusion of the issue in the book entry system, IBERCLEAR	3,480.00
<b><i>Subtotal (admission to trading expenses)</i></b>	<b><i>104,673.66</i></b>
Notary fees, audit, rating and legal fees, advertising of the issue, printing and others	435,326.34
*Bond issue underwriting and placement fees.	960,000.00
<b>Total expenses</b>	<b>1,500,000.00</b>

\*Calculated with the maximum of the Bond issue underwriting and placement fees.

## 7. OTHER INFORMATION

### 7.1. Statement of the capacity in which the advisors involved in the issue that are mentioned in the Securities Note have acted.

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The financial structure of the Fund and the Bond issue has been arranged by JPMorgan.

Cuatrecasas, as independent advisor, has acted as the legal advisor on the incorporation of the Fund and the issue of the Bonds and has reviewed the representations relative to the tax treatment of the Bonds and of the Fund that are set forth in section 4.6. of the Registration Document and 4.3 of the Securities Note.

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

Not applicable.

## **7.3. Statements or reports attributed to a person as an expert**

Pricewaterhouse Coopers is acting as auditor for the verification of a series of attributes of a selection of mortgage loans owned by IBERCAJA from which the Mortgage Loans will be extracted in order to issue the Participations and Certificates that will be subscribed by the Fund upon its incorporation.

## **7.4. Information sourced from third parties**

As part of the tasks involved in checking the information contained in this Prospectus, the Sociedad Gestora has received confirmation from IBERCAJA that the information about IBERCAJA, the Mortgage Loans, the Participations and the Certificates that is given in section 2.2.8 of the Additional Building Block is true, and that the rest of the information about IBERCAJA, the Mortgage Loans, the Participations and the Certificates that is contained in this Prospectus is also true. In the Articles of Incorporation of the Fund, IBERCAJA will repeat to the Sociedad Gestora that such information remains true on the Incorporation Date.

The Sociedad Gestora confirms that it has accurately reproduced the information that it has received from IBERCAJA and, insofar as it knows and can tell from such information received from IBERCAJA, confirms that it has not omitted any fact that might result in the information reproduced being inaccurate or misleading, nor does this Prospectus omit material facts or data that could be significant for the investor.

## **7.5. Credit ratings assigned by the Rating Agencies**

On 4 May 2007, the Bonds included in this Securities Note were assigned the following provisional ratings by Moody's and S&P (jointly, the "Rating Agencies"):

<b>Bonds</b>	<b>Moody's</b>	<b>S&amp;P</b>
<b>A1 Bonds</b>	Aaa	AAA
<b>A2 Bonds</b>	Aaa	AAA
<b>B Bonds</b>	A1	A
<b>C Bonds</b>	Baa2	BBB-
<b>D Bonds</b>	Ba1	BB
<b>E Bonds</b>	-	CCC-

The Rating Agencies have been commissioned to assess the Bonds and to assign a rating to them.

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Moody's rating takes into account the structure of the Bond issue, its legal aspects, the characteristics of the Fund, the nature and the characteristics of the Mortgage Loans and the regularity and continuity of the flows in the transaction.

Moody's rating does not constitute an assessment of the likelihood of the Mortgagors making advance payments of the principal, nor of the extent to which such payments may differ from the original schedule. The rating does not, under any circumstances, represent a rating of the level of actuarial yield.

The ratings assigned to each Series of Bonds by Moody's measure the loss expected before the Fund Legal Maturity Date. In Moody's opinion, the structure permits the timely payment of the interest and the payment of the principal during the life of the transaction and, in any case, before the Fund's Legal Maturity Date for the Series A1, A2, B, C and D.

To perform its analysis, Moody's has relied on the representations made by the entities participating in the transaction, by their auditors and lawyers, and by other experts, about the accuracy and completeness of the information that it has been given in relation to the rating and the subsequent monitoring.

The rating assigned by Moody's in the creation of the Fund may be revised, suspended or withdrawn at any time, depending on any information that comes to its knowledge. The initial rating and all revisions or suspensions thereof:

- (i) Are formulated by Moody's on the basis of varied information received, the accuracy and completeness of which is not guaranteed by Moody's, and therefore Moody's will in no event be held liable for the contents thereof.
- (ii) Do not constitute and, therefore, could not in any way be interpreted as an invitation, recommendation or solicitation for investors to proceed to carry out any type of transaction with the Bonds and, in particular, to acquire, retain, encumber or sell such Bonds.
- (iii) Neither does it reflect the market conditions or the potential needs of any investor in particular.
- (iv) The ratings assigned by Moody's are based on the information supplied by the issuer, and its experts and agents, and are subject to the reception of the final documents. Moody's does not audit, verify or check the truth, precision or accuracy of such information.

The rating assigned by S&P as to the credit risk is an opinion about the capacity of the Bonds to make the periodic interest and principal payments throughout the life of the transaction and always before the Legal Maturity Date.

The S&P rating is based on the quality of the Participations and the Certificates pooled in the Fund, on the credit enhancement available and on the legal and financial aspects of the Bond Issue.

The S&P rating does not constitute an assessment of the risk of the Mortgagors making advance payments or repaying all of the principal of the Participations and the Certificates. The rating does not in any way assess the level of return received by investors.

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To perform its analysis, S&P has relied on the statements made by the entities participating in the transaction, by their auditors and lawyers, and by other experts, about the accuracy and completeness of the information that it has been given in relation to the rating and the subsequent monitoring.

The rating assigned by S&P upon the creation of the Fund may be revised, suspended or withdrawn, depending on any information that comes to its notice, or on the non-availability of information, or for any other reason.

The S&P rating does not constitute a recommendation to buy, sell, or hold the Bonds.

These credit ratings does not constitute a recommendation to buy, sell or hold securities. The credit rating may be revised, suspended or withdrawn at any time by the rating agency.

These credit ratings are only an estimate and do not necessarily mean that potential investors do not have to conduct their own analysis of the securities that they intend to buy.

The Sociedad Gestora, on behalf of the Fund, undertakes to provide the Rating with periodic information regarding the situation of the Fund and the behaviour of the Mortgage Loans in order to allow them to continue rating the Bonds. Similarly, it will supply the said information whenever reasonably requested to do so and, in any event, whenever a change occurs in the conditions of the Fund, in the contracts entered into by the Fund through its Sociedad Gestora or in the interested parties.

The non-confirmation before the start of the Subscription Period of one of the provisional ratings assigned to the Bonds by the Rating Agencies will be construed as grounds for termination of: the issue and subscription of the Participations and the Certificates, the Initial Expenses Loan, the Subordinated Loan, as well as the rest of the Fund contracts, the Incorporation of the Fund and the issue of the Bonds.

The Prospectus submitted for filing and registration at the CNMV is exactly the same as the Prospectus delivered to the Rating Agencies.



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## **ADDITIONAL BUILDING BLOCK TO THE SECURITIES NOTE (ANNEX VIII TO REGULATIONS 809/2004)**

### **1. SECURITIES**

The Participations and the Certificates that will be pooled in the Fund at the time of its incorporation will consist of an amount of principal valued at Eur. 1,200,000,000 or slightly less.

#### **1.1 Confirmation that the information relating to an undertaking or obligor which is not involved in the issue has been accurately reproduced.**

Not applicable.

### **2. UNDERLYING ASSETS**

#### **2.1 Confirmation that the securitised assets have the capacity to produce the funds payable on the securities.**

In accordance with the information supplied by the Seller and the analysis conducted by the Lead Managers, the Sociedad Gestora confirms that the Participations and the Certificates to be issued and which will be backed by the Mortgage Loans, are of characteristics (amount, term, interest rate, mortgage guarantees, etc.) that demonstrate the capacity to produce funds to make the payment owed and payable on the Bonds, payments which will be made in accordance with the Payment Priority Order established in section 3.4.6.2. of this Additional Building Block.

However, in order to consolidate its financial structure and procure the largest possible coverage for the risks inherent to the issue, the Sociedad Gestora, on behalf of the Fund, will proceed on the same date as on which it grants the Articles of Incorporation, to formalise the contracts and carry out the actions that are stipulated in section 3.4.2. of this Additional Building Block.

Also, since not all of the Bonds are subject to the same risk of default, the Rating Agencies have assigned each of the Series the solvency ratings set forth in section 7.5. of the Securities Note.

Notwithstanding the foregoing, the Sociedad Gestora, after notifying the CNMV, will be authorised to proceed to the Early Liquidation and hence the Early Redemption of the Bonds in the following events and with the requirements set forth in section 4.4.3 of the Registration Document.

#### **2.2 Assets backing the issue**

The credit rights constituting the Fund assets will be credit rights solely owned by IBERCAJA, derived from mortgage loans granted by IBERCAJA to individuals, secured by mortgages raised on property located in Spanish territory, whose authorisation has been subject to Spanish legislation (the "**Mortgage Loans**"), for a total amount of one thousand two hundred million euros (€1,200,000,000) or slightly less.

The Mortgage Loans will be sold by IBERCAJA to the Fund by issuing the Participations and the Certificates, in accordance with the individual characteristics of each Mortgage Loan.

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On the Incorporation Date, the Participations and the Certificates that will be sold to the Fund will be withdrawn from the loans in the portfolio audited as at 11 April 2007, which consists of fifteen thousand two hundred and fifty-six (15,256) mortgage loans with an Outstanding Nominal Balance of one thousand five hundred and forty-four million twenty-two thousand Nine hundred and seventy-four four euros and fifty-eight eurocents (€1,544,022,974.58) .

These selected loans have audited by Pricewaterhouse Coopers Auditores, S.L., registered with the Official List of Registered Auditors (R.O.A.C.) under number S0242 and with registered office at 43, Paseo de la Castellana, in Madrid, and with Tax Identification Number (C.I.F.) B-79031290.

The audit has been conducted using sampling techniques, by analysing a lower number of transactions (sample) than the whole set of mortgage loans ("population"), and make it possible to draw a conclusion about that population with a level of confidence of 99%. The audit addresses a series of quantitative and qualitative attributes of the loans, in particular: purpose of the loan, identification of the borrower, transfer of assets, contracted date, final maturity date, reference interest rate, rate of interest applied, interest rate differential, initial amount of the loan, existing balance of the loan, payment delays, appraised value, current LTV ratio, address of the mortgaged property, mortgage guarantee and liability insurance. Any of the selected loans that are detected as having errors when the sample is being verified, will not be transferred to the Fund by IBERCAJA.

The results of the audit are included in a report issued by Pricewaterhouse Coopers Auditores, S.L.. which is one of the documents on display, as stipulated in section 10 of the Registration Document.

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

The Participations and the Certificates relating to the Mortgage Loans will be issued in accordance with the laws of Spain.

### **2.2.2 General characteristics of the debtors**

The Fund's assets will consist of the Participations and the Certificates, which represent participations in loans granted for the acquisition, construction or rehabilitation of a dwelling located in Spanish territory, whose Mortgagors are natural persons (the "**Mortgagors**"), all of which are secured by a real estate mortgage duly registered at the Land Registry.

All the loans accrue interest. In the case of some of the portfolio loans, the loan agreements stipulate a bonus differential system that serves to determine the rate of interest of each loan, and therefore the differential may be reduced throughout the life of the Fund if the conditions set forth in each of the Loan agreements for such situations occur. The reduction of the differential for the Loans, is related to the Debtor's level of commitment to the Seller, in the terms described in section 2.2.7 of the Additional Building Block.

The tables below show the distribution of the mortgage loans that make up the audited portfolio by residual maturity date, contracted date, reference rate, current interest rate, current balance, default and geographical location. These tables have been produced with information as at 11 April 2007.

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**AUDITED PORTFOLIO, TDA IBERCAJA 5 ISSUE**  
(Grouped by Remaining Term)

REMAINING TERM (months)	NUM	TOTAL CURRENT BALANCE EUROS	CURRENT BALANCE %	WEIGHTED AVERAGE INITIAL TERM (months)	WEIGHTED AVERAGE REMAINING TERM (months)	WEIGHTED AVERAGE CURRENT INTEREST RATE	Min. CURRENT INTEREST RATE	Max. CURRENT INTEREST RATE
Less than 60,00	193	5.622.770,89	0,36	148	54	4,68	3,60	5,75
60,00 - 75,00	425	12.724.806,45	0,82	160	67	4,64	3,61	5,75
75,00 - 90,00	437	14.947.442,68	0,97	159	82	4,65	3,72	6,56
90,00 - 105,00	387	16.422.418,91	1,06	160	97	4,58	3,72	6,66
105,00 - 120,00	514	23.372.363,45	1,51	187	112	4,70	3,61	7,75
120,00 - 135,00	406	21.359.399,59	1,38	191	127	4,53	3,61	7,47
135,00 - 150,00	474	27.167.155,51	1,76	199	142	4,58	3,66	6,75
150,00 - 165,00	534	34.315.046,70	2,22	203	157	4,57	3,61	7,81
165,00 - 180,00	759	49.072.468,99	3,18	230	172	4,63	3,71	6,04
180,00 - 195,00	629	42.594.439,50	2,76	241	186	4,45	3,60	6,00
195,00 - 210,00	595	44.412.335,52	2,88	251	202	4,49	3,61	6,22
210,00 - 225,00	813	67.834.901,47	4,39	260	218	4,53	3,61	7,15
225,00 - 240,00	812	67.105.097,45	4,35	282	232	4,61	3,61	8,00
240,00 - 255,00	923	80.770.753,13	5,23	296	247	4,42	3,41	5,59
255,00 - 270,00	886	94.011.585,31	6,09	298	263	4,39	3,61	6,11
270,00 - 285,00	1.031	125.810.583,38	8,15	301	278	4,47	3,56	6,09
285,00 - 300,00	440	56.978.475,90	3,69	311	289	4,48	3,35	5,50
300,00 - 315,00	452	52.230.169,35	3,38	353	308	4,44	3,66	5,34
315,00 - 330,00	720	97.569.077,10	6,32	357	323	4,50	3,61	5,89
330,00 - 345,00	1.321	195.160.035,85	12,64	360	338	4,48	3,55	5,56
345,00 - 360,00	621	97.257.117,48	6,30	361	348	4,47	3,00	5,86
360,00 - 375,00	24	3.567.218,44	0,23	389	368	4,41	3,61	4,81
375,00 - 390,00	146	23.600.982,16	1,53	415	385	4,56	3,61	5,17
390,00 - 405,00	964	161.976.634,68	10,49	420	399	4,54	3,56	5,36
405,00 - 420,00	659	110.336.349,45	7,15	420	408	4,46	3,50	5,51
420,00 - 435,00	1	165.264,64	0,01	440	433	4,49	4,49	4,49
435,00 - 450,00	2	501.425,24	0,03	472	437	4,26	4,05	4,90
450,00 - 465,00	2	574.773,06	0,04	472	462	4,40	4,36	4,41
465,00 - 480,00	86	16.561.882,30	1,07	480	472	4,66	4,27	5,44
<b>TOTAL</b>	<b>15.256</b>	<b>1.544.022.974,58</b>	<b>100,00</b>	<b>323</b>	<b>289</b>	<b>4,50</b>	<b>3,000</b>	<b>8,00</b>

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**AUDITED PORTFOLIO, TDA IBERCAJA 5 ISSUE**  
(Grouped by Issue Date)

ISSUE DATE	NUM	TOTAL CURRENT BALANCE EUROS	CURRENT BALANCE %	WEIGHTED AVERAGE INITIAL TERM (months)	WEIGHTED AVERAGE REMAINING TERM (months)	WEIGHTED AVERAGE CURRENT INTEREST RATE	Min. CURRENT INTEREST RATE	Max. CURRENT INTEREST RATE
1992	1	127.306,08	0,01	399	220	5,16	5,16	5,16
1994	4	149.443,86	0,01	289	135	4,47	3,80	4,70
1995	2	156.807,47	0,01	383	240	4,37	4,25	4,52
1996	349	14.364.433,77	0,93	268	139	4,89	3,61	6,09
1997	392	15.266.019,13	0,99	250	132	4,77	3,71	5,75
1998	473	17.194.754,25	1,11	229	124	4,72	3,60	5,75
1999	498	20.976.972,91	1,36	244	150	4,69	3,75	5,75
2000	721	37.359.121,79	2,42	259	178	4,70	3,75	6,50
2001	1.179	75.183.148,60	4,87	264	196	4,62	3,63	5,50
2002	1.769	133.591.602,98	8,65	278	222	4,45	3,56	5,59
2003	1.434	127.060.553,51	8,23	297	252	4,44	3,61	7,25
2004	2.328	262.905.613,41	17,03	320	287	4,46	3,41	6,11
2005	3.807	510.862.715,73	33,09	342	321	4,50	3,56	7,47
2006	2.299	328.824.481,09	21,30	358	346	4,48	3,00	8,00
<b>TOTAL</b>	<b>15.256</b>	<b>1.544.022.974,58</b>	<b>100,00</b>	<b>323</b>	<b>289</b>	<b>4,50</b>	<b>3,000</b>	<b>8,00</b>

**AUDITED PORTFOLIO, TDA IBERCAJA 5 ISSUE**  
(Grouped by Reference Interest Rate)

REFERENCE INDEX	NUM	TOTAL CURRENT BALANCE EUROS	CURRENT BALANCE %	WEIGHTED AVERAGE INITIAL TERM (months)	WEIGHTED AVERAGE REMAINING TERM (months)	WEIGHTED AVERAGE MARGIN	Min. CURRENT INTEREST RATE	Max. CURRENT INTEREST RATE
CECA	51	1.898.721,13	0,12	277	151	0,01	5,13	5,63
0,00 - 0,50	51	1.898.721,13	100,00	277	151	0,01	5,13	5,63
<b>1-YEAR EURIBOR</b>	<b>12.789</b>	<b>1.426.520.807,77</b>	<b>92,39</b>	<b>327</b>	<b>297</b>	<b>0,69</b>	<b>3,00</b>	<b>8,00</b>
0,00 - 0,50	1.544	224.721.770,16	15,75	342	325	0,44	3,35	4,58
0,50 - 1,00	8.729	1.006.543.340,85	70,56	330	299	0,66	3,00	5,25
1,00 - 1,50	2.311	182.227.001,38	12,77	303	260	1,08	3,55	6,00
1,50 - 2,00	177	11.514.428,44	0,81	252	221	1,53	4,00	6,75
2,00 - 2,50	16	1.039.795,15	0,07	258	238	2,03	5,31	6,32
2,50 - 3,00	6	281.906,93	0,02	208	185	2,63	5,97	6,56
3,50 - 4,00	6	192.564,86	0,01	200	186	3,75	7,15	8,00
<b>IRPH</b>	<b>1.737</b>	<b>91.007.450,31</b>	<b>5,89</b>	<b>273</b>	<b>204</b>	<b>0,13</b>	<b>3,66</b>	<b>7,25</b>
-0,50 - 0,00	16	712.028,78	0,78	285	203	-0,25	4,25	4,50
0,00 - 0,50	1.506	80.425.756,75	88,37	275	206	0,08	3,66	6,50
0,50 - 1,00	193	9.192.020,72	10,10	265	193	0,51	4,80	5,50
1,00 - 1,50	14	385.425,18	0,42	183	144	1,02	5,00	5,75
1,50 - 2,00	4	159.053,57	0,17	209	183	1,50	5,80	6,23
2,00 - 2,50	3	95.082,64	0,10	132	109	2,00	6,42	6,66
2,50 - 3,00	1	38.082,67	0,04	180	134	2,75	7,25	7,25
<b>1-YEAR MIBOR</b>	<b>679</b>	<b>24.595.995,37</b>	<b>1,59</b>	<b>234</b>	<b>120</b>	<b>1,12</b>	<b>3,71</b>	<b>6,09</b>
0,00 - 0,50	2	118.392,76	0,48	219	98	0,25	4,17	4,34
0,50 - 1,00	58	2.529.394,27	10,28	255	136	0,71	3,71	5,00
1,00 - 1,50	489	16.822.807,86	68,40	219	110	1,07	4,11	5,50
1,50 - 2,00	129	5.093.458,80	20,71	271	145	1,50	4,61	5,75
2,00 - 2,50	1	31.941,68	0,13	240	107	2,00	6,09	6,09
<b>TOTAL</b>	<b>15.256</b>	<b>1.544.022.974,58</b>	<b>100,00</b>	<b>323</b>	<b>289</b>		<b>3,000</b>	<b>8,00</b>

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**AUDITED PORTFOLIO, TDA IBERCAJA 5 ISSUE**  
(Grouped by Current Interest Rate)

CURRENT INTEREST RATE	NUM	TOTAL CURRENT BALANCE EUROS	CURRENT BALANCE %	WEIGHTED AVERAGE INITIAL TERM (months)	WEIGHTED AVERAGE REMAINING TERM (months)	WEIGHTED AVERAGE CURRENT INTEREST RATE	Min. CURRENT INTEREST RATE	Max. CURRENT INTEREST RATE
3,00 - 4,00	894	95.284.488,52	6,17	300	262	3,82	3,00	4,00
4,00 - 5,00	12.509	1.337.424.942,45	86,62	327	296	4,49	4,00	5,00
5,00 - 6,00	1.826	110.080.903,03	7,13	284	224	5,15	5,00	5,97
6,00 - 7,00	20	1.001.993,05	0,06	203	177	6,29	6,00	6,75
7,00 - 8,00	6	177.592,35	0,01	184	162	7,49	7,15	7,81
8,00 - 9,00	1	53.055,18	0,00	240	229	8,00	8,00	8,00
<b>TOTAL</b>	<b>15.256</b>	<b>1.544.022.974,58</b>	<b>100,00</b>	<b>323</b>	<b>289</b>	<b>4,50</b>	<b>3,000</b>	<b>8,00</b>

**AUDITED PORTFOLIO, TDA IBERCAJA 5 ISSUE**  
(Grouped by Current Balance)

CURRENT BALANCE EUROS	NUM	TOTAL CURRENT BALANCE EUROS	CURRENT BALANCE %	WEIGHTED AVERAGE INITIAL TERM (months)	WEIGHTED AVERAGE REMAINING TERM (months)	WEIGHTED AVERAGE CURRENT INTEREST RATE	AVERAGE CURRENT BALANCE EUROS	Min. CURRENT INTEREST RATE	Max. CURRENT INTEREST RATE
0,00 - 15.000,00	115	914.445,96	0,06	199	124	4,65	7.951,70	3,67	5,50
15.000,00 - 30.000,00	1188	28.704.761,69	1,86	197	114	4,77	24.162,26	3,71	7,55
30.000,00 - 45.000,00	1738	65.199.761,73	4,22	227	156	4,69	37.514,25	3,60	7,81
45.000,00 - 60.000,00	1811	94.703.929,96	6,13	252	194	4,62	52.293,72	3,61	8,00
60.000,00 - 75.000,00	1584	106.746.113,92	6,91	271	222	4,54	67.390,22	3,56	6,32
75.000,00 - 90.000,00	1527	125.580.025,52	8,13	287	246	4,51	82.239,70	3,61	5,56
90.000,00 - 105.000,00	1195	115.952.685,77	7,51	306	269	4,49	97.031,54	3,35	6,75
105.000,00 - 120.000,00	1100	123.722.038,02	8,01	321	290	4,46	112.474,58	3,00	6,29
120.000,00 - 135.000,00	910	115.992.039,82	7,51	330	301	4,48	127.463,78	3,56	5,56
135.000,00 - 150.000,00	1013	144.118.709,74	9,33	343	318	4,46	142.269,21	3,50	5,92
150.000,00 - 165.000,00	696	109.483.960,84	7,09	349	324	4,48	157.304,54	3,61	5,86
165.000,00 - 180.000,00	622	107.212.217,75	6,94	358	336	4,48	172.366,91	3,61	5,36
180.000,00 - 195.000,00	467	87.663.939,14	5,68	366	343	4,48	187.717,21	3,50	5,56
195.000,00 - 210.000,00	352	71.075.945,45	4,60	370	348	4,47	201.920,30	3,61	5,29
210.000,00 - 225.000,00	259	56.198.515,17	3,64	372	350	4,48	216.982,68	3,61	5,21
225.000,00 - 240.000,00	171	39.775.285,47	2,58	362	342	4,50	232.604,01	3,71	5,17
240.000,00 - 255.000,00	118	29.176.364,70	1,89	376	355	4,49	247.257,33	3,77	5,12
255.000,00 - 270.000,00	83	21.713.683,88	1,41	373	353	4,47	261.610,65	3,97	5,04
270.000,00 - 285.000,00	68	18.903.096,63	1,22	363	339	4,44	277.986,72	3,56	5,11
285.000,00 - 300.000,00	54	15.788.989,25	1,02	359	340	4,44	292.388,69	3,82	5,01
300.000,00 - 315.000,00	45	13.790.269,60	0,89	363	341	4,44	306.450,44	3,76	5,14
315.000,00 - 330.000,00	30	9.662.938,04	0,63	367	345	4,27	322.097,93	3,61	4,82
330.000,00 - 345.000,00	21	7.082.694,95	0,46	353	333	4,32	337.271,19	3,61	4,71
345.000,00 - 360.000,00	20	7.056.097,73	0,46	357	335	4,31	352.804,89	3,76	4,61
360.000,00 - 375.000,00	16	5.874.838,83	0,38	387	369	4,39	367.177,43	3,81	4,84
375.000,00 - 390.000,00	18	6.831.254,22	0,44	368	345	4,38	379.514,12	4,05	4,82
390.000,00 - 405.000,00	9	3.592.154,83	0,23	318	296	4,54	399.128,31	4,05	5,34
405.000,00 - 420.000,00	7	2.867.891,63	0,19	343	318	4,23	409.698,80	3,61	4,64
420.000,00 - 435.000,00	4	1.726.942,31	0,11	375	361	4,59	431.735,58	4,17	4,87
435.000,00 - 450.000,00	4	1.765.052,50	0,11	345	319	4,32	441.263,13	4,29	4,36
450.000,00 - 465.000,00	5	2.273.095,69	0,15	372	354	4,36	454.619,14	4,12	4,61
465.000,00 - 480.000,00	3	1.405.433,32	0,09	380	361	4,28	468.477,77	4,17	4,41
480.000,00 - 495.000,00	2	971.800,52	0,06	408	396	4,41	485.900,26	4,41	4,41
495.000,00 - 510.000,00	1	496.000,00	0,03	360	350	4,54	496.000,00	4,54	4,54
<b>TOTAL</b>	<b>15.256</b>	<b>1.544.022.974,58</b>	<b>100,00</b>	<b>323</b>	<b>289</b>	<b>4,50</b>	<b>101.207,59</b>	<b>3,000</b>	<b>8,00</b>

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**AUDITED PORTFOLIO, TDA IBERCAJA 5 ISSUE**  
(Grouped by Delinquency)

DELINQUENCY (months)	NUM	TOTAL CURRENT BALANCE EUROS	CURRENT BALANCE %	WEIGHTED INITIAL MATURITY (months)	WEIGHTED RESIDUAL MATURITY (months)	WEIGHTED AVERAGE CURRENT INTEREST RATE	Min. CURRENT INTEREST RATE	Max. CURRENT INTEREST RATE
0	14.483	1.454.074.275,92	94,17	322	288	4,49	3,00	8,00
1	577	66.304.599,28	4,29	329	297	4,63	3,61	6,11
2	146	17.726.399,90	1,15	345	315	4,61	3,71	6,22
3	50	5.917.699,48	0,38	328	296	4,76	3,99	5,86
<b>TOTAL</b>	<b>15.256</b>	<b>1.544.022.974,58</b>	<b>100,00</b>	<b>323</b>	<b>289</b>	<b>4,50</b>	<b>3,000</b>	<b>8,00</b>

**AUDITED PORTFOLIO, TDA IBERCAJA 5 ISSUE**  
(Grouped by Location Property)

PROPERTY PROVINCE	NUM	TOTAL CURRENT BALANCE EUROS	CURRENT BALANCE %	WEIGHTED AVERAGE INITIAL TERM (months)	WEIGHTED AVERAGE REMAINING TERM (months)	WEIGHTED AVERAGE CURRENT INTEREST RATE	Min. CURRENT INTEREST RATE	Max. CURRENT INTEREST RATE
ALAVA	12	1.712.231,33	0,11	346	329	4,33	3,94	4,81
ALBACETE	27	2.093.204,21	0,14	317	286	4,49	3,76	5,09
ALICANTE	265	28.166.564,61	1,82	317	292	4,43	3,55	6,42
ALMERIA	25	3.375.202,91	0,22	335	320	4,50	3,72	5,22
ASTURIAS	95	9.680.232,03	0,63	342	319	4,44	3,61	5,06
AVILA	11	1.291.361,58	0,08	381	363	4,44	4,25	4,75
BADAJOS	18	1.904.787,22	0,12	374	355	4,44	4,12	5,16
BALEARES	22	3.646.266,67	0,24	366	344	4,53	4,00	5,02
BARCELONA	948	125.694.677,67	8,14	354	317	4,58	3,00	5,75
BURGOS	78	7.619.973,17	0,49	337	300	4,37	3,63	5,34
CACERES	83	10.255.446,63	0,66	310	284	4,54	3,81	5,04
CADIZ	22	2.712.119,15	0,18	381	363	4,52	4,22	4,91
CANTABRIA	26	3.171.578,48	0,21	298	274	4,37	3,61	5,05
CASTELLON	378	32.132.769,27	2,08	308	274	4,61	3,61	5,73
CIUDAD REAL	15	1.546.063,04	0,10	356	329	4,64	3,72	5,11
CORDOBA	39	5.169.853,52	0,33	346	319	4,44	3,77	4,96
CUENCA	19	1.893.733,54	0,12	338	316	4,57	4,07	5,11
GERONA	27	2.834.730,99	0,18	344	313	4,57	3,67	5,75
GRANADA	33	3.927.358,63	0,25	371	349	4,53	3,96	5,44
GUADALAJARA	1.299	113.883.749,89	7,38	304	266	4,53	3,61	5,60
GUIPUZCOA	3	249.887,75	0,02	310	265	4,91	4,54	5,25
HUELVA	4	308.122,93	0,02	310	293	4,48	4,36	4,79
HUESCA	772	57.079.074,38	3,70	293	257	4,62	3,71	7,81
JAEN	36	3.694.332,92	0,24	366	345	4,56	4,20	5,11
LA CORUÑA	20	3.083.155,54	0,20	345	326	4,25	3,35	4,64
LAS PALMAS	61	6.818.264,25	0,44	334	306	4,51	3,71	5,29
LEON	44	4.333.255,83	0,28	361	344	4,42	3,81	5,22
LERIDA	369	34.146.525,25	2,21	338	303	4,62	3,72	7,47
LOGROÑO	420	34.204.063,40	2,22	306	274	4,48	3,56	8,00
LUGO	1	79.245,30	0,01	184	164	4,56	4,56	4,56
MADRID	4.328	472.390.095,44	30,59	318	282	4,49	3,41	6,56
MALAGA	34	5.233.077,31	0,34	377	354	4,51	3,71	4,89
MURCIA	58	6.920.255,85	0,45	347	326	4,48	3,66	5,00
NAVARRA	223	25.372.261,72	1,64	336	299	4,42	3,61	6,11
ORENSE	34	3.697.172,92	0,24	367	350	4,32	3,72	4,69
PALENCIA	4	263.125,13	0,02	220	175	4,29	3,76	5,25
PONTEVEDRA	26	4.284.484,72	0,28	390	376	4,36	3,61	5,25
S. C. DE TENERIFE	16	1.632.468,80	0,11	313	273	4,42	3,81	5,05
SALAMANCA	20	2.385.089,24	0,15	311	294	4,43	3,97	4,69
SEGOVIA	13	1.513.186,35	0,10	338	317	4,53	4,17	4,84
SEVILLA	65	7.130.343,48	0,46	348	326	4,44	4,02	5,16
SORIA	72	4.884.710,09	0,32	296	251	4,44	3,50	5,25
TARRAGONA	425	38.609.635,06	2,50	325	287	4,54	3,56	5,56
TERUEL	212	15.139.722,74	0,98	291	255	4,67	3,86	7,75
TOLEDO	249	27.849.939,91	1,80	336	309	4,57	3,82	5,56
VALENCIA	1.136	109.139.343,59	7,07	328	296	4,51	3,61	6,56
VALLADOLID	31	3.622.891,80	0,23	319	294	4,21	3,61	4,84
VIZCAYA	8	1.287.448,76	0,08	373	349	4,37	3,85	4,80
ZAMORA	4	478.717,29	0,03	301	284	4,42	4,31	4,57
ZARAGOZA	3.126	305.481.172,29	19,78	320	288	4,45	3,56	6,32
<b>TOTAL</b>	<b>15.256</b>	<b>1.544.022.974,58</b>	<b>100,00</b>	<b>323</b>	<b>289</b>	<b>4,50</b>	<b>3,000</b>	<b>8,00</b>



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### **2.2.3 Legal nature of the assets**

As indicated previously, all the assets will be Mortgage Loans that will be transferred to the Fund by IBERCAJA through the issue of Participations and Certificates. Of the audited portfolio, ten thousand nine hundred and sixty-five (10,965) Mortgage Loans, with a balance, as at 11 April 2007, of one thousand twelve million two hundred and seventy-seven thousand nine hundred and fifty-eight euros and fifty-five eurocents (€1,012,277,958.55), that represent 65.56%, are Participations; four one thousand two hundred and ninety-one (4,291) Mortgage Loans, with a balance, as at 11 April 2007, of five hundred and thirty one million seven hundred and forty five thousand and sixteen euros and three eurocents (€531,745,016.03), that represent 34.44%, are Certificates.

The Mortgage Loans are divided into two categories, in line with their characteristics:

- a) Mortgage Loans that meet the requirements of Section Two of the Ley del Mercado Hipotecario 2/1981, of 25 March (Mortgage Market Act - the "**Ley del Mercado Hipotecario**") and that are sold to the Fund through the issue the Mortgage Participations.
- b) Mortgage Loans that do not meet the requirements of Section Two of the Ley del Mercado Hipotecario and are transferred to the Fund through the issue of the Mortgage Transfer Certificates, pursuant to section 18 of Law 44/2002.

The Mortgage Loans have been granted before a notary public and registered at the Land Registry, and can be foreclosed in accordance with the provisions of Title IV of Book III of the Ley de Enjuiciamiento 1/2000, of 7 January (Civil Procedural Act).

### **2.2.4 Dates in relation to the Mortgage Loans**

Each Mortgage Loan in the portfolio has a maturity date, without prejudice to the possibility of its early redemption, in accordance with the special terms and conditions stipulated in each one. Section 2.2.2 of this Additional Building Block contains a chart with the distribution of the Mortgage Loans according to their residual maturity in months. The last regular redemption date of the Mortgage Loans is 30 September 2046 .

### **2.2.5 Amount of the assets**

On the Incorporation Date, the amount of the Participations and the Certificates will be Eur. 1,200,000,000 or slightly less, equivalent to the nominal amount of the Series A1, A2, B, C and D Bond issue. The Participations and the Certificates that will be sold to the Fund will be withdrawn from the loans in the portfolio audited as at 11 April 2007, which consists of fifteen thousand two hundred and fifty-six (15,256) mortgage loans with an Outstanding Nominal Balance of one thousand five hundred and forty-four million twenty-two thousand nine hundred and seventy-four euros and fifty-eight eurocents (€1,544,022,974.58)

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## 2.2.6 Loan to value ratio or level of collateralisation

### AUDITED PORTFOLIO, TDA IBERCAJA 5 ISSUE (Grouped by Loan to Value)

LOAN TO VALUE RATIO	NUM	TOTAL CURRENT BALANCE EUROS	CURRENT BALANCE %	WEIGHTED AVERAGE INITIAL TERM (months)	WEIGHTED AVERAGE REMAINING TERM (months)	WEIGHTED AVERAGE CURRENT INTEREST RATE	WEIGHTED AVERAGE LOAN TO VALUE RATE	Min. CURRENT INTEREST RATE	Max. CURRENT INTEREST RATE
0,00 - 10,00	109	1.507.445,33	0,10	187	137	4,51	8,08	3,72	7,47
10,00 - 20,00	457	14.549.567,53	0,94	207	158	4,55	16,33	3,67	5,80
20,00 - 30,00	1.174	55.724.298,29	3,61	228	181	4,52	26,05	3,41	6,66
30,00 - 40,00	1.626	101.997.054,44	6,61	251	206	4,51	35,27	3,61	6,29
40,00 - 50,00	1.572	122.779.085,62	7,95	277	235	4,50	45,40	3,00	7,15
50,00 - 60,00	1.882	174.170.429,49	11,28	295	255	4,48	55,37	3,50	7,75
60,00 - 70,00	2.476	243.105.367,68	15,74	303	261	4,48	65,39	3,56	8,00
70,00 - 80,00	3.375	432.408.534,50	28,01	339	310	4,45	75,07	3,61	6,22
80,00 - 90,00	929	131.638.996,69	8,53	363	337	4,56	85,33	3,50	5,75
90,00 - 100,00	1.643	264.370.099,01	17,12	388	366	4,59	95,96	3,71	7,81
100,00 - 110,00	13	1.772.096,00	0,11	378	339	4,67	100,00	4,50	5,02
<b>TOTAL</b>	<b>15.256</b>	<b>1.544.022.974,58</b>	<b>100,00</b>	<b>323</b>	<b>289</b>	<b>4,50</b>	<b>68,43</b>	<b>3,000</b>	<b>8,00</b>



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## **2.2.7 Asset creation method**

As indicated in section 2.2.2. of this Additional Building Block, the Mortgage Loans were granted by the Seller to natural persons for the purposes of the purchase, construction or rehabilitation of dwellings located in Spain or other types of purposes. The Mortgage Loans are secured by a first-class real estate mortgage raised on the fee simple ownership of each and every one of the properties in question, valued by a valuation company. Some of the said Mortgage Loans have been subrogated to private individuals from financing granted to developers. On the Incorporation Date, there will be no disputes of any kind relating to the Mortgage Loans that might impair the validity thereof.

The percentage of loans of the portfolio audited as at 11 April 21007 that have been granted for financing purposes other than the financing of the acquisition, construction or rehabilitation of dwellings does not exceed 9.90% of the Outstanding Balance. The Seller does not have a methodology other than the one described below for the granting of loans for purposes other than the purchase, construction or rehabilitation of dwellings.

The Mortgage Loans have been granted by the Seller, in keeping with its routine procedures, which are described in the document "Memo on Granting of Mortgage Loans", that is attached to the Articles of Incorporation, and which are summarised below:

### *a) Description of the process*

At the customer's request, the branch conducts a preliminary analysis and valuation with a view to the approval of the mortgage loan transaction.

Customers are always attended either by the sales representative or the branch manager.

IBERCAJA receives the customer's loan application in one of the following ways:

- a) The applicant is already an Ibercaja customer.
- b) The applicant is not an Ibercaja customer and is introduced by another customer, either because they are acquaintances or relatives, or because the applicant is going to buy the house that our customer is selling and needs to finance the transaction.
- c) The applicant is not an Ibercaja customer, but is applying after seeing an Ibercaja mortgage loan marketing campaign. Other times, new customers come to Ibercaja because they belong to groups (civil servants, employees of large companies, members of associations, etc.) with which the bank has signed agreements that include special terms and conditions for homebuyers.
- d) The application is filed by an estate agent.
- e) The applicant is buying a house whose construction has been financed by Ibercaja by granting a loan to the property developer (subrogated).

### *b) Loans granted directly (individual mortgagor)*

During the first interview with customers, Ibercaja normally obtains information about the house that they wish to buy or renovate, if the house has to be bought by a certain date, financing needs, availability of previous savings, if they have been offered mortgages by other banks, and in return customers are given information about Ibercaja's range of products. In particular, customers are given:

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- A leaflet with information about the financial terms and conditions of mortgage loans, in accordance with the Ministerial Order dated 05/05/94, regarding the transparency of the financial terms of conditions of mortgage loans (a model is enclosed).

- Features of the types of mortgage loans best suited to the customer's profile (Product presentation card. In the case of some of the portfolio loans, the loan agreements stipulate a bonus differential system which is related to the products that can help to obtain that bonus, as setting up a direct debit for the salary or regular payments, insurance agreements, etc.)

- Simulated repayment schedule.

- Estimate of approximate costs.

At this point, the customer may decide to apply for the mortgage, or else think about it and compare different offers. In this latter case, the branch keeps in touch with the customer to monitor the situation. Once the customer has decided to apply for the mortgage and has submitted the documentation and information requested by Ibercaja, the branch starts processing and examining the application.

The customer has to furnish the following documents:

#### **For salaried workers**

- Photocopy of the Identity Card/Tax Identification Number of all the parties involved.
- Last two payslips or wages certificate.
- Last Income Tax return.
- Wealth Tax return (where applicable).
- Documentary justification of the origin and destination of the transaction (contract of sale, estimate, investment project, list of payments, etc.)
- Photocopy of the property deed of the building to be mortgaged or, where applicable, of the new works certificate/deed.
- Proof of payment of Property Tax.
- Up-to-date simple note issued by Land Registry.
- Photocopy of the marriage articles registered in the civil registry (where applicable).
- Photocopy of the court ruling filed in the Civil Registry if a court has issued a separation order or decree absolute.

**For professionals and self-employed workers** In addition to any of the aforementioned documents that apply to them:

- Social security contributions, VAT returns for the current year and summary for the previous year.
- Quarterly income returns, if they are under the obligation to file them with the Tax Office.

When the customers decide to apply for the loan and furnish all the documents and information requested, the branch office starts to process and analyse the application. The branch processes the application in an automated fashion, requesting a property valuation, information from the CIRBE (Bank of Spain Central Risk Information Database) and the RAI Credit Bureau, as well

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as the legal report issued by the Bank's Legal Department, which describes the properties, the legal status of the parties involved and a summary of how to proceed with the transaction to ensure that it is legally correct.

When all the information has been obtained, a loan viability analysis is conducted that includes the use of a scoring programme. The main criterion underlying a decision to grant a loan is the customer's capacity to repay the loan on time, and any additional security or collateral is considered to support the transaction, but under no circumstances as a decision-making criterion.

When all the information has been obtained, the branch office decides whether or not to grant the loan, if it is authorised to do so, or else submits the transaction for approval at a higher decision-making level authorised to do so.

When the transaction has been authorised at the pertinent level, all the relevant documents are drawn up, the deed is signed in the presence of a Notary Public and all the legal formalities necessary for the transaction to be considered properly entered into are completed.

Once a customer has furnished all the required documents, the transaction can be carried out within eight to ten days.

*c) Developer (subrogated mortgages)*

In the case of subrogated loans, it is the property developer who gives IBERCAJA a list of the homebuyers, as well as a copy of the private contracts of sale. The branch office handles the formalities with the customers, securing their prior commitment to be subrogated to the mortgage and requests the documents it needs to analyse the transaction.

## **2.2.8 Indication of declarations and warranties given to the issuer relating to the assets**

The Seller, as owner of the Mortgage Loans, will declare and guarantee to the Fund and the Sociedad Gestora in the Articles of Incorporation, with respect to itself, to the Participations and the Certificates that it will issue and with respect to the Mortgage Loans in which the Participations and Certificates that it issues will participate, on the date of the Constitution of the Fund:

### **2.2.8.1. Representations of the Seller in its own respect:**

1. That it is a credit institution duly established in accordance with current legislation, is registered in the Mercantile Registry and in the Register of Credit Institutions of the Bank of Spain and is authorised to participate in the mortgage market.
2. That at no time since its incorporation nor on the date hereof has it been in a situation of bankruptcy or insolvency or in any situation which at its liability could lead to the revocation of its authorisation as a credit institution.
3. That it has obtained all of the administrative and corporate authorisations required to sell the Mortgage Loans to the Fund by issuing the Participations and the Certificates, for the valid granting of the Articles of Incorporation and of the commitments undertaken therein and for the execution of the other contracts related to the incorporation of the Fund.
4. That it has consolidated, individual audited annual accounts for the financial years ended as at 31 December 2004, 31 December 2005, and 31 December 2006, with a favourable opinion from the Auditors in, at least, the report issued with respect to the

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financial year ended 31 December 2006, and that it has filed such annual accounts with the CNMV and the corresponding Mercantile Registry.

5. That it complies with current data protection legislation.

**2.2.8.2. Representations of the Seller with regard to the Mortgage Loans mobilised through the portfolio of Participations and Certificates that will be pooled in the Fund.**

1. That the Mortgage Loans exist, are valid and enforceable in accordance with current legislation, and that all of the applicable legal provisions have been respected in the granting thereof.
2. That the Seller is the fee simple owner of all the Mortgage Loans, and there is no impediment to it issuing the Participations and the Certificates that represent Mortgage Loans, or otherwise such consent has been obtained.
3. That the information given about the Credit Rights in Appendix 6 to the Articles of Incorporation will correctly reflect their status on the Incorporation Date, as is described in the computer files sent about the loans, and that such information is correct, complete and not misleading. Any other additional information about the nature of the Seller's mortgage loan portfolio given in this prospectus or notified to the Sociedad Gestora is correct, according to the information about such loans included in the computer files or in the documentation of the Seller and is not misleading. Furthermore, any information the Credit Rights that might, in any way, have a bearing upon the financial or legal structure of the Fund has been sent to the Sociedad Gestora.
4. That all the Mortgage Loans accrue interest at variable rates, even though fixed rates may have been agreed during the initial period. No maximum limit for interest rate has been established for the Mortgage Loans.
5. That the Mortgage Loans backing the issue of Mortgage Participations have been granted to natural persons, who are not employees of the Seller, for the purposes of the purchase, construction or rehabilitation of dwellings located in Spain. That the Mortgage Loans backing the issue of Mortgage Transfer Certificates have been granted to natural persons, who are not employees of the Seller, for the purposes of the purchase, construction or rehabilitation of dwellings located in Spain or for other purposes.

Some of the said loans have been subrogated to private individuals from financing granted to developers.
6. That all the Mortgage Loans are secured by a first-class real estate mortgage raised on the fee simple ownership of each and every one of the properties in question, without the mortgaged properties being encumbered by disposal prohibitions, conditions subsequent or any other ownership constraints with preference to the mortgage.
7. That all the mortgages have been properly raised and registered in the pertinent Land Registries and the registration details match the details given in the Articles of Incorporation of the Fund and in the corresponding Multiple Certificates. The registration of the mortgaged properties is valid and free of any contradiction and is not subject to any preferential limitation upon the mortgage in accordance with applicable regulations.
8. That the mortgages have been raised on properties of which the Mortgagors are the full fee simple owners, that they meet the requirements set forth in article 27 of Royal

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Decree 685/1982, of 17 March, developing the Mortgage Market Act (**"Royal Decree 685/1982"**), and the Seller has no knowledge of any disputes relating to the ownership of such properties.

9. That all the mortgaged dwellings are completed dwellings and have been appraised by Valuation Companies registered with the Bank of Spain, evidence of the valuation being furnished in the form of the pertinent certificate. The valuations comply with all the requirements established in the laws governing the mortgage market.
10. That, in the case of loans granted for the purchase of Officially Subsidised Housing, the appraised value considered for the purposes of all the calculations, has been the maximum legal sale price.
11. That the Outstanding Nominal Balance of each of the Mortgage Loans backing the Participations will not exceed 80% of the appraised value of the properties mortgaged to secure the corresponding Mortgage Loan, on the date of issue of such Participations.
12. That the Outstanding Nominal Balance of each of the Mortgage Loans backing the Certificates will not exceed 100% of the appraised value of the properties mortgaged to secure the corresponding Mortgage Loan, on the date of issue of such Certificates.
13. That the Seller has no knowledge of the value of any mortgaged property having dropped by more than 20% of the appraised value.
14. That the buildings upon which the mortgage guarantee has been raised have (i) a material damage insurance policy, in which the sum insured is not less than, either the appraised value, excluding any elements not insurable by nature, in the case of the loans backing the Participations, or else the balance of the loan, or the appraised value, excluding any elements not insurable by nature, on 11 April 2007, in the case of the loans backing the Certificates, or (ii) if the cover referred to in point (i) above does not exist or if the sum insured is insufficient, the Seller has taken out a global supplementary and subsidiary insurance policy that guarantees material damage insurance coverage.
15. That the information relating to the material damage insurance policies taken out by the Mortgagors, and to any other appendant right to the Mortgage Loans is accurate and gives a true and fair view of the actual situation.
16. That the Seller has no knowledge that the premiums for the insurance policies taken out and referred to in points (14) and (15) supra have not been paid in full.
17. That the properties mortgaged by virtue of the Mortgage Loans are not considered as property ineligible for use as collateral under article 31.1.d) of Royal Decree 685/1982, and the Mortgage Loans do not meet any of the characteristics of credit facilities that are restricted or prohibited under article 32 of Royal Decree 685/1982 to secure the issue of the Participations and the Certificates.
18. That the Mortgage Loans have been granted in accordance with market criteria.
19. That the policy set out in the document entitled "Internal Memo on Granting of Mortgage Loans" that is attached to the Articles of Incorporation has been followed faithfully, and is the policy normally used by the Seller in granting Mortgage Loans and is legal.
20. That the Mortgage Loans have been executed in a public deed.

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21. That all the deeds of the mortgages raised on the dwellings and to which the Mortgage Loans refer to are correctly deposited at the registered offices of the Seller, where they are available to the Sociedad Gestora. All the Loans are clearly identified both in computer records and in their deeds and are analysed and monitored by the Seller.
22. That all the Mortgage Loans have been and are being serviced by the Seller, from the time of their granting or subrogation in favour of IBERCAJA, in accordance with the procedures normally used by the latter in servicing mortgage loans.
23. That there are no disputes of any kind relating to the Mortgage Loans that might impair the validity thereof or that might give rise to the application of article 1,535 of the Civil Code, and that they are unaware of the existence of any circumstances that might render null and void the purchase contract regarding the dwelling mortgaged to secure the Mortgage Loans.
24. That none of the Mortgage Loans will have, on the Incorporation Date, payments in arrears by more than 30 days.
25. That the Seller has no knowledge of the Mortgagors holding any credit right against the Seller that entitles the Mortgagors to a setoff such as could adversely affect the rights conveyed the Participations and the Certificates.
26. That it is not aware that any of the borrowers is entitled to contest, with respect to the Seller, the payment of any amount relating to the Mortgage Loans.
27. That the Seller has not received, on the Incorporation Date, any notice regarding the full early redemption of the Mortgage Loans.
28. That it is not aware of any circumstance that would hinder foreclosure of the mortgage security underlying the Mortgage Loans.
29. That it is not aware that anybody has any right senior to the rights of the Fund as holder of the Participations and the Certificates, to collect the amounts derived from the Mortgage Loans, except for legal preferential rights.
30. That as regards the Mortgage Loans, the maximum level of risk granted to a single borrower (defined as the sum of the outstanding balances of all the loans granted to a single borrower) does not, as at 11 April 2007, exceed six hundred and thirty-two thousand six hundred and thirty-five euros and thirty-nine cents (€632,635.39).
31. That the Mortgage Loans are not subject to any issue of mortgage-backed bonds and, as from the issue of the Participations and the Certificates, will not be subject to any issue of mortgage-backed certificates, bonds or other mortgage participations or mortgage transfer certificates.
32. That the Participations and the Certificates are issued for the same term to maturity and at the same interest rate as each of the underlying Mortgage Loans.
33. That on the day of the issue, the Outstanding Nominal Balance of each of the Mortgage Loans is equivalent to the nominal amount of the Participation or Certificate to which it relates.
34. That the last regular redemption date of the mortgage loans is 30 September 2046.
35. That the information about the Participations, the Certificates and the Mortgage Loans given in the Prospectus is accurate and gives a true and fair view of the actual situation.

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36. That all the Mortgage Loans are denominated in euros, are payable exclusively in euros, and do not include any clauses that permit the deferral of the periodic payment either of interest or of principal.
37. That the payment obligations of all the Mortgage Loans are satisfied by means of direct debit to a bank account, interest and capital payments being made on a monthly basis.
38. That on the Incorporation Date, at least two principal instalments have fallen due on each of the Mortgage Loans, and in all of them, all the capital has been drawn down.
39. That, notwithstanding the contents of representation number 5 ut supra, none of the Mortgage Loans represent financing granted to real estate developers for the construction or rehabilitation of dwellings that will be put on sale.
40. That, once the Participations and the Certificates have been issued, the volume of certificates issued by the Seller and that are outstanding will not exceed 90% of the total unredeemed capital of the mortgage loan portfolio suitable to cover the issue, in accordance with the provisions of articles 59 and 60 of Royal Decree 685/1982.

#### **2.2.9 Substitution of the securitised assets**

In the exceptional event that, after the Incorporation Date and, notwithstanding the declarations made by each Seller and the diligence exercised by the latter in ensuring their truthfulness, it is found, during life of the Fund, that one of the Participations and/or Certificates or that one of the Mortgage Loans upon which the latter have been issued, did not conform, on the Incorporation Date of the Fund, to the declarations made in section 2.2.8. of this Additional Building Block or to the facts about which it states, in such section, that it is not aware and set forth in the Articles of Incorporation, the Seller undertakes as follows

- (A) To substitute the Participation and/or Certificate in question with another of similar financial characteristics, in terms of the amount, residual term, interest rate, characteristics of the mortgagor and mortgaged property and current balance/appraised value ratio, that is accepted by the Sociedad Gestora, reported to the Rating Agencies and provided that it does not affect the Bond ratings granted by such Agencies.

The amounts accrued and unpaid until the date of substitution of the Participation and/or Certificate that is to be substituted, must be paid to the Fund by the Seller, in its capacity as servicer, at the time that such Participation and/or Certificate is substituted.

Be that as it may, when Substitution a Participation and/or Certificate, the Sellers must attest that the substitute Participation and/or Certificate conforms to the declarations set forth in section 2.2.8. of this Additional Building Block.

As soon as the Seller learns that one of the Participations and/or Certificates that it has issued or that one of the Mortgage Loans underlying them does not conform the aforementioned declarations, it will report the matter to the Sociedad Gestora and indicate the mortgage loans with respect to which it intends to issue new mortgage participations and/or mortgage transfer certificates to substitute the ones affected. If any Participation and/or Certificate is substituted, pursuant to the provisions of this paragraph, the Seller will proceed to issue a new Multiple Certificate that will be exchanged for the certificate that was issued on the Incorporation Date.

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The Seller undertakes to formalise the substitution of the Participations and the Certificates in an affidavit and in the manner and time frame stipulated by the Sociedad Gestora, and to furnish any related information that the Sociedad Gestora deems necessary. The substitution will be reported to the Rating Agencies and a copy of the deed will be sent to the CNMV.

- (B) In addition to the obligation assumed in point (A) ut supra and whenever the substitution stipulated therein is not possible because the mortgage loans available are not homogeneous with the securitised portfolio in terms of the amount, the class, the residual term, the interest rate, the characteristics of the mortgagor, the characteristics of the mortgaged property, or current balance/appraised value ratio, the Seller undertakes to proceed to the early redemption of the Participation and/or Certificate in question, by reimbursing, in cash, both the outstanding capital of the Participation and/or Certificate in question and the interest accrued and unpaid to date, as well as payable any other amount owing to the Fund with respect to the Participation and/or Certificate in question, by depositing it in the Fund. The Sociedad Gestora will use the amounts received from the early redemption of the Participations and/or Certificates affected by the aforementioned circumstances, to redeem the Bonds on the next Payment Date, subject to the Payment Priority Order described in section 3.4.6.2 of this Additional Building Block.

In particular, should the Seller modify the terms and conditions of the Mortgage Loans during their lifetime without complying with the limits established in the special legislation applicable and with the terms agreed between the Fund and the Seller in the Articles of Incorporation of the Fund and in this Prospectus, in section 3.7.1. of this Additional Building Block and, therefore, such modification be absolutely exceptional, the Seller would be considered in unilateral breach of its obligations and the Fund will not be held responsible. In the event of such breach, the Fund, through the Sociedad Gestora, will be entitled to (i) seek damages and (ii) seek the substitution or reimbursement of the Participations and/or Certificates in question, pursuant to the provisions of letters (A) and (B) supra. This will not imply that the Seller guarantees the success of the transaction, but the necessary redress of the effects caused by the breach of its obligations, pursuant to article 1,124 of the Civil Code. The expenses originating from the actions to remedy the breach of the Seller will be borne by the latter and may not be recovered from the Fund. The Sociedad Gestora will immediately notify the CNMV whenever loans are substituted or redeemed as a result of breach by the Seller.

## **2.2.10 Insurance policies in relation to the Mortgage Loans**

In accordance with representation (14), all the buildings upon which the mortgage guarantee has been raised have (i) a material damage insurance policy, in which the sum insured is not less than, either the appraised value, excluding any elements not insurable by nature, in the case of the loans backing the Participations, or else the balance of the loan, or the appraised value, excluding any elements not insurable by nature, on 11 April 2007, in the case of the loans backing the Certificates, or (ii) if the cover referred to in point (i) above does not exist or if the sum insured is insufficient, the Seller has taken out a global supplementary and subsidiary insurance policy that guarantees material damage insurance coverage.

At the same time, IBERCAJA will formalise the transfer, associated to the issue of the Participations and the Certificates, of its rights as the beneficiary of the material damage insurance policies taken out by the Mortgagors or any other insurance policy that affords



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equivalent coverage. Therefore the Fund, insofar as it is the owner of the Participations and the Certificates, will be entitled to any amounts that IBERCAJA should have received on these grounds.

**2.2.11 Information on the debtors where the securitised assets include obligations of five or fewer debtors which are legal persons, or if a single debtor accounts for more than 20% of the assets, or where a single debtor accounts for a material portion of the assets.**

Not applicable.

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

There are none.

**2.2.13 Where the assets comprise fixed income assets, description of the principal terms and conditions.**

Not applicable.

**2.2.14 Where the assets include equity securities, description of the principal terms and conditions.**

Not applicable.

**2.2.15 Where more than 10% of the securitised assets comprise equity securities that are not traded on a regulated or equivalent market, a description of the principal terms and conditions.**

Not applicable.

**2.2.16 A valuation report setting out the valuation of the property and the cash flow / income streams if an important part of the assets is backed.**

It is expressly declared that the buildings backing the Mortgage Loans have not been appraised on the occasion of this issue, such that the valuations of them described in section 2.2.2 of this Additional Building Block, are the valuations conducted by the Valuation Companies on the original date of the granting of the Mortgage Loans.

**2.3 Actively managed pool of assets backing the Issue**

Not applicable.

**2.4 Where an 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.**

Not applicable.

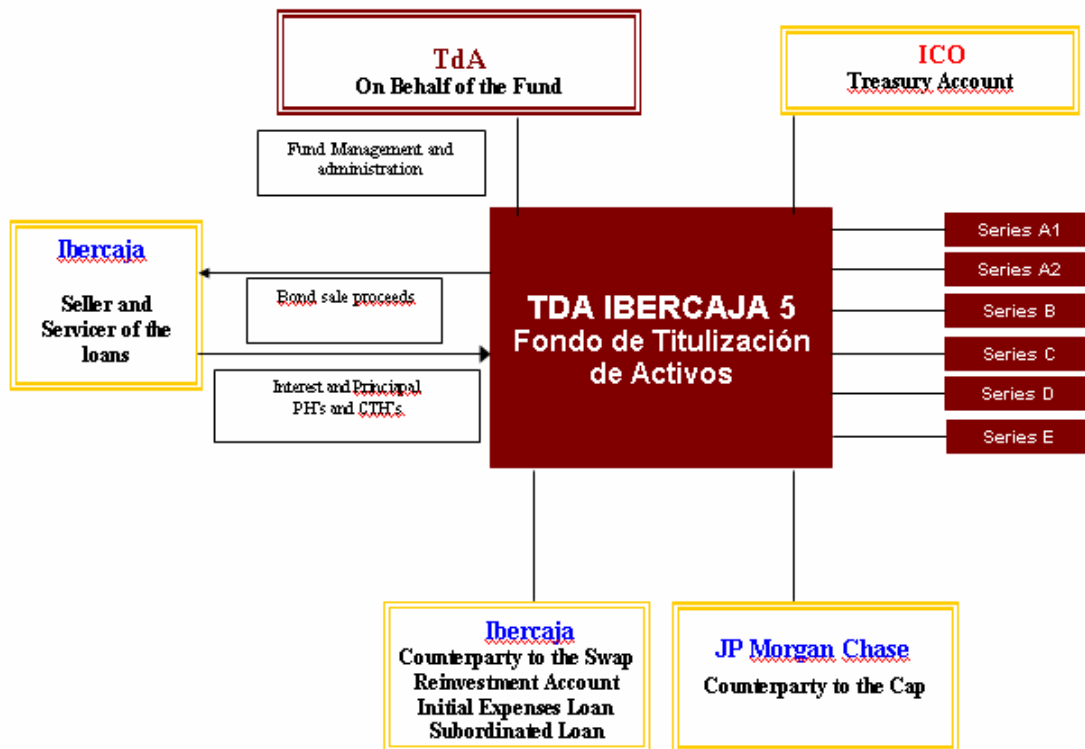
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### 3. STRUCTURE AND CASH FLOW

#### 3.1 Description of the structure of the transaction



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The initial balance sheet\* for the Fund will be as follows:

<b>FUND BALANCE SHEET (at source)</b>			
<b>EUROS</b>			
<b>ASSETS</b>		<b>LIABILITIES</b>	
Mortgage Participations	823,504,241.07	Series A1	150,000,000.00
		Series A2	1,002,000,000.00
Mortgage Transfer Certificates	376,495,758.91	Series B	32,400,000.00
		Series C	10,800,000.00
		Series D	4,800,000.00
		Series E	7,000,000.00
Cash			
Reserve Fund	7,000,000.00		
Initial Capitalised Expenses	1,500,000.00	Initial Expenses Loan	1,500,000.00
Other deposits	0.02		
<b>TOTAL ASSETS</b>	<b>1,208,500,000.00</b>	<b>TOTAL LIABILITIES</b>	<b>1,208,500,000.00</b>
Shortfall Funds	5,000,000.00	Bridge Loan (available 23/08/2007)	5,000,000.00

(\*): In preparing the Balance Sheet, it has been considered that the amount of the Participations and Certificates is one thousand two hundred million euros (€1,200,000,000). However on the Incorporation Date, the amount of the Mortgage Loans sold to the Fund through the issue of the Participations and Certificates will be equal to or slightly less than Eur. one thousand two hundred million (€1,200,000,000).

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

The entities participating in the issue, as well as the description of their functions, are contained in sections 5.1 and 5.2. of the Registration Document.

### **3.3 Description of the method and date of the sale, transfer, novation, assignment of the assets, or of any right and/or obligation in the assets to the Fund.**

#### **3.3.1 General terms for the issuance and subscription of the Participations and the Certificates.**

The Mortgage Loans will be transferred to the Fund through the issue of the Participations and the Certificates by the Seller and their subscription by the Sociedad Gestora on behalf of the Fund pursuant to the Articles of Incorporation and to this Prospectus. The

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Participations and the Certificates will be issued in an amount equal to or slightly less than Eur. one thousand two hundred million (€1,200,000,000 ), equivalent to the nominal amount of the Series A1, A2, B, C and D Bond issue, with each Participation and Certificate referencing the 100% participation in the outstanding principal of each of the Mortgage Loans, and accruing interest at a rate equal to the nominal interest rate accrued by each corresponding Mortgage Loan.

The full and unconditional assignment to the Fund of the credit rights which are derived from the Mortgage Loans, with the exceptions noted in section 3.3.3. of this Additional Building Block, by means of the issue of the Participations and the Certificates, will take place on the Incorporation Date for the remaining term to maturity of said Loans, with no agreement of any kind to repurchase on the part of the Seller. The Participations and the Certificates will begin to accrue the corresponding interest, beginning on the Incorporation Date (inclusive), that is to say, 11 May 2007, and therefore the interest accrued on the Mortgage Loans beginning on the Incorporation Date will be for the benefit of the Fund.

The Seller will not assume any responsibility whatsoever for non-payment by the mortgagors, whether for principal, interest, or any other amount which the Mortgagors may owe pursuant to the Mortgage Loans. Likewise, it will not be held liable, in any form whatsoever, for directly or indirectly guaranteeing the successful conclusion of this transaction, nor will it grant collateral or bank guarantees, nor will it enter into agreements to repurchase the Participations and the Certificates, whether pursuant to the Articles of Incorporation, or to this Prospectus, or to any other agreement or contract.

The Seller will warrant to the Fund the existence and validity of the Mortgage Loans in the same manner as specified by articles 348 of the Commercial Code and 1,529 of the Civil Code.

The conveyance of the Participations and the Certificates is restricted to qualified investors.

### **3.3.2 Issue price of the Participations and the Certificates**

The Sociedad Gestora, on the Incorporation Date, will subscribe to 100% of the Participations and the Certificates on behalf of the Fund.

The price of the Participations and the Certificates will be the full Outstanding Nominal Balance of the Mortgage Loans on the Incorporation Date and will be paid by the Sociedad Gestora, on behalf of and for the account of the Fund, to the Seller, on the Disbursement Date, that is to say, 17 May 2007.

In the event of termination of the incorporation of the Fund and, consequently, of the issue and subscription of the Participations and of the Certificates, (i) the obligation of the Fund to pay for the Participations and the Certificates will be extinguished, and (ii) the Sociedad Gestora will be obligated to restore to the Seller any right which may have accrued to the Fund by the subscription of the respective Participations and Certificates.

### **3.3.3 Description of the rights conferred upon the Fund for the subscription of the Mortgage Loan Participations and Certificates.**

The Fund, as legal holder of the Participations and the Certificates, will hold the rights generally recognised by applicable law and in the Participations and the Certificates. Specifically, the Fund will be entitled to receive the payments which, beginning on the Incorporation Date, are

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made by the Mortgagors, with the exceptions noted in the following paragraph, as well as any other payments arising from the Mortgage Loans, whenever they are made in accordance with the Participations and Certificates. The Participations and the Certificates will start to accrue interest in favour of the Fund from the Incorporation Date.

In addition to the payments made by the Mortgagors, the Fund will be entitled to any other payment received by the Seller on the Mortgage Loans, as servicer of these loans, including those arising from any right related to the loan such as those payments arising from insurance policies, payments made by possible guarantors, etc., with the exception of default interest, fees for the collection of unpaid amounts, assumption fees, early redemption/cancellation fees, as well as any other fee or payment to which the Seller is entitled.

In addition, the Fund will be entitled to receive amounts, goods, or rights as payment of principal or interest on the Mortgage Loans, whether based on liquidation price or an amount determined by a court order or other enforcement action of a mortgage guarantee, by the transfer or liquidation of the real estate awarded or as a consequence of the aforementioned enforcement actions, as the acting servicer and manager of the properties in the process of foreclosure. The Seller agrees to provide the appropriate notifications that, depending on the case, are needed in order for said payments to be made to the Sociedad Gestora.

The Seller will exercise reasonable effort in order to maintain in full force and effect the insurance policies purchased relative to the Mortgage Loans, with the Seller being liable to the Fund for any loss sustained by the Fund in the event that the insurance policies are not maintained in full force and effect, as a result of the nonfulfilment of this obligation.

### **3.3.4 Representation of the Participations and the Certificates and the deposit thereof.**

The Participations and the Certificates that are pooled in the Fund will be represented by two Multiple Certificates, one representing all the Participations and the other representing all the Certificates.

Both in the event that the Sociedad Gestora proceeds, on behalf and for the account of the Fund, to substitute a Mortgage Loan in accordance with the provisions of section 2.2.9 of this Additional Building Block, and in the event that a Mortgage Loan is foreclosed, in accordance with the provisions of section 3.7.1 of this Additional Building Block, and if, in the event of the Early Liquidation of the Fund, on the grounds and according to the terms set forth in section 4.4.3 of the Registration Document, the Participations and/or the Certificates have to be sold, and for any other circumstances which may arise, the Seller undertakes to divide any multiple certificate representing the Participations and/or the Certificates into as many individual or multiples certificates as may be required, or to substitute or exchange them, in order to achieve the aforementioned purposes.

The Multiple Certificates representing the Participations and the Certificates and, in a given case, the individual certificates into which they have been divided, will remain on deposit with the Financial Agent who will act as the depository for them.

### **3.3.5 Other legal system requirements for the Participations and the Certificates.**

As established in Royal Decree 685/1982, the Participations and the Certificates will be transferrable by written declaration on the certificate itself and, generally, by any of the means legally allowed in accordance with the provisions of article 67.1 of Royal Decree 685/1982, with the acquisition and ownership limited to qualified or professional investors and not

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permitted for the non-specialised public, as stipulated in article 64.1 of Royal Decree 685/1982. The purchaser must inform the issuer both of such a transfer and of the address of the new owner.

The Seller will not be held responsible for the solvency of the issuing entity nor for that of the Mortgageor, nor likewise for the adequacy of the mortgage which secures it.

### **3.3.6 Notification of the Mortgageors**

The respective Mortgageors will not be notified of the sale by IBERCAJA of the Mortgage Loans to the Fund, and under no circumstances will such notification be compulsory for the sale to take effect. However, in the event of insolvency, or signs thereof, or in the event of an intervention by the Bank of Spain, of the liquidation or substitution of the Servicer, or because the Sociedad Gestora deems it reasonably justified, the latter may demand that the Servicer notify the Mortgageors that the non-reimbursed Mortgage Loans will be transferred to the Fund, and that the payments derived therefrom only will release them from their obligations if they are made to the Reinvestment Account opened in the name of the Fund. However, both in the event that the Servicer fails to notify the Mortgageors within five (5) Business Days of receiving the demand, and in the event of the insolvency of the Servicer, it will be the Sociedad Gestora itself, either directly or, as the case may be, through the new Servicer if one has been appointed, who will notify the Mortgageors.

The Seller will bear the expenses of notifying the Mortgageors of the Mortgage Loans, even if the latter are notified by the Sociedad Gestora.

## **3.4 Explanation of the Flow of Funds**

### **3.4.1 How the cash flow from the assets will meet the Issuer's obligations to the Security holders.**

As illustrated in the diagram included in section 3.1 of this Additional Building Block, the cash flow from the assets will serve to fulfil the obligations of the issuer in the following manner:

- a) On the Disbursement Date, the Fund will pay the price of the Participations and of the Certificates issued, with the amount of the issue price received from the Series A1, A2, B, C and D Bonds.
- b) On the Disbursement Date, the Fund will also receive the amount of the Initial Expenses Loan to pay them.
- c) On the Disbursement Date, the Reserve Fund will be provisioned with the amount principal received from the Series E Bonds.
- d) On the Second Business Day prior to the first Payment Date, the Seller will deposit the definitive amount of the Subordinated Loan in the Treasury Account.
- e) On each Collection Date, the Sociedad Gestora, for and on behalf of the Fund, will receive the amounts that the Mortgageors have paid for the principal and interest during each Collection Period. These amounts will be deposited in the Reinvestment Account, accruing an interest rate in accordance with the Guaranteed Interest Rate Deposit Contract (Reinvestment Account), which will cover the

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payments of the Fund on each Payment Date, in keeping with the Payment Priority Order.

- f) **Technical Advance.** Taking into account that a portion of the delays in the payment of an instalment by the borrowers may be of a temporary or technical nature, in order to prevent any such delays from negatively affecting the flow of payments to the Bondholders, and in addition taking into account the existence of a 20-day difference between the end of the Collection Period and the Fund Collection Date during which period of time the amounts are collected by the Seller, as servicer of the Mortgage Loans, which belong to the Fund, the Sociedad Gestora will on each Collection Date be entitled to draw, acting on behalf of and for the account of the Fund, a payment advance to be charged against said amounts, which will be deposited in the Reinvestment Account.

The amount of each Technical Advance will be an amount not greater than the amount collected by the Seller, from the Mortgage Loans which it services, for any payments to which the Fund is entitled as holder of the Participations and the Certificates, from the end of the most recent Collection Period until the Collection Date on which the Technical Advance is requested.

- g) The Available Resources will be used on each Payment Date to meet the payment obligations of the Fund in accordance with the Payment Priority Order described in section 3.4.6.2. of the Additional Building Block.

### **3.4.2 Information on any credit enhancements**

As a mechanism for credit enhancement in the event of possible losses from unpaid and/or defaulted Mortgage Loans and for the purpose of allowing payments to be made by the Fund in accordance with the Payment Priority Order, a provision for the establishment of the Reserve Fund, the characteristics of which are set forth in section 3.4.2.1. below, has been made.

Similarly, the subordination and the postponement of the Series B, C, D and E Bonds, in the payment of interest and the return of principal which results from their ranking in the Payment Priority Order and in the Liquidation Payment Priority Order, constitute a protection mechanism between the different Series of Bonds.

In order to mitigate the interest rate risk which exists due to the fact that the Participations and the Certificates are subject to variable interest rates based on different index rates and different adjustment periods and payment periods for the variable interest payments established for each of the Series that are issued and paid by the Fund; as well as the risk posed by the fact that, under the regulations for the modification and replacement of mortgage loans, the Participations and the Certificates may be subject to renegotiations in which the agreed interest rate is lowered, the Sociedad Gestora will enter into an Interest Swap Agreement with IBERCAJA, described in 3.4.7.1. of this Additional Building Block and will enter into an Interest Rate Cap Agreement, described in section 3.4.7.3. of the Additional Building Block, with JPMORGAN CHASE.

The Fund will have, in accordance with the provisions of the Guaranteed Interest Rate Deposit Contract, a bank account on behalf of the Fund (the "**Reinvestment Account**"), into which all the amounts that the Fund must receive from the Seller will be paid, on each Collection Date, pursuant to the provisions of section 3.4.4.1 of the Additional Building Block.

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### **3.4.2.1. Reserve Fund**

As a security measure and for the purpose of allowing payments to be made by the Fund to the holders of the Series A1, A2, B, C and D Bonds, according to the Payment Priority Order described in section 3.4.6.2 of this Additional Building Block, a Reserve Fund (the **"Reserve Fund"**) will be established.

The Reserve Fund will be initially established on the Disbursement Date, from the amount of the issue of the Series E Bonds, for an amount of seven million euros (€7,000,000).

On each Payment Date, the Resources Available on each Payment Date for that purpose, according to the Payment Priority Order described in section 3.4.6.2. of the Additional Building Block, will be allocated to the Reserve Fund until the required level (the **"Required Level"**) is reached.

On each Payment Date, the Required Level of the Reserve Fund will be the lesser of the following amounts:

- Seven million euros (€7,000,000).
- 1.16% of the Receivable Nominal Balance of the Series A1, A2, B, C, and D Bonds.

Nevertheless, the Required Level of the Reserve Fund must not be reduced in the event that, on a Payment Date, any of the following circumstances exists:

- That the Reserve Fund is not at the Required Level on the previous Payment Date.
- That the Receivable Nominal Balance of the Non-Defaulted Participations and Certificates that are more than 90 days in arrears exceeds 1% of the Receivable Nominal Balance of the Non-Defaulted Participations and Certificates.
- That 3 years have not elapsed since the Incorporation Date of the Fund.

The minimum Required Level of the Reserve Fund must not be less than 0.5% of the original balance of the Participations and the Certificates.

The amounts which make up the Reserve Fund will be deposited in the Reinvestment Account under the terms referred to in section 3.4.4.1. of this Additional Building Block.

### **3.4.3 Details of any subordinated debt financing**

The Seller will grant the Fund a Subordinated Loan and an Initial Expenses Loan, the main terms of which are described below.

#### **3.4.3.1 Initial Expenses Loan Contract**

The Seller will grant, in accordance with the provisions of the initial expenses loan contract (the **"Initial Expenses Loan"**), a subordinated loan to the Fund for an amount of up to one million five hundred thousand euros (€1,500,000).

The definitive amount of the Initial Expenses Loan will be determined by the Sociedad Gestora on 14 May 2007, when the Lead Managers have notified it, as described in section 4.2.2. of the Securities Note, the definitive underwriting and placement fees applicable to the Bonds of each Series. The Sociedad Gestora will proceed to communicate to IBERCAJA, before 11:00 a.m. (CET) on 14 May 2007, the definitive amount of the Initial Expenses Loan. The definitive



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amount of the Initial Expenses Loan will be delivered on the Disbursement Date by means of a deposit into the Treasury Account opened with the Financial Agent. The definitive amount of the Initial Expenses Loan will be documented in the notarised disbursement document.

The amount of the Initial Expenses Loan will be used by the Sociedad Gestora for the purpose of paying the initial expenses of the Fund incurred in the incorporation of the Fund and the issue of the Bonds.

The interest on the Initial Expenses Loan will be calculated based on an annual interest rate, adjusted quarterly, equal to the Reference Interest Rate determined for each Interest Accrual Period plus a margin of 0.75%. This interest will be paid only if the Fund has sufficient liquidity available according to the Fund Payment Priority Order, described in section 3.4.6.2 of this Additional Building Block. The interest will be settled on each Payment Date, and will be calculated on the following basis: (i) the actual effective days in each Interest Accrual Period and (ii) a 360 day year. The payment of such interest will be subject to Payment Priority Order or to the Liquidation Payment Priority Order set forth in sections 3.4.6.2 and 3.4.6.3., respectively, of the Additional Building Block.

The principal of the Initial Expenses Loan will be repaid in 20 equal and consecutive instalments, the first of which will be paid on the first Payment Date (27 August 2007) and the remaining ones on the following Payment Dates, all being subject to the Payment Priority Order or to the Liquidation Payment Priority Order described in sections 3.4.6.2. and 3.4.6.3., respectively, of the Additional Building Block.

The non-confirmation before the start of the Subscription Period of one of the provisional ratings assigned to the Bonds by the Rating Agencies will be construed as grounds for termination of the Initial Expenses Loan Contract.

All of the amounts that are to be paid to the Seller, whether for the payment of accrued interest or for the repayment of principal, pertaining to the Initial Expenses Loan, will be subject to the Payment Priority Order or to the Liquidation Payment Priority Order described in sections 3.4.6.2. and 3.4.6.3., respectively, of the Additional Building Block.

All of the amounts which, as specified in the prior paragraphs, have not been paid to the Seller will be paid on the following Payment Dates in which the Available Resources permit said payment according to the Payment Priority Order established and will be paid in preference to the amounts required to be paid under the Initial Expenses Loan on said Payment Date. The amounts owing to the Seller and remaining unpaid according to the provisions of the prior paragraphs will not accrue default interest in its favour.

### **3.4.3.2 Subordinated Loan Agreement**

The Seller will grant, in accordance with the provisions of the initial expenses loan contract (the "**Subordinated Loan**"), a subordinated loan to the Fund for a total amount maximum of five million euros (€5,000,000). The definitive amount of the Subordinated Loan will be determined before the second Business Day prior to the first Payment Date. The principal of the Subordinated Loan, which will amount to the definitive amount, will be delivered on the second Business Day prior to the first Payment Date by means of a deposit into the Treasury Account opened in the name of the Fund in the Financial Agent.

The Sociedad Gestora must only assign the amount of the Subordinated Loan to cover the difference, on the Fund's first Payment Date, between the interest accrued on the Participations and the Certificates from the Date of Incorporation until the first Payment Date and the interest received from the Participations and Certificates, prior to the first Payment Date.

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The interest on the Subordinated Loan will be calculated based on an annual interest rate, adjusted quarterly, equal to the Reference Interest Rate determined for each Interest Accrual Period plus a margin of 0.75%. This interest will be paid only if the Fund has sufficient liquidity available according to the Payment Priority Order, or to the Liquidation Payment Priority Order described in sections 3.4.6.2. and 3.4.6.3., of the Additional Building Block, respectively. The interest will be settled on each Payment Date, and will be calculated on the following basis: (i) the actual effective days in each Interest Accrual Period and (ii) a 360 day year. The payment of such interest will be subject to Payment Priority Order or to the Liquidation Payment Priority Order set forth in sections 3.4.6.2 and 3.4.6.3. of the Additional Building Block, respectively.

The Subordinated Loan will mature on the Fund Legal Maturity Date. The principal of the Subordinated Loan will be redeemed in twenty consecutive installments, starting on the first Payment Date.

The non-confirmation before the start of the Subscription Period of one of the provisional ratings assigned to the Bonds by the Rating Agencies will be construed as grounds for termination of the Subordinated Loan Contract.

All of the amounts that are to be paid to the Seller, whether for the payment of accrued interest or for the repayment of principal, pertaining to the Subordinated Loan, will be subject to the Payment Priority Order or to the Liquidation Payment Priority Order described in sections 3.4.6.2. and 3.4.6.3., respectively, of the Additional Building Block.

All of the amounts which, as specified in the prior paragraphs, have not been paid to the Seller will be paid on the following Payment Dates on which the Available Resources permit said payment according to the Payment Priority Order or to the Liquidation Payment Priority Order described in sections 3.4.6.2. and 3.4.6.3. of the Additional Building Block, respectively, and will be paid in preference to the amounts required to be paid under the Subordinated Loan on said Payment Date.

The amounts owing to the Seller and remaining unpaid according to the provisions of the prior paragraphs will not accrue default interest in its favour.

### **3.4.3.3 Subordination of the Bonds**

In terms of payment of interest and reimbursement of principal, the Series E Bonds rank after the Series A1, A2, B, C and D Bonds. In terms of payment of interest and reimbursement of principal, the Series D Bonds rank after the Series A1, A2, B and C Bonds. In terms of payment of interest and reimbursement of principal, the Series C Bonds rank after the Series A1, A2 and B Bonds. In terms of payment of interest and reimbursement of principal, the Series B Bonds rank after the Series A1 and A2 Bonds. All pursuant to the Payment Priority Order or the Liquidation Payment Priority Order established, respectively in sections 3.4.6.2 and 3.4.6.3 of the Additional Building Block.

Sections 4.6.1. and 4.6.2. of the Securities Note specify how the interest and principal reimbursement payments of the Bonds of each Series rank in the Fund payment priority order. Should the circumstances causing the pro rata redemption of the Series A, B, C and D Bonds set forth in section 4.9.2.3. of the Securities Note arise, there will be no subordination in the reimbursement of principal of the Bonds of these Series.

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### **3.4.4 Parameters for the investment of temporary liquidity surpluses and a description of the parties responsible for such investment.**

The investment parameters for the investment of the Fund temporary liquidity surpluses are set forth in the Guaranteed Interest Rate Deposit Contract (Reinvestment Account) and in the Financial Services Contract that regulates the Treasury Account.

#### **3.4.4.1 Guaranteed Interest Rate Deposit Contract**

The Fund will have available through the Seller, in accordance with the provisions of the Guaranteed Interest Rate Deposit Contract, a bank account on behalf of the Fund (the "Reinvestment Account"), into which all the amounts that the Fund must receive from the Seller will be paid. These deposits will be made on the 20<sup>th</sup> day of each month or, if that day is not a Business Day, on the immediately preceding Business Day while the short term debt ratings of the Seller remain A-1, according to the S&P rating scale, and P-1, according to the Moody's rating scale.

The Seller will provide to the Fund all of the customary services relating to the maintenance and administration of said account, in accordance with normal banking practices. The costs, if any, which are charged for the maintenance of said Reinvestment Account, will be charged directly to the Seller, except for any costs incurred due to the negligence of the Sociedad Gestora.

The Seller will transfer to the Treasury Account, with good value on the second Business Day immediately prior to each Payment Date, the amounts that are deposited in the Reinvestment Account which are necessary to meet the payment obligations specified in the Payment Priority Order set forth in section 3.4.6.2. of this Additional Building Block, that are deposited in the Reinvestment Account, with the Sociedad Gestora giving appropriate instructions for such purposes. These amounts will only correspond to the amounts collected by the Seller for any reason in relation to the Mortgage Loans that it services during the three Collection Periods prior to each Payment Date, the Technical Advance, the Reserve Fund and the yields generated by such amounts.

Whenever the Fund has a positive balance in the Reinvestment Account, such balance will accrue an annual interest rate, adjusted quarterly, equal to the Reference Interest Rate determined for each Interest Accrual Period, at the start of each computable period. Consequently, each deposit will give rise to a computable period, the duration of which will be the number of days between the value date of such deposit (inclusive) to the date on which the transfer to the Treasury Account is made (exclusive).

The balances of the Reinvestment Account will be held in cash. The balances in the Reinvestment Account, in favour of the Fund, cannot be used, in any way, by the Seller to offset any kind of debt concurrently maintained by the Fund or by related third parties, unless the Fund has any amount left over once the Available Resources have been used to meet the payment obligations set forth in the Payment Priority Order or, where applicable, in the Liquidation Payment Priority Order, and prior written approval from the Sociedad Gestora has been obtained.

Should the short-term ratings assigned by the Rating Agencies to the Seller be downgraded below P-1 on the Moody's rating scale or A-1 on the S&P short-term rating scale, or should such ratings be withdrawn, for any reason, by either of the Rating Agencies, respectively, the Seller must find, within the 30 days following such downgrade, and in order to maintain the ratings assigned to each Series of Bonds by Moody's or S&P, and after notifying the latter:

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- (i) an entity with the aforementioned ratings that is willing to perform, in the same terms and conditions, the Seller's duties in relation to the Reinvestment Account; or else
- (ii) obtain a first demand bank guarantee, in accordance with S&P's criteria, also from an entity with the aforementioned ratings, that guarantees to the Fund, on simple request from the Sociedad Gestora, the timely payment by the Seller of its obligation to reimburse the amounts deposited in the Reinvestment Account.

Should the Seller's Ratings be downgraded in either case, the revenues from the Participations or Certificates from the Seller must be transferred to the Reinvestment Account every week, although maintaining the quarterly transfer to the Treasury Account.

Up to the second Business Day prior to the Payment Date, when it will be transferred to the Treasury Account for its application, the Sociedad Gestora will transfer the amount by which the balance of the Treasury Account exceeds 20% of the Receivable Nominal Balance of the Bonds, to an account (the "**Surplus Account**") that will be opened with a bank that has unsecured and non-subordinated short-term debt rated P-1, on the Moody's rating scale or A-1+ on the S&P rating scale, and the maximum return possible will be contracted for its balances. This may differ from the rate contracted with IBERCAJA by virtue of the Guaranteed Interest Rate Deposit Contract (Reinvestment Account).

If the short-term credit rating of this bank where the Surplus Account is opened is downgraded below P-1, on the Moody's rating scale, or A-1+, on the S&P rating scale, the Sociedad Gestora will have a period of 30 days to find a substitute bank that has unsecured and non-subordinated short-term debt rated P-1 on the Moody's rating scale and A-1+, on the S&P rating scale, or a first demand bank guarantee from an entity that has its short-term debt rated P-1 on the Moody's rating scale and A-1+, on the S&P rating scale.

If the Treasury Surplus Account has been opened and, on a Payment Date, after the Available Resources have been applied in accordance with the Payment Priority Order, the amounts of the Fund deposited in the same entity drop below 20% of the Outstanding Nominal Balance of the Bonds, the Sociedad Gestora may close such Treasury Surplus Account. If it has been closed and, at some subsequent point in time, the thresholds that determine that the Treasury Surplus Account must be opened are exceeded, a new Treasury Surplus Account must be opened, pursuant to the provisions of the previous paragraphs. This may be done at the same entity at which the first of them was opened or at another different one, provided that such entity meets the requirements set out in the previous paragraphs.

For these purposes, the Seller will give an irrevocable undertaking to notify the Sociedad Gestora, as soon as such circumstance occurs, throughout the life of the Bond Issue, if the long and short term ratings assigned to it by the Rating Agencies are modified or withdrawn.

#### **3.4.4.2 Treasury Account**

The Fund will have available through the Financial Agent, in accordance with the provisions of the Financial Services Contract, a bank account on behalf of the Fund (the "**Treasury Account**").

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The Seller will transfer to the Treasury Account, with good value on the second Business Day immediately prior to each Payment Date, the amounts that are deposited in the Reinvestment Account and, where applicable, in the Surplus Account.

The Net Amount of the Interest Swap Agreement payable to the Fund will also be deposited in the Treasury Account, as well as the amounts of the Interest Rate Cap Agreement accrued in its favour.

Likewise, on the Disbursement Date the Seller will deposit the actual amount of the Initial Expenses Loan and, the second Business Day prior to the first Payment Date, the definitive amount of the Subordinated Loan.

All payments from the Fund will be transacted through the Treasury Account, in accordance with the Payment Priority Order or the Liquidation Payment Priority Order, described in sections 3.4.6.2. and 3.4.6.3. of the Additional Building Block, respectively, following instructions from the Sociedad Gestora.

The Treasury Account will not be allowed to have a negative balance to the detriment of the Fund. The balances in the Treasury Account will remain as available cash.

The amounts deposited in the Treasury Account will not accrue interest in favour of the Fund.

In the event that the rating assigned by the Rating Agencies to the Financial Agent's short-term risk, such Financial Agent's current ratings being P-1 in the case of Moody's and A-1+ in the case of S&P, is downgraded below P-1 in the case of Moody's, or below A-1 in the case of S&P, or either of the Rating Agencies withdraws such rating for any reason, within the thirty (30) days following such downgrading the Sociedad Gestora, in order to maintain the ratings assigned to each Series by the Rating Agencies, and after notifying the latter, will put into practice, on behalf of the Fund, one of the options that are described below and are necessary, to permit an appropriate level of collateralisation to be maintained with respect to the commitments derived from the duties as depository of the Participations and the Certificates, paying agent, and maintenance of the Treasury Account:

- (a) Secure similar guarantees or commitments from one or several credit institutions with a Moody's rating of no less than P-1, and with an S&P rating of no less than A-1, in accordance with S&P's criteria, that guarantees the commitments accepted by the Financial Agent;
- (b) Substitute the Financial Agent with an entity that has a Moody's rating of no less than P-1, and an S&P rating of no less than A-1. This new entity will perform the Financial Agent's duties in the same terms and conditions.

For these purposes, the Financial Agent will give an irrevocable undertaking to notify the Sociedad Gestora, as soon as such circumstance occurs, throughout the life of the Bond Issue, if the long and short term ratings assigned to it by the Rating Agencies are modified or withdrawn.

### **3.4.5 How payments are collected in respect of the assets**

#### **3.4.5.1 Frequency of payments**

As mentioned earlier, the payments made by the Mortgagors will be deposited in the Reinvestment Account on the 20<sup>th</sup> day of each month (the "**Collection Dates**"), or if this is not a Business Day, the immediately previous Business Day and will consist of the income received from the Participations and Certificates during the previous Collection Period, with the

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exception of the first Collection Period, which will commence on the Incorporation Date and will end on the last day of the month of May, 2007. The monthly nature of such deposits may be reduced if the ratings of the Seller, as the servicer of the Mortgage Loans:

Should the rating assigned by S&P to the Seller's short term risk be downgraded below A-2, or should S&P withdraw such rating, for any reason whatsoever, the Seller will start depositing such payments every day in the Reinvestment Account opened with the Seller (if the bank guarantee that is referred to in point (ii) of section 3.4.4.1 is still in force) or in the account opened in another bank that is referred to in point (i) of section 3.4.4.1 of this Additional Building Block.

Should the rating assigned by Moody's to the Seller's short term risk be downgraded below P-1, or should Moody's withdraw such rating, for any reason whatsoever, the Seller will start depositing such payments every week in the Reinvestment Account opened with the Seller (if the bank guarantee that is referred to in point (ii) of section 3.4.4.1 is still in force) or in the account opened in another bank that is referred to in paragraph (i) of section 3.4.4.1. In any case, if both ratings are downgraded, the frequency with which amounts are paid the Fund will be the greater of those described above.

For these purposes, the Seller will give an irrevocable undertaking to notify the Sociedad Gestora, as soon as such circumstance occurs, throughout the life of the Bond Issue, if the long and short term ratings assigned to it by the Rating Agencies are modified or withdrawn.

### **3.4.5.2 Technical Advance**

Taking into account that a portion of the delays in the payment of an instalment by the Mortgagors may be of a temporary or technical nature, in order to prevent any such delays from negatively affecting the flow of payments to the Bondholders, and in addition taking into account the existence of a 20-calendar day difference between the end of the Collection Period and the Fund Collection Date during which period of time the amounts are collected by the Seller, as servicer of the Mortgage Loans, which belong to the Fund, the Sociedad Gestora will on each Collection Date be entitled to draw, acting on behalf of and for the account of the Fund, a payment advance (the "**Technical Advance**"), to be charged against said amounts, which will be deposited in the Reinvestment Account.

The amount of each Technical Advance will be an amount not greater than the amount collected by the Seller and not transferred to the Fund, from the Mortgage Loans which it services, for any payments to which the Fund is entitled as holder of the Participations and the Certificates, from the end of the last Collection Period until the Collection Date on which the Technical Advance is requested.

The Sociedad Gestora will calculate the Technical Advance as an amount equals to the sum of the amounts outstanding and not collected by the Seller, during the previous Collection Period, as principal and interest of the Participations and the Certificates in arrears by up to 30 days at the end of the prior Collection Period to the Collection Date on which the Technical Advance is requested, with the limitation indicated in the previous paragraph. The Technical Advance must not exceed the interest and principal of the last instalment of each Mortgage Loan.

On each Collection Date, the Technical Advance obtained on the previous Collection Date is considered deductible in the settlement of the Collection Period that is being settled, and another Technical Advance may be requested and charged to the next settlement.

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### **3.4.6 Order of priority of payments made by the issuer**

#### **3.4.6.1 Source and application of funds on the Disbursement Date and until the first Payment Date, exclusive.**

The source and application of the amounts available to the Fund on the Bond Issue Disbursement Date will be as follows:

- 1. Source:** the Fund will have funds available from the following sources:
  - a) Funds received as a result of the issuance and placement in the market of the Bonds.
  - b) Funds received from the Initial Expenses Loan.
  - c) The Funds of the Subordinated Loan will be obtained on the second Business Day before the First Payment Date.
- 2. Application:** The Fund, in turn, will apply the abovementioned funds for the following items:
  - a) Payment of the subscription price of the Participations and Certificates.
  - b) Payment of the Initial Expenses of the Fund as described in section 6 of the Securities Note.
  - c) Allowance for the Reserve Fund.

#### **3.4.6.2 Source and application of funds beginning on the first Payment Date and until the last Payment Date or the liquidation of the Fund, exclusive.**

On each Payment Date the Sociedad Gestora will proceed in successive order to apply the Available Resources in the Payment Priority Order established for each one of them in the next section.

##### **3.4.6.2.1 Available Resources: Source**

The available funds that the Fund has on each Payment Date, which will be deposited in the Treasury Account for the distribution of the pertinent amounts to the Bondholders and for the payment of the pertinent fees (the "**Available Resources**"), will equal the sum of:

- a) Any amount relating to ordinary interest accrued and principal corresponding to the Mortgage Loans pooled in the Funds (pertaining to the three (3) Collection Periods immediately prior to this Payment Date, except for the first Collection Period, which will start on the Incorporation Date and will end on the last day of the month of May 2007).
- b) The Technical Advance requested from the Seller and not reimbursed.
- c) The amounts which at any given moment comprise the Reserve Fund;
- d) Interest on the balances of the Reinvestment Account and, where applicable, interest on the balances of the Surplus Account;

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e) Where applicable, the Net Amount received under the Interest Swap Agreement pursuant to the provisions of section 3.4.7.1. of the Additional Building Block or, in the case of a breach by the Fund's counterparty, of its settlement payment.

f) Where applicable, the amounts received under the Interest Rate Cap Agreement pursuant to the provisions of section 3.4.7.3 of the Additional Building Block or, in the case of a breach by the Fund's counterparty, of its settlement payment.

g) Where applicable, any other amounts that the Fund may have received from the Mortgage Loans pooled in it (corresponding to the 3 calendar months immediately preceding this Payment Date, except for the first Collection Period, which will start on the Date of Incorporation and will end on the last day of May 2007). Such amounts will include any indemnities that the Seller receives as beneficiary of the damage insurance policies and any others amounts to which the Fund is entitled as holder of the Participations, which will be deposited in the Reinvestment Account.

In the event that the Fund is liquidated, the proceeds of the liquidation of the Fund's Assets will be available.

#### **3.4.6.2.2 Available Resources: Application**

In general, the Fund's Available Resources, as defined in section 3.4.6.2.1. of the Additional Building Block, will be applied on each Payment Date to the following uses, thus establishing the Payment Priority Order which is listed below (the "**Payment Priority Order**"):

1. Ordinary and Extraordinary Expenses and taxes payable by the Fund.
2. Payment, where applicable, of the Net Amount payable by the Fund under the Interest Swap Agreement referred to in section 3.4.7.1. of this Additional Building Block and, only in the case of termination of the aforementioned Contract due to a breach by the Fund, payment by the Fund of the amounts which relate to the liquidation payment.
3. Payment of interest of the Series A1 and A2 Bonds.
4. Payment of interest of the Series B Bonds.

The payment of interest of the Series B Bonds will be postponed and rank 8th in the Payment Priority Order when on a Payment Date:

- (a) The Cumulative Receivable Nominal Balance of the Defaulted Participations and Certificates represents a percentage in excess of 8.79% of the Original Balance of the Participations and the Certificates on the Incorporation Date; and
- (b) The principal of the Class A Bonds has not been fully redeemed or will not be fully redeemed by that Payment Date.

5. Payment of interest of the Series C Bonds.

The payment of interest of the Series C Bonds will be postponed and rank 9th in the Payment Priority Order when on a Payment Date:

- (a) The Cumulative Receivable Nominal Balance of the Defaulted Participations and Certificates represents a percentage in excess of 6.58% of the Original



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- Balance of the Participations and the Certificates on the Incorporation Date;  
and
- (b) The principal of the Class A and Series B Bonds has not been fully redeemed or will not be fully redeemed by that Payment Date.
6. Payment of the Interest on the Series D Bonds.
- The payment of interest of the Series D Bonds will be postponed and rank 10th in the Payment Priority Order when on a Payment Date:
- (a) The Cumulative Receivable Nominal Balance of the Defaulted Participations and Certificates represents a percentage in excess of 3.95% of the Original Balance of the Participations and the Certificates on the Incorporation Date;  
and
- (b) The principal of the Class A, Series B and Series C Bonds has not been fully redeemed or will not be fully redeemed by that Payment Date.
7. Repayment of the principal of the Class A Bonds and of the Series B, C and D Bonds in accordance with the rules set forth in section 4.9 of the Securities Note.
8. In the event of the situation described in number 4 above, payment of the Series B Bond Interest.
9. In the event of the situation described in number 5 above, payment of the Series C Bond Interest.
10. In the event of the situation described in number 6 above, payment of the Series D Bond Interest.
11. Allocation, if any, for the Reserve Fund until the Required Level is reached.
12. Payment of interest of the Series E Bonds
13. Redemption of the Series E Bonds.
14. Where applicable, payment of the amount payable by the Fund as the liquidation payment upon the termination of the Interest Swap Agreement due to a breach by the counterparty.
15. Interest accrued by the Initial Expenses Loan.
16. Interest accrued by the Subordinated Loan.
17. Repayment of the principal of the Initial Expenses Loan.
18. Repayment of the principal of the Subordinated Loan.
19. Payment of the Financial Intermediation Margin.

In the event the Available Resources were insufficient to make any of the above payments, the following rules would apply:

- The Available Resources of the Fund will be applied to the different items mentioned in the previous section in the established priority order and pro rata to the required amount among those entitled to receive payment.
- The amounts that remain unpaid will rank, on the next Payment Date, in an order of priority that places them immediately before the actual position for the same payment in question.

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- The amounts owed by the Fund that are not paid on their respective Payment Dates will not accrue additional interest.

### **3.4.6.3 Liquidation Payment Priority Order**

In the event of the liquidation of the Fund in accordance with the rules set forth in section 4.4.3. of the Registration Document, the Available Resources of the Fund, as defined in section 3.4.6.2.1. of this Additional Building Block, will be applied to the following items (the "**Liquidation Payment Priority Order**"):

1. Fund Ordinary, Extraordinary and Liquidation Expenses, Fund extinction expenses reserve and taxes payable by the Fund.
2. Payment of the Net Amount payable by the Fund under the Interest Swap Agreement referred to in section 3.4.7.1. of this Additional Building Block and, only in the case of termination of the aforementioned Contract due to a breach by the Fund, payment by the Fund of the amounts which relate to the liquidation payment.
3. Payment of the Interest on the Class A Bonds (Series A1 and Series A2).
4. Repayment of the principal of the Class A Bonds (Series A1 and Series A2).
5. Payment of interest of the Series B Bonds.
6. Repayment of the principal of the Series B Bonds.
7. Payment of interest of the Series C Bonds.
8. Repayment of the principal of the Series C Bonds.
9. Payment of the Interest on the Series D Bonds.
10. Repayment of the principal of the Series D Bonds.
11. Where applicable, payment of the amount payable by the Fund as the liquidation payment upon the termination of the Interest Swap Agreement due to a breach by the counterparty.
12. Payment of interest of the Series E Bonds.
13. Repayment of the principal of the Series E Bonds.
14. Payment of the interest accrued by the Initial Expenses Loan.
15. Repayment of the principal of the Initial Expenses Loan.
16. Payment of the interest accrued by the Subordinated Loan.
17. Repayment of the principal of the Subordinated Loan.
18. Payment of the Financial Intermediation Margin.

### **3.4.6.4 Fund Expenses**

Pursuant to the provisions of the Payment Priority Order and the Liquidation Payment Priority Order, described in the previous paragraphs, the Sociedad Gestora will pay, and charge to the

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Fund, all of the Fund operating expenses, including both the periodic Ordinary Expenses and also the Extraordinary Expenses that accrue throughout its life.

### ***Initial expenses***

The estimate of the initial expenses incurred in the incorporation of the Fund and the issue of the Bonds is detailed in section 6 of the Securities Note. The initial expenses will be paid with the amount drawn down from the Initial Expenses Loan and without being subject to the Fund Payment Priority Order.

### ***Expenses throughout the life of the Fund***

The Sociedad Gestora will pay, and charge to the Fund, all of the Fund operating expenses, including both the periodic Ordinary Expenses and also the Extraordinary Expenses that accrue throughout its life, and such expenses will be paid in their respective Payment Priority Order or Liquidation Payment Priority Order.

Merely by way of illustration, the Sociedad Gestora will pay the following expenses:

- The following are considered ordinary expenses ("**Ordinary Expenses**"): expenses that may arise from mandatory administrative verifications, registrations and authorisations; the fees payable to the Ratings Agencies for monitoring and maintaining the rating of the Bonds; expenses relating to the Bonds bookkeeping, involving their representation by the book-entry system, their admission to trading on the organised secondary markets and the maintenance of all of the above; the expenses incurred in servicing the Fund; the expenses incurred in the annual financial audit of the Fund; the expenses incurred in the redemption of the Bonds; the expenses incurred in the announcements and notifications relative to the Fund and/or the Bonds; the financial expenses of the Bond Issue, the fee of the Sociedad Gestora and the fee of the Financial Agent. According to the hypotheses set forth in section 4.10 of the Securities Note, it is estimated that the Ordinary Expenses for the first Payment Date of the Fund will amount to Eur. 80,000. It is expected that the annual amount of Ordinary Expenses will drop throughout the life of the Fund due to the fact that the amount of some of the Ordinary Expenses of the Fund are calculated as a percentage of the balance of the transaction, which logically will drop over time.

An estimate of the annual periodic expenses is detailed in section 4.10 of the Securities Note

- The following are considered extraordinary expenses ("**Extraordinary Expenses**"): any expenses arising from the preparation and formal execution of the amendment of the Articles of Incorporation and of the Contracts, as well as for the execution of additional contracts; the amount of any initial expenses incurred in the incorporation of the Fund and the issue of the Bonds that exceed the principal amount of the Initial Expenses Loan; extraordinary audit and legal advice expenses; any expenses incurred in the sale of the Participations and the Certificates and of the remaining assets of the Fund when it is liquidated; the expenses required for initiating the enforcement of the Mortgage Loans and those arising from the necessary recovery actions; the consideration payable to the servicer of the Mortgage Loans if the Seller is

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substituted as the servicer thereof; in general, any other extraordinary expenses incurred by the Fund or by the Sociedad Gestora, on behalf of and for the account of the same.

- Any expenses that are incurred in liquidating the Fund will be considered liquidation expenses (the "**Liquidation Expenses**").

#### **3.4.6.5 Financial Intermediation Margin**

The Seller will be entitled to receive from the Fund a variable and subordinated amount as remuneration for its involvement in the financial intermediation process carried out and that has permitted the financial transformation defining the Fund's activity, the latter's subscription of the Participations and the Certificates, and the rating assigned to each Series of Bonds.

Such remuneration will be settled every quarter on each Payment Date, for an amount equal to the positive difference between the Available Resources of the Fund and the application of items one (1) to eighteen (18) of the Payment Priority Order and of items 1 to 17 in the Liquidation Payment Priority Order (the "**Financial Intermediation Margin**").

This amount will not be deemed a fee or consideration owed on account of the delivery of a good or provision of a service to the Fund, but instead will be deemed as remuneration for the financial intermediation process carried out by IBERCAJA by issuing the Participations and the Certificates pooled in the Fund.

#### **3.4.7 Other arrangements upon which payments of interest and principal to investors are dependent.**

##### **3.4.7.1 Interest Swap Agreement**

The Sociedad Gestora will enter into, on behalf of and for account of the Fund, an Interest Swap Agreement (the "**Interest Swap Agreement**") with IBERCAJA, whose most relevant terms are described below:

**Party A:** The Sociedad Gestora, on behalf of and for the account of the Fund.

**Party B:** IBERCAJA

**Settlement Dates:** Each settlement date (the "**Settlement Date**") will coincide with the Bond Payment Dates, in other words, the days 26 February, 26 May, 26 August and 26 November of each year, or, if that day is not a Business Day, on the next Business Day. The first Payment Date of the Fund will be 27 August 2007.

**"Settlement Periods":** the Settlement Periods are the days that actually pass between two consecutive Settlement Dates, including the first one but excluding the last one. Exceptionally, the duration of the first Settlement Period will be equivalent to the number of days actually elapsed between the Incorporation Date (inclusive) and 27 August 2007, (exclusive).

**"Interest Computable for the Purposes of the Settlement of the Swap"** is the sum of all the amounts of interest of the Participations and Certificates paid by the Mortgagors during the three (3) Collection Periods immediately prior to the current Settlement Date, and that have actually been transferred to the Fund.

Such interest may correspond both to due dates falling in such Collection Periods and to the recovery of unpaid interest that matured beforehand.

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For the first Settlement Date, the period that runs from the Incorporation Date to the last day of the month prior to the first Settlement Date will be considered instead of the three Collection Periods.

**Amount Payable by Party A:** On each settlement date of the Interest Swap Agreement, Party A will pay an amount equal to the Interest Computable for the purposes of the Settlement of the Swap (the "**Amount Payable by Party A**")

**Amount Payable by Party B:** On each Settlement Date of the Interest Swap Agreement, Party B will pay an amount (the "**Amount Payable by Party B**"), equal to the result of recalculating the payments of interest on the Participations and on the Certificates corresponding to the Interest Computable for the purposes of the Settlement of the Swap, by substituting the actual rate applied to each Participation or Certificate with the Party B Interest Rate (as defined below), plus the amount payable, on to the pertinent Payment Date, to the new Servicer as the servicing fee in the event that the Seller is substituted as the servicer of the Mortgage Loans pooled in the Fund.

The "**Party B Interest Rate**" will be equal to the sum of (i) the Bond Reference Interest Rate for the current Accrual Period, and (ii) a margin that will be applied to the Reference Interest Rate equal to 0.65 % (the "**Spread**").

**Net Amount and termination of the Interest Swap Agreement:** Any payments (or collections) that have to be made under the Interest Swap Agreement will be made on each Payment Date for their net value, that is to say, for the positive (or negative) difference between the Amount Payable by Party A and the Amount Payable by Party B (the "**Net Amount**"). The payments that Party A must make will be made in accordance with the Payment Order Priority set forth in section 3.4.6.2. of this Additional Building Block.

#### **Breaches of the Interest Swap Agreement.**

If the full amount payable to IBERCAJA is not paid on a Payment Date, the Interest Swap Agreement may be terminated at the request of IBERCAJA. In the event that a settlement amount is owed, the Fund will, if applicable, assume the obligation to pay the settlement amount specified under the terms of the Interest Swap Agreement, all in accordance with the Payment Priority Order.

The settlement amount will be calculated by the Sociedad Gestora, in its capacity as the Interest Swap Agreement's calculation agent, using the market value of the Interest Swap Agreement.

Notwithstanding the foregoing, except in a permanent situation of alteration of the financial equilibrium of the Fund, the Sociedad Gestora, for and on behalf of the Fund, will endeavour to enter into a new Interest Swap Agreement.

#### **Expiry of the Interest Swap Agreement**

The early termination of the Interest Swap Agreement will not in itself constitute a reason for the early expiry of the Fund, or its Early Liquidation, unless the termination occurs in conjunction with other events or circumstances related to the Fund's net worth, producing a substantial or permanent change in its financial equilibrium.

The Interest Swap Agreement will expire on the earlier of (i) the Legal Maturity Date of the Fund and (ii) the date on which one the grounds for the of extinction of the Fund occurs.

#### **Rating change events**

##### **Moody's Criteria**

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Party B will give the following irrevocable undertakings under the Interest Swap Agreement:

- (i) If, at any time throughout the lifetime of the Bond Issue, neither Party B nor any of their Guarantors has the Required First Rating Level ("**Breach of the First Rating Level**"), Party B will implement one of the following measures within thirty (30) Business Days of such circumstance occurring:
  - 1) Find a Substitute with the Required First Rating Level (or else a Substitute that has a Guarantor with the Required First Rating Level).
  - 2) Find a Guarantor with the Required First Rating Level.
  - 3) Make a deposit consisting of cash or of securities in favour of the Fund in an entity whose non-subordinated and unsecured short-term debt is rated P-1 on Moody's scale, for an amount that does not have a negative impact on the rating of the Bonds by the Rating Agencies.
- (ii) If, at any time throughout the lifetime of the Bond Issue, neither Party B nor any of their Guarantors has the Required Second Rating Level ("**Breach of the Second Rating Level**"), Party B, acting diligently, will procure, in the shortest possible time frame, to (A) find a Guarantor with the Required Second Rating Level; or (B) find a Substitute with the Required Second Rating Level (or else a Substitute that has a Guarantor with the Required Second Rating Level).

Until the alternatives described above are implemented, Party B will, within the period of thirty (30) Business Days from the occurrence of the Breach of the Second Rating Level, make a deposit consisting of cash or of securities in favour of the Fund in an entity whose non-subordinated and unsecured short-term debt is rated P-1 on Moody's scale, for an amount that does not have a negative impact on the rating of the Bonds by the Rating Agencies.

The obligations of Party B under sections (i) and (ii) above, as well as the grounds for early termination that are derived there from, will only remain in force as long as the grounds that gave rise to the Breach of the First Rating Level or the Breach of the Second Rating Level, respectively, continue to exist. The amount of the deposit that Party B may have made under sections (i) and (ii) above will be returned to Party B when the grounds that gave rise to the Breach of the First Rating Level or the Breach of the Second Rating Level, respectively, cease to exist.

All costs, expenses and taxes incurred as a result of non-compliance of the above obligations will be borne by Party B.

"**Guarantor**" means the entity that provides an unconditional, irrevocable and first demand guarantee with respect to the present and future obligations of Party B (the "Guarantee"), and provided that (A) a law firm provides a legal opinion confirming that none of the payments made by such entity to Party A under the Guarantee is subject to deductions or withholdings by or on account of a tax; or (B) the Guarantee stipulates that, if such deduction or withholding exists, the payment made by such entity will be increased by the amount necessary in order for the net payment received by Party A to equals the amount that Party A would have received had the deduction or withholding not existed.

"**Substitute**" means the entity that is subrogated in the contractual position of Party B in the Interest Swap Agreement or that enters into a new Interest Swap Agreement with Party A, In terms substantially identical to the Interest Swap Agreement (which will be

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confirmed by Party A, acting diligently), and provided that (A) a law firm provides a legal opinion confirming that none of the payments made by such entity to Party A is subject to deductions or withholdings by or on account of a tax; or (B) if such deduction or withholding exists, the payment made by such entity will be increased by the amount necessary in order for the net payment received by Party A to equal the amount that Party A would have received had the deduction or withholding not existed. Such entity, in all events, will be deemed Party B in the Interest Swap Agreement or in the new Interest Swap Agreement that is signed.

An entity will have the "Required First Rating Level" (A) in the event that such entity has a Moody's rating for its unsecured and non-subordinated short-term debt, if such rating is P-1 and the Moody's rating for its unsecured and non-subordinated long-term debt is rated A2 or higher, and (B) in the event that such entity does not have a Moody's rating for its unsecured and non-subordinated short-term debt, if the Moody's rating for its unsecured and non-subordinated long-term debt is rated A1 or higher.

An entity will have the "Required Second Rating Level" (A) in the event that such entity has a Moody's rating for its unsecured and non-subordinated short-term debt, if such rating is P-2 or higher and the Moody's rating for its unsecured and non-subordinated long-term debt is rated A3 or higher, and (B) in the event that such entity does not have a Moody's rating for its unsecured and non-subordinated short-term debt, if the Moody's rating for its unsecured and non-subordinated long-term debt is rated A3 or higher.

All costs, expenses and taxes incurred as a result of non-compliance of the above obligations will be borne by Party B.

#### **S&P's criteria**

Party B will give an irrevocable undertaking that if, at any time throughout the life of the Bond Issue, the rating of the non-subordinated and unsecured debt of Party B is downgraded to below A-1 for short-term debt on the S&P rating scale, then within a maximum of thirty (30) Business Days from when said circumstances occurred, Party B will implement one of the following options, after notifying S&P, in order to maintain the ratings assigned to each of the Series by S&P:

- (i) to find a third party whose non-subordinated and unsecured debt is rated A-1 or higher on S&P's short-term rating scale, that will take over its contractual obligations and substitute it in the Interest Swap Agreement or, where applicable, by virtue of a new Interest Swap Agreement, provided that this is not detrimental to affect the rating assigned to the Bonds by S&P;
- (ii) to find a third party that has the same ratings as option (i) above that will guarantee the performance of the contractual obligations of Party B in the Interest Swap Agreement; or
- (iii) make a deposit consisting of cash or of securities in favour of the Fund, in an account opened in another entity which has been assigned a short-term risk rating equal to or higher than A-1 on the S&P rating scale, as a guarantee for the contractual obligations of Party B. The amount will be calculated using the market value of the Interest Swap Agreement, and will be at least the replacement value of the Interest Swap Agreement so as not to impair the rating assigned to the Bonds by S&P.

The market value for the purposes of S&P will be calculated in accordance with the criteria published and updated by S&P from time to time.

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Furthermore, if the rating granted to the Bonds is downgraded below BBB for long-term debt or A-2 for short-term debt, on S&P's rating scale, S&P may consider that only options (i) and (ii) above are valid, in which case it will notify the Sociedad Gestora and Party B, and the latter must adopt of one the said options within a maximum of ten (10) Business Days.

The obligations of Party B under sections (i) and (ii) above will only remain in force while the grounds that gave rise to them continue to exist, that is to say, that the rating of Party B is upgraded again to at least A-1 and that the new counterparty to the interest swap, if there is one, agrees to terminate the interest swap agreement. The amount of the deposit that Party B may have made will be returned to Party B under section (iii) above when the grounds that gave rise to the aforementioned rating downgrading cease to exist.

All costs, expenses and taxes incurred as a result of non-compliance of the above obligations will be borne by Party B.

Whatever the case, Party B, the Substitute and/or the guarantor must meet the criteria stipulated by Rating Agencies, in the previous sections.

For these purposes Party B will give an irrevocable undertaking to notify the Sociedad Gestora, as soon as such circumstance occurs, throughout the life of the Bond Issue, if the long and short term ratings assigned to it by the Rating Agencies are modified or withdrawn.

#### **3.4.7.2 Fund Financial Services Contract**

The Sociedad Gestora, on behalf of and for the account of the Fund, will enter into a Financial Services Contract with ICO with a view to the financial servicing of the Bond issue, the main terms and conditions of which are set forth in section 5.2. of the Securities Note.

#### **3.4.7.3 Interest Rate Cap Agreement**

The Sociedad Gestora will enter into, on behalf of and for account of the Fund, an interest rate cap agreement (the "**Interest Rate Cap Agreement**") with JPMORGAN CHASE as the counterparty, whose most relevant terms are described below:

**Party A:** The Sociedad Gestora, on behalf of and for the account of the Fund.

**Party B:** JPMORGAN CHASE

**Duration:** The Interest Rate Cap Agreement Cap will enter into force on the Date of Incorporation and will remain in force until the twelfth (12<sup>th</sup>) Payment Date, inclusive.

**Settlement Dates:** Each settlement date (the "**Settlement Date**") will coincide with the Bond Payment Dates, in other words, 26 February, 26 May, 26 August and 26 November of each year, or, if that day is not a Business Day, on the next Business Day. The first Payment Date of the Fund will be 27 August 2007.

**Settlement Periods:** the Settlement Periods are the days that actually pass between two consecutive Settlement Dates, including the first one but excluding the last one. Exceptionally, the duration of the first Settlement Period will be equivalent to the number of days actually elapsed between the Disbursement Date (inclusive) and 27 August 2007, (exclusive).



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**Notional Amount of the Interest Rate Cap:** On each Interest Rate Cap Agreement Settlement Date, the Notional Amount of the Interest Rate Cap will be Eur. 164,000,000.

**Interest Rate Cap:** The maximum level of the Bond Reference Rate for the current Interest Accrual Period, without Party B, as the counterparty, having to make any payments under the Interest Rate Cap Agreement, will be 5.50% (the "**Interest Rate Cap**").

**Amount Payable by Party A:** Only on the Disbursement Date, and paid from the Initial Expenses Loan, Party A will pay an amount equal to the fee stipulated in the Interest Rate Cap Agreement (the "**Amount Payable by Party A**").

**Amount Payable by Party B:** On each Interest Rate Cap Agreement Settlement Date, and only in the event that the Bond Reference Rate for the current Interest Accrual Period exceeds the Interest Rate Cap, Party B will pay an amount (the "**Amount Payable by Party B**") that will be calculated and based on the following formula:

$$Q_i = \text{Máx}[(r_i - \text{Cap}); 0] * N * \frac{n_i}{360}$$

Where:

Q<sub>i</sub>: Amount Payable by Party B

r<sub>i</sub>: Bond Reference Interest Rate for the current Interest Accrual Period

Cap: Interest Rate Cap

N: Notional amount of the Interest Rate Cap

n<sub>i</sub>: Number of days of the current Interest Accrual Period

### **Breaches of the Interest Rate Cap Agreement**

If on a Payment Date Party B does not meet its payment obligations for all or part of the amount that is owed to the Fund, the Sociedad Gestora can choose to terminate the Interest Rate Cap Agreement. In this case, Party B will assume the obligation to pay the settlement amount set forth in the Interest Rate Cap Agreement.

The settlement amount will be calculated by Party B, in its capacity as the Interest Rate Cap Agreement's calculation agent, using the market value of such contract.

Notwithstanding the foregoing, except in a permanent situation of alteration of the financial equilibrium of the Fund, the Sociedad Gestora, for and on behalf of the Fund, will endeavour to enter into a new interest rate cap agreement.

### **Rating change events**

#### **Moody's Criteria**

Party B will give the following irrevocable undertakings under the Interest Rate Cap Agreement:

- (i) If, at any time throughout the lifetime of the Bond Issue, neither Party B nor any of their Guarantors has the Required First Rating Level ("**Breach of the First Rating Level**"), Party B will implement one of the following measures within thirty (30) Business Days of such circumstance occurring:

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- 1) Find a Substitute with the Required First Rating Level (or else a Substitute that has a Guarantor with the Required First Rating Level).
  - 2) Find a Guarantor with the Required First Rating Level.
  - 3) Make a deposit consisting of cash or of securities in favour of the Fund in an entity whose non-subordinated and unsecured short-term debt is rated P-1 on Moody's scale, for an amount that does not have a negative impact on the rating of the Bonds by the Rating Agencies.
- (ii) If, at any time throughout the lifetime of the Bond Issue, neither Party B nor any of their Guarantors has the Required Second Rating Level ("**Breach of the Second Rating Level**"), Party B, acting diligently, will procure, in the shortest possible time frame, to (A) find a Guarantor with the Required Second Rating Level; or (B) find a Substitute with the Required Second Rating Level (or else a Substitute that has a Guarantor with the Required Second Rating Level).

Until the alternatives described above are implemented, Party B will, within the period of thirty (30) Business Days from the occurrence of the Breach of the Second Rating Level, make a deposit consisting of cash or of securities in favour of the Fund in an entity whose non-subordinated and unsecured short-term debt is rated P-1 on Moody's scale, for an amount that does not have a negative impact on the rating of the Bonds by the Rating Agencies.

The obligations of Party B under sections (i) and (ii) above, as well as the grounds for early termination that are derived therefrom, will only remain in force as long as the grounds that gave rise to the Breach of the First Rating Level or the Breach of the Second Rating Level, respectively, continue to exist. The amount of the deposit that Party B may have made under sections (i) and (ii) above will be returned to Party B when the grounds that gave rise to the Breach of the First Rating Level or the Breach of the Second Rating Level, respectively, cease to exist.

All costs, expenses and taxes incurred as a result of non-compliance of the above obligations will be borne by Party B.

"**Guarantor**" means the entity that provides an unconditional, irrevocable and first demand guarantee with respect to the present and future obligations of Party B (the "Guarantee"), and provided that (A) a law firm provides a legal opinion confirming that none of the payments made by such entity to Party A under the Guarantee is subject to deductions or withholdings by or on account of a tax; or (B) the Guarantee stipulates that, if such deduction or withholding exists, the payment made by such entity will be increased by the amount necessary in order for the net payment received by Party A to equals the amount that Party A would have received had the deduction or withholding not existed.

"**Substitute**" means the entity that is subrogated in the contractual position of Party B in the Interest Rate Cap Agreement or that enters into a new interest rate cap agreement with Party A, in terms substantially identical to the Interest Rate Cap Agreement (which will be confirmed by Party A, acting diligently), and provided that (A) a law firm provides a legal opinion confirming that none of the payments made by such entity to Party A is subject to deductions or withholdings by or on account of a tax; or (B) if such deduction or withholding exists, the payment made by such entity will be increased by the amount necessary in order for the net payment received by Party A to equals the amount that Party A would have received had the deduction or withholding not existed. Such entity, in all events, will be deemed Party B in the Interest Rate Cap Agreement or in any new

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interest rate cap agreement that is signed.

An entity will have the "Required First Rating Level" (A) in the event that such entity has a Moody's rating for its unsecured and non-subordinated short-term debt, if such rating is P-1 and the Moody's rating for its unsecured and non-subordinated long-term debt is rated A2 or higher, and (B) in the event that such entity does not have a Moody's rating for its unsecured and non-subordinated short-term debt, if the Moody's rating for its unsecured and non-subordinated long-term debt is rated A1 or higher.

An entity will have the "Required Second Rating Level" (A) in the event that such entity has a Moody's rating for its unsecured and non-subordinated short-term debt, if such rating is P-2 or higher and the Moody's rating for its unsecured and non-subordinated long-term debt is rated A3 or higher, and (B) in the event that such entity does not have a Moody's rating for its unsecured and non-subordinated short-term debt, if the Moody's rating for its unsecured and non-subordinated long-term debt is rated A3 or higher.

All costs, expenses and taxes incurred as a result of non-compliance of the above obligations will be borne by Party B.

### **S&P's criteria**

Party B will give an irrevocable undertaking that if, at any time throughout the life of the Bond Issue, the rating of the non-subordinated and unsecured debt of Party B is downgraded to below A-1 for short-term debt on the S&P rating scale, then within a maximum of thirty (30) Business Days from when said circumstances occurred, Party B will implement one of the following options, after notifying S&P, in order to maintain the ratings assigned to each of the Series by S&P:

(i) to find a third party whose non-subordinated and unsecured debt is rated A-1 or higher on S&P's short-term rating scale, that will take over its contractual obligations and substitute it in the Interest Rate Cap Agreement or, where applicable, by virtue of a new Interest Rate Cap Agreement, provided that this is not detrimental to affect the rating assigned to the Bonds by S&P;

(ii) to find a third party that has the same ratings as option (i) above that will guarantee the performance of the contractual obligations of Party B in the Interest Rate Cap Agreement; or

(iii) make a deposit consisting of cash or of securities in favour of the Fund, in an account opened in another entity which has been assigned a short-term risk rating equal to or higher than A-1 on the S&P rating scale, as a guarantee for the contractual obligations of Party B. The amount will be calculated using the market value of the the Interest Rate Cap Agreement, and will be at least the replacement value of the Interest Rate Cap Agreement so as not to impair the rating assigned to the Bonds by S&P.

The market value for the purposes of S&P will be calculated in accordance with the criteria published and updated by S&P from time to time.

Furthermore, if the rating granted to the Bonds is downgraded below BBB for long-term debt or A-2 for short-term debt, on S&P's rating scale, S&P may consider that only options (i) and (ii) above are valid, in which case it will notify the Sociedad Gestora and Party B, and the latter must adopt of one the said options within a maximum of ten (10) Business Days.

The obligations of Party B under sections (i) and (ii) above will only remain in force while the grounds that gave rise to them continue to exist, that is to say, that the rating of Party B is upgraded again to at least A-1 and that the new counterparty to the Interest

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Rate Cap, if there is one, agrees to terminate the Interest Rate Cap Agreement. The amount of the deposit that Party B may have made will be returned to Party B under section (iii) above when the grounds that gave rise to the aforementioned rating downgrading cease to exist.

All costs, expenses and taxes incurred as a result of non-compliance of the above obligations will be borne by Party B.

Whatever the case, Party B, the Substitute and/or the guarantor must meet the criteria stipulated by Rating Agencies, in the previous sections.

For these purposes Party B will give an irrevocable undertaking to notify the Sociedad Gestora, as soon as such circumstance occurs, throughout the life of the Bond Issue, if the long and short term ratings assigned to it by the Rating Agencies are modified or withdrawn.

### **3.5 Name, address and significant business activities of originators of the securitised assets.**

The originator of the Mortgage Loans that are sold to the Fund is Caja de Ahorros y Monte de Piedad de Zaragoza, Aragón y Rioja (IBERCAJA).

Caja de Ahorros y Monte de Piedad de Zaragoza, Aragón y Rioja (IBERCAJA) is a credit institution that is subject to supervision by the Bank of Spain.

Its registered office is number 2, Plaza Basilio Paraíso, (Zaragoza).

Its Tax Identification number (CIF) is G-50000652.

It is registered in the Mercantile Register of Zaragoza, in volume 1,194, folio 23, Sheet Z-4,862.

Included below are the consolidated financial statements (Balance Sheet, Income Statement) of IBERCAJA as at 31 March 2006, 31 March 2007, 31 December 2005 and 31 December 2006.

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Consolidated figures for IBERCAJA as at 31 March 2006 and 2007, and 31 December 2005 and 2006.

	31/03/2007	31/03/2006	% Chg	31/12/2006	31/12/2005	% Chg
<b>BALANCE SHEET (millions of euros)</b>						
Total Assets	38,193	31,728	20.38%	37,544	30,613	22.64%
Lending Operations	29,834	24,244	23.06%	29,170	23,101	26.27%
Financial Liabilities at Depreciated Cost	31,386	25,649	22.37%	31,010	24,823	24.92%
Equity	2,219	1,974	12.40%	2,142	1,956	9.51%
Total Equity	2,512	2,161	16.26%	2,420	2,130	13.62%
<b>INCOME STATEMENT (millions of euros)</b>						
Net Interest Income	147	129	14.38%	532	467	13.92%
Basic Income	203	178	14.13%	738	653	13.02%
Ordinary Income	262	230	13.88%	846	733	15.42%
Operating Income	154	133	15.57%	416	349	19.20%
Pre-tax profit	107	96	11.60%	332	276	20.29%
Earnings after Tax	77	70	10.03%	238	200	19.00%
Net attributed profit	77	70	10.12%	238	200	19.00%
<b>RATIOS</b>						
NPL Ratio	-	-	-	0.50	0.54	-7.41%
NPL Coverage Ratio	-	-	-	340.67	317.41	7.33%
Efficiency Ratio	-	-	-	53.56	56.01	-4.37%
<b>BRANCHES AND EMPLOYEES</b>						
Branches	-	-	-	1,045	1,008	3.67%
Employees	-	-	-	4,587	4,279	7.20%

### 3.6 Return and/or repayment of the securities with others that are not assets of the issuer

Not applicable.

### 3.7 Servicer, calculation agent or equivalent

IBERCAJA is acting as the Seller and Servicer of the Mortgage Loans, and a summary of its obligations and responsibilities in such capacity is given below.

The Sociedad Gestora will be responsible for making the calculations and for performing the actions set forth in the Articles of Incorporation and in this Prospectus and in the different Fund transaction contracts that are listed in this Prospectus.

#### 3.7.1 Servicing and custody of the Mortgage Loans and deposit of the Participations and the Certificates.

Pursuant to the provisions of article 61.3 of Royal Decree 685/1982, and of section 2.b) of Article 2 of Royal Decree 926/1998, the Seller will give an undertaking, in the Articles of Incorporation of the Fund, to safeguard and service the Mortgage Loans backing the Participations and Certificates that it has issued, and will take any action necessary to ensure the validity and success of such Mortgage Loans. In any case, the Sociedad Gestora, on behalf of the Fund, will be entitled to exercise every right conferred upon the owners of the mortgage participations under article 66 of Royal Decree 685/1982, in the event of a breach arising from non-payment by the Mortgagors.

The Seller will be responsible for paying all direct and indirect taxes, levies or expenses accrued or incurred by the Seller or that it is obliged to pay as a result of its servicing of the

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corresponding Mortgage Loans, notwithstanding the Seller's right to be reimbursed such taxes, levies and expenses by the Mortgagors borrowers or the Fund, as the case may be.

### ***1.- General commitments of Seller as servicer of the Mortgage Loans.***

In general, the Seller will give the Sociedad Gestora and the Fund an undertaking, with respect to the Mortgage Loans it services, that it will:

- (i) Take any action necessary to ensure the validity and success of the Mortgage Loans, in or out of Court, in the conditions established in the following section.
- (ii) Take any action necessary to keep and enforce the collateral and obligations deriving from the Mortgage Loans.
- (iii) Take into account the interests of the Bondholders in its relationships with the Mortgagors and in exercising any discretionary right derived from the performance of the services set forth in the Articles of Incorporation and this Prospectus.
- (iv) Comply with all reasonable instructions of the Sociedad Gestora, given in accordance with the provisions of the Articles of Incorporation and this Prospectus.
- (v) Take any action necessary to request and keep in full force and effect any licenses, approvals, authorisations, and consents that may be necessary or appropriate relating to the development of the services set forth in the Articles of Incorporation and this Prospectus.
- (vi) Have sufficient personnel and equipment to comply with all its obligations.

The Seller, as the servicer of its Mortgage Loans, will not be held liable for the debts of the Sociedad Gestora or the Fund, relating to the Bonds, or the obligations of any Mortgagor. In any event, the Servicer waives its right to the privileges and powers conferred upon it by Law in its capacity as collection manager of the Fund and servicer of the Mortgage Loans and in particular, all those provided for by articles 1730 and 1780 of the Civil Code and 276 of the Commercial Code.

Specifically, the Seller, in its capacity as the servicer of the Mortgage Loans, will not be liable for any loss, liability, claim or expense suffered or incurred by the Sociedad Gestora, or by the Fund, as a result of the provision of services by the Seller as established in the Articles of Incorporation and this Prospectus, except when said loss, liability, claim or expense or damages is suffered or incurred as a result of negligence or non-compliance by the Seller in respect of the Participations and Certificates that it services, or non-compliance by the Seller of its obligations by virtue of the Articles of Incorporation and this Prospectus. In these events the Seller is required to compensate the Fund or the Sociedad Gestora for the damages suffered (and justified by the Sociedad Gestora) as a consequence of said negligence or non-compliance.

At all events, the Fund, through the Sociedad Gestora, may take legal action against the Seller in the event of non-compliance of its obligations as defined in the contracts entered into with the Sociedad Gestora.

### ***2.- Mortgage Loan Servicing Services***

#### ***A) Custody and collection management***

The Seller will devote the same amount of time and attention to servicing the Mortgage Loans, and exercise the same degree of expertise, care and diligence in servicing them, that it would

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employ in servicing mortgage loans that had not been sold. In any event, it will exercise a reasonable degree of expertise, care and diligence when providing the services.

The Seller, with respect to the Mortgage Loans that it services, will be subject to the criteria set forth in the "Internal Memo on Granting of Mortgage Loans" that is attached to the Articles of Incorporation, for the servicing of the Mortgage Loans, although it may modify such criteria, provided that such modifications do not impair the servicing of the Mortgage Loans, are reported to the Sociedad Gestora and are not, in any way, detrimental to the rating assigned to the Securities by the Rating Agencies and, additionally, provided that it is subject to the negotiation limits specified in numbers f, g and h of this section.

Specifically, the Seller will keep every notarial deed, document and file relating to the Mortgage Loans it services, and to any other right accessory to such Mortgage Loans, as well as any pertinent documents relating thereto, under safe custody, and will not relinquish the possession, custody or control of the Mortgage Loans without the prior written consent of the Sociedad Gestora, on behalf of the Fund, unless such relinquishment is (i) in favour of an appointed subcontractor or delegate, providing that this is permitted by the current regulations; or (ii) to allow the Seller to bring proceedings for the foreclosure of a Mortgage Loans, as servicer of the Mortgage Loans;

The Seller, as servicer of the Mortgage Loans, will collect every amount due and payable under the Mortgage Loans or any right accessory to them and will make every efforts to ensure the collection of all payments to be made by the Mortgagors or by other persons, under the Mortgage Loans or any other right accessory to them, in accordance with the terms and conditions of such Mortgage Loans and on the corresponding dates.

Within the first five (5) Business Days of each month, the Seller will inform the Sociedad Gestora of the amount that, according to its records, is payable to the Fund with regard to the immediately previous Collection Period.

In the event of discrepancies between the Seller and the Sociedad Gestora regarding the amount corresponding to the Fund on each Collection Date, regarding both the collected amount as well as the Technical Advance, both parties will make every effort to settle such discrepancies. However, should no agreement be reached before the Collection Date, the Seller will provisionally deliver the Fund the amount established by the Sociedad Gestora and sufficiently justified to Seller, notwithstanding subsequent adjustments of such amount.

*B) Actions against the Mortgagors*

In the event of delay in the payments to which the Mortgagors are bound, the Seller, as servicer of such Mortgage Loans, will take the actions described in the "Internal Memo on Granting of Mortgage Loans" that is attached to the Articles of Incorporation, adopting the measures that a reasonably prudent mortgagee conducting financing transactions in Spain would take, providing that the exercise of such discretionary rights does not affect the Fund's management, or the rating assigned to the Bonds.

The Seller, as the servicer of the Mortgage Loans sold to the Fund, by virtue of its trusteeship thereof or by virtue or the power of attorney referred to in the next paragraph, will take appropriate legal action against any Mortgagors who are in breach of their payment obligations with respect to the Mortgage Loans. Such legal action must be brought following the corresponding foreclosure proceedings, in accordance with the provisions of sections 517 et seq. of the Civil Procedure Act.

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For the aforementioned purposes and also for the purposes of the provisions of sections 581.2 and 686.2 of the Civil Procedure Act, and in the event that it were necessary, in the Articles of Incorporation the Sociedad Gestora will grant a power of attorney as broad as required by Law to the Seller so that the latter, acting through any of its legal representatives with sufficient powers for such purposes, can, acting for and on behalf of the Sociedad Gestora as the legal representative of the Fund, demand, either in or out of Court, that the mortgagor of any of the Mortgage Loans pay its debt and take legal action against such Mortgagor, in addition to any other powers required for discharging its duties as the Servicer.

In any case, and if the Mortgagor fails to pay the Mortgage Loans securing the issuance of the Participations and Certificates pooled in the Fund, the Sociedad Gestora, on behalf of the Fund, as their holder, will be entitled to exercise all the rights set forth in article 66 of Royal Decree 685/1982.

In the event of a joinder situation as provided under Article 66, section b), of Royal Decree 685/1982, the Seller in question will be entitled to award in payment and the auction proceeds will be distributed as stated in the aforementioned article.

In the event that any of the situations described in sections c) and d) of article 66 of Royal Decree 685/1982 occur and, as a consequence, the Sociedad Gestora, on behalf of the Fund, is subrogated to the Seller in the proceedings initiated by the Seller, or foreclosure proceedings are started, the Sociedad Gestora will sell the adjudicated properties in the shortest possible time at market conditions. The Seller will hold a right of first refusal for the acquisition of any real property mortgaged to secure the Mortgage Loans that it services, and allocated to the Fund, within the following ten (10) Business Days from the date in which such Seller is notified by the Sociedad Gestora, by satisfactory means, of the intention to transfer the real property. The right of first refusal will imply that the Seller can acquire the real property under the same terms and conditions as offered to the Sociedad Gestora.

All the actions mentioned in this section regarding the Participations and Certificates will be performed in accordance with the terms established in Book III, Title IV of the Ley 1/2000 de Enjuiciamiento Civil and Royal Decree 685/1982.

*C) Actions against the Seller*

The Sociedad Gestora, on behalf of and for the account of the Fund, will be entitled to take enforcement proceedings against the Seller to collect any past due principal and interest of the Mortgage Loans, if the reason for the non-payment of such items is not the result of non-payment by the Mortgagors.

Furthermore, should the Seller be in breach of the obligations described in the previous section, the Fund, through the Sociedad Gestora, will be entitled to bring a declaratory action against the Seller for breaching its obligations in relation to the Mortgage Loans, proceeding pursuant to the provisions of the Ley de Enjuiciamiento Civil.

Upon termination of the Participations and the Certificates, the Fund, through its Sociedad Gestora, will remain be entitled to take action against the Seller until it complies with its obligations.

*D) Subcontracting*

The Seller will be entitled to subcontract with, or delegate on, third parties of recognised solvency and capacity vis-à-vis the performance of the duties set forth in section 3.7.1.1. of the Additional Building Block, relating to the Mortgage Loans it services, provided that (i) this is



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legally allowed, (ii) beforehand the CNMV has been notified and, where applicable, the corresponding authorisations have been obtained, (iii) the Sociedad Gestora gives its prior written consent, on behalf of the Fund, (iv) the subcontractor or delegate has been assigned a rating equal to or higher than the rating required by the Rating Agencies and provided that (v) such subcontractor or delegate has waived any action claiming liability against the Fund, and to extinguish such subcontracts and/or delegations.

In any case, neither the Sociedad Gestora nor the Fund will be held liable in any other way than pursuant to the provisions contained herein, regarding costs and expenses payable or incurred on account of the subcontracted or delegated services or arising from the termination of any related Contract.

Notwithstanding any subcontract or delegation, the Seller will not be exonerated or released by such subcontract or delegation from any of the responsibilities accepted in the Articles of Incorporation and in the Prospectus.

*E) Substitution of the Seller in its capacity as servicer of the Mortgage Loans*

Should the Sociedad Gestora find that the Seller is in breach of the obligations stipulated in this section as servicer of the respective Mortgage Loans, or find about any events that imply a detriment or serious risk for the financial structure of the Fund or the rights and interests of Bondholders, the Sociedad Gestora may, if permitted under the current legal framework, (i) substitute the Seller as servicer of the Participations and the Certificates or (ii) demand that the Seller subcontract or delegate the performance of such obligations to or on a person who, in the opinion of the Sociedad Gestora, is suitably qualified technically to perform such duties. The Sociedad Gestora will consider any proposals made by the Seller regarding the appointment of its substitute. The Seller will be bound to execute such subcontract or delegation.

Furthermore, if a corporate, legal or court decision is made or issued for the dissolution, winding-up or receivership of the Seller, or in the event of an administrative intervention by the Bank of Spain or the Seller files a petition to be declared bankrupt, or a Court allows a request filed by a third party, the Sociedad Gestora may substitute the Seller as servicer of the Mortgage Loans, providing that this is permitted by the applicable Law.

If permitted by the applicable Law, the new servicer of the Mortgage Loans will, where applicable, be appointed by the Sociedad Gestora, after consulting the competent administrative authorities, in order to avoid any detriment to the rating assigned to the Bonds by the Ratings Agencies, and both the latter and the CNMV will be notified of such appointment. The Sociedad Gestora may agree the amount to be paid with the new servicer, at the expense of the Fund, as it deems appropriate. Such amount, which will be paid by the counterparty of the Interest Swap Agreement in accordance with the provisions thereof, will be deemed an Extraordinary expense and will be paid pursuant to the Payment Priority Order described in section 3.4.6.2. of the Additional Building Block.

If permitted by the applicable Law, any Seller may request to be substituted in servicing the Mortgage Loans; all expenses incurred in such substitution will be at the Seller's expense. The Sociedad Gestora will authorise such substitution, provided that the Seller has found an entity to substitute it in its servicing capacity, and such substitution is not detrimental to the rating assigned to the Bonds by the Rating Agencies, and both the latter and the CNMV will be notified of such appointment.

In the event of substitution, the Seller will supply the new servicer with the documents necessary to provides the services in question.

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*F) Modifications to the Mortgage Loans*

Pursuant to article 25 of Royal Decree 685/1982, without the consent of the Sociedad Gestora and with respect to the respective Mortgage Loans that it services, the Seller will not voluntarily cancel the mortgages underlying the Participations and/or the Certificates on any grounds other than the payment of the Mortgage Loans, waive or settle such mortgages, substitute the Mortgage Loans through novation, write them off in full or part or defer them nor, in general, take any step that diminishes the status, legal efficiency or economic value of the mortgage or the Mortgage Loans, with the exception of the authorised modifications mentioned in the next paragraphs.

The Seller, as servicer of its Mortgage Loans, will be authorised, from the Incorporation Date and with respect to such Mortgage Loans, provided that the rating assigned to the Bonds issued by the Fund is not impaired in any way, the payments to be made to the Fund are not adversely affected, and it notifies the Sociedad Gestora which, in turn, will notify the Rating Agencies, to:

- (i) Allow the subrogation of the Mortgage Loan contracts, solely in the event that the characteristics of the new Mortgagor are similar to the characteristics of the previous Mortgagor, and that such characteristics conform to the policy set forth in the Seller's "Internal Memo on Granting of Mortgage Loans".
- (ii) Agree with the Mortgagors to modify the interest rate and final maturity of the Mortgage Loans, in the manner established in points G) and H) below.

*G.) Interest rate modifications:*

Pursuant both to the provisions of the Articles of Incorporation and this Prospectus, if the Seller agrees to modify the interest rate of any Mortgage Loan, such modification being made in market conditions and, consequently, to modify the corresponding Participation or Certificate, the Fund will still be entitled to all the ordinary interest accrued by the Mortgage Loan.

*H) Modifications to final maturity of the loans Mortgage*

Pursuant to the provisions of the Articles of Incorporation and this Prospectus, the Seller may modify the final maturity date of the Mortgage Loans, provided that the following conditions are met:

- (i) The frequency of the Mortgage Loan principal repayment instalments remains unchanged or is reduced, and the repayment system is maintained.
- (ii) The new final maturity date of the loan does not fall after 30 September 2046.
- (iii) During the last 6 months prior to the time that the term is to be modified, all the instalments of the Mortgage Loan in question have been paid on time, and the Mortgage Loan payments are up-to-date.
- (iv) A deed is granted to amend the Mortgage Loan, and the deed is filed at the Land Registry, maintaining the ranking of the mortgage as a first-class mortgage.
- (v) Any expenses incurred in amending the Mortgage Loans are at the expense of the respective Seller or Mortgagor, without the Fund being held liable for such expenses under any circumstances.
- (vi) The amount of the initial balance of the Mortgage Loans whose period of maturity is to be extended, does not exceed 5% of the Original Balance of the Mortgage Loans pooled in the Fund.

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- (vii) Under no circumstances may the Seller, as servicer of the Mortgage Loans, decide to modify the period of maturity of a Mortgage Loan without a request from the debtor. The servicer will always consider the Fund's interests in making any such modification.

The Sociedad Gestora, for and on behalf of the Fund, may cancel or suspend the Seller's permission to modify the period of maturity or the interest, at any time throughout the life of the Fund.

In the preceding cases, the modification of the Mortgage Loan will not result in a breach of the representations and warranties set forth in section 2.2.8. of this Additional Building Block.

In the event of renegotiation of the interest rate of any Mortgage Loan, or its final maturity, the Seller, acting as servicer of such Mortgage Loans, will immediately notify the Sociedad Gestora of the renegotiated terms and conditions.

### ***3. Deposit of the Participations and the Certificates***

The Multiple Certificates representing the Participations and the Certificates and, where applicable, the individual certificates into which they have been divided, will remain on deposit with the Financial Agent, and the relations between the Fund and the Financial Agent will be regulated by the Financial Services Contract that the Financial Agent will enter into with the Sociedad Gestora, for and on behalf of the Fund. The certificates will be deposited to the benefit of the Fund, such that the certificates representing the deposited Participations and the Certificates will be held in escrow by the Financial Agent, following instructions from the Sociedad Gestora.

#### **3.7.2 Description of the duties and responsibilities undertaken by the Sociedad Gestora regarding the management and legal representation of the Fund and Bondholders.**

##### ***1. Duties and responsibilities of the Sociedad Gestora***

The Fund will be incorporated by "Titulización de Activos, SGFT, S.A." as the Sociedad Gestora authorised for such purposes and, consequently, to act as the manager and legal representative of the Fund, pursuant to the provisions of Royal Decree 926/1998.

As the manager of third party funds, the Sociedad Gestora is also responsible for representing and safeguarding the interests of the Bondholders.

The Bondholders will have no recourse against the Sociedad Gestora, other than from non-performance of its duties or non-compliance with the provisions of this Prospectus, of the Articles of Incorporation and the applicable laws and regulations.

Merely by way of illustration, and notwithstanding other actions stipulated in the Articles of Incorporation and this Prospectus, the duties of the Sociedad Gestora will be as follows:

- (i) Check that the amount of the revenues actually received by the Fund matches the revenues that the Fund should have received, in accordance with the provisions of the different contracts from which such revenues derive. Should it be necessary, the Sociedad Gestora will take any action, either in court or out of court, necessary or appropriate to protect the rights of the Fund and Bondholders.
- (ii) Apply the Fund's revenues to the payment of the Fund's obligations, as provided in the Articles of Incorporation and this Prospectus.

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- (iii) Extend the term or modify the contracts it has entered into on behalf of the Fund in order to allow the Fund to operate in the terms stipulated in the Articles of Incorporation, this Prospectus and the laws applicable from time to time.
- (iv) Replace each of the providers of services to the Fund, in the terms set forth in the Articles of Incorporation and in this Prospectus, provided that this is permitted under current law and, if and when necessary, the authorisation of the competent authorities is obtained, the Rating Agencies are notified and the interests of the Bondholders are not harmed. In particular, in the event that the Seller is in breach of its obligations as the servicer of the Mortgage Loans, the Sociedad Gestora will take any steps necessary to ensure the proper servicing of the Mortgage Loans.
- (v) Issue appropriate instructions to the Financial Agent regarding the Treasury Account and, where applicable, the Seller, regarding the Reinvestment Account.
- (vi) Issue appropriate instructions to the Financial Agent in relation to payments to be made to the Bondholders and, where applicable, to other entities in charge of making payments.
- (vii) Calculate and make the Initial Expenses Loan and Subordinated Loan principal and interest payments.
- (vii) Calculate and make the Fund's payments under the Interest Swap Agreement.
- (ix) Appoint and replace the auditor, where applicable, with the prior approval of the CNMV, where necessary.
- (x) Produce and submit to the competent agencies any documents and information that must be submitted under current regulations, to the CNMV, and produce and disclose to the Bondholders any information that is legally required.
- (xii) Make appropriate decisions relating to the liquidation of the Fund, including the decision to proceed with the early liquidation of the Fund, pursuant to the provisions of the Articles of incorporation and this Prospectus.
- (xiii) Determine the rate of interest applicable to each Series of Bonds in each Interest Accrual Period.
- (xiv) The Sociedad Gestora will make available to the public any documents and information necessary in accordance with the Articles of Incorporation and this Prospectus.

## ***2. Resignation and substitution of the Sociedad Gestora***

The resignation and substitution of the Sociedad Gestora will be governed by Royal Decree 18/19 or the laws in force from time to time. Be that as it may, the Sociedad Gestora will be substituted in accordance with the procedure described below, provided that such procedure is not in conflict with the regulatory provisions established for such purposes:

1. The Sociedad Gestora may resign from such duties whenever it deems such resignation appropriate and voluntarily ask to be substituted by submitting a written request to the CNMV. The request must enclose a document from the new Sociedad Gestora, which must be properly authorised and registered in the Special Registers of the CNMV, in which the new Sociedad Gestora states that it is willing to accept such duties and seeks appropriate authorisation. The resignation of the Sociedad Gestora and the appointment of a new company as the Sociedad Gestora of the

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Fund must be approved by the CNMV. Under no circumstances will the Sociedad Gestora resign from its duties until all the requirements and formalities have been completed and its substitute can take over its duties with respect to the Fund. Furthermore, the Sociedad Gestora will not be entitled to resign from its duties if such substitution leads to the downgrading of the ratings assigned by the Rating Agencies to the Bonds issued by the Fund. Any expenses incurred in such substitution will be for the account of the Sociedad Gestora or, where applicable, of the new Sociedad Gestora.

2. The Sociedad Gestora will be substituted in the event of the occurrence, in the Sociedad Gestora, of any of the causes for dissolution set forth in article 260, number 1, of the Ley de Sociedades Anónimas (Spanish Corporations Act). The Sociedad Gestora will report the occurrence of any such cause to the CNMV and the Rating Agencies. In this event, the Sociedad Gestora will be bound to comply with the provisions of number 1 above, before its dissolution.
3. In the event that the Sociedad Gestora is declared bankrupt or its authorisation is withdrawn, it will proceed to appoint a substitute Sociedad Gestora. The substitution must take place within 4 months of the date on which the event giving rise to such substitution occurs. Should the Sociedad Gestora fail to find another sociedad gestora willing to take over the servicing and representation of the Fund or the CNMV consider that the proposal is not suitable and may result in the rating of the Bonds being downgraded, the Fund will be liquidated in advance and the Bonds redeemed, 4 months after the event giving rise to the substitution has occurred.
4. The substitution of the Sociedad Gestora and the appointment of a new Sociedad Gestora, approved by the CNMV as stipulated supra, must be accepted by the Rating Agencies, and published in the AIAF Daily Bulletin. The Sociedad Gestora undertakes to grant any necessary private and public documents for its substitution by another Sociedad Gestora, pursuant to the provisions of the previous paragraphs. The substitute sociedad gestora must be subrogated to the rights and obligations of the Sociedad Gestora relating to this Prospectus and the Articles of Incorporation. Furthermore, the Sociedad Gestora will hand over to the new Sociedad Gestora any accounting or computer documents and records relating to the Fund in its possession.

### **3. *Remuneration of the Sociedad Gestora for performing its duties.***

On each Payment Date, the Sociedad Gestora will receive as remuneration for its services, a management fee that will accrue quarterly and will be calculated as a quarter of a percentage of the Receivable Nominal Balance of the Participations and the Certificates on the immediately previous Payment Date and which will have a minimum amount. Such fee will be construed as a gross fee, insofar as it includes any direct or indirect tax or withholding that may be levied on it. The minimum amount of the Sociedad Gestora's management fee will be updated at the start of each calendar year (starting in January 2008) in accordance with the General Consumer Price Index as published by Spain's National Statistical Institute ("Instituto Nacional de Estadística") or such body as may substitute it.

Exceptionally, on the First Payment Date, the Sociedad Gestora's fee will consist of a percentage of the Receivable Nominal Balance of the Participations and the Certificates on the Fund Incorporation Date. The Sociedad Gestora's fee on the first Payment Date will be calculated using the number of days elapsed since the Incorporation Date.

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### **3.8 Name, address and brief description of any swap, credit, liquidity or account transaction counterparty.**

La Caja de Ahorros y Monte de Piedad de Zaragoza, Aragón y Rioja (IBERCAJA) is the entity that acts as the counterparty in the Interest Swap Agreement, and as lender in the Subordinated Loan and the Initial Expenses Loan. It is also the entity where the Fund will have the Reinvestment Account referred to in section 3.4.4.1. of this Additional Building Block.

Caja de Ahorros y Monte de Piedad de Zaragoza, Aragón y Rioja (IBERCAJA) is a credit institution that is subject to supervision by the Bank of Spain, with registered office at number 2, Plaza Basilio Paraíso, (Zaragoza), registered in the Mercantile Register of Zaragoza, in Volume 1,194, Folio 23, Sheet Z-4,862 and with Tax Identification number (CIF) G-50000652.

The Instituto de Crédito Oficial is (i) the Financial Agent of the Fund, (ii) the depository of the Multiple Certificates, and (iii) the bank where the Fund will hold the Treasury Account that is referred to in section 3.4.4.2. of this Additional Building Block.

JPMORGAN CHASE is the Counterparty of the Fund in the Interest Rate Cap Agreement. The information about JPMORGAN CHASE is set forth in section 5.2 of the Registration Document

## **4. POST-ISSUANCE INFORMATION**

### **4.1 Indication of whether or not it intends to provide post-issuance transaction information regarding securities to be admitted to trading and the performance of the underlying collateral. Where the issuer has indicated that it intends to report such information, specification of what information will be reported, where such information can be obtained and the frequency with which such information will be reported.**

The information proposed to be provided after issue is described below.

#### **4.1.1 Issue, verification and approval of annual accounts and other accounting documentation of the Fund.**

Within the four (4) months following the end of the accounting period, together with the audited annual financial statements of the Fund, the Sociedad Gestora will issue a report including:

- (i) An inventory of the portfolio of the Participations and the Certificates pooled in the Fund and, additionally,
- (ii) A management report containing:
  - a. the Outstanding Nominal Balance and the Receivable Nominal Balance of the Participations and the Certificates.
  - b. The percentage of the Participations and the Certificates that has been redeemed early.
  - c. Changes occurring in the early redemption rate (ERR).
  - d. The amount of the Participations and the Certificates that have been declared in default (those whose Mortgage Loans are 18 months or more in arrears) and the percentage that they represent with respect to the total.
  - e) The average life of the Participations and Certificates portfolio.

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- f. The mean rate of the Participations and Certificates portfolio.
- g. the Outstanding Nominal Balance and Receivable Nominal Balance of the Bonds.
- h. The percentage of Bonds outstanding.
- i) Where applicable, amounts of accrued and unpaid interest on the Bonds.
- j. The balance of the Treasury Account and the balance of the Reinvestment Account.
- k. The outstanding balance of the Initial Expenses Loan, and Subordinated Loan.
- l. A detailed analysis of the results of the Fund and the factors that have affected these.
- m. The amount of and variations in expenses and management fees in the accounting period.

#### **4.1.2 Obligations and periods envisaged for making periodic information on the financial and economic situation of the Fund available to the public and the CNMV.**

Every three (3) months, months, within seven (7) Business Days after each Payment Date, the Sociedad Gestora will send the CNMV and AIAF a report that will contain:

**(i) With regard to each Series of Bonds and relative to each Payment Date:**

- 1. Amount of the original nominal balance
- 2. Amount of the matured nominal balance
- 3. Amount of the Nominal Balance Pending Maturity
- 4. Amount of the Receivable Nominal Balance
- 5. Amount of the nominal balance matured and actually paid to the Bondholders
- 6. Total interest accrued on the Bonds since the previous Payment Date
- 7. Interest accrued since the Disbursement Date that should have been but was not paid on previous Payment Dates (will not accrue additional interest).

**(ii) With regard to the Participations and Certificates and relative to each Payment Date:**

- 1. Outstanding Nominal Balance and Receivable Nominal Balance of the Participations and the Certificates.
- 2. Amount of the Participations and the Certificates that has been redeemed normally and early.
- 3. Early Redemption rates.
- 4. Outstanding Nominal Balance of the Participations and the Certificates that have been declared in default (those whose Mortgage Loans are 18 months or more in arrears), and percentages of arrears that they represent with respect to the total Participations and Certificates.
- 5. The Mortgage Loans that have been renegotiated, indicating the new final maturity

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and/or the new interest rate.

**(iii) With regard to the financial and economic situation of the Fund and relative to each Payment Date:**

1. Balance of the Treasury Account and the Reinvestment Account and the interest generated by them.
2. Expenses and amount of the Reserve Fund.

**4.1.3 Other ordinary and extraordinary disclosure obligations and material disclosure requirements.**

**4.1.3.1 Ordinary periodic notification**

Each quarter, on each Fixing Date, it will proceed to notify the Bondholders of the Nominal Interest Rate applicable to each Series of Bonds for the next Interest Accrual Period.

Each quarter, on each Notification Date, it will notify the Bondholders of the following information:

- The interest and reimbursement of principal of the Bonds of each Series to be paid to the Bondholders on the next Payment Date.
- Furthermore, if applicable the interest and redemption amounts accrued on these and unpaid, due to insufficiency of Available Resources in accordance with the Fund Payment Priority Order rules.
- The Outstanding Nominal Balances of the Bonds of each Series, after the redemption due on each Payment Date and the percentages that such balances represent with respect to the initial face value of each Bond.

The above notifications will be made as established in section 4.1.3.3 infra and also provided to the Financial Agent, the AIAF and IBERCLEAR on each Notification Date.

**4.1.3.2 Extraordinary notification**

The following will be subject to extraordinary notification:

1. Any amendment to the Articles of Incorporation, as well as the definitive margins applicable for fixing the Nominal Interest Rate of each Series and the Nominal Interest Rate determined for each Series of Bonds for the first Interest Accrual Period.
2. Any significant event that may occur in relation to the Mortgage Loans, the Bonds, the Fund and the Sociedad Gestora itself that could significantly influence the trading of the Bonds and, generally, any significant modification of the assets or liabilities of the Fund and in the event of termination of the incorporation of the Fund or a possible decision for Early Liquidation of the Fund and Early Redemption of the Issue of Bonds for any of the reasons envisaged in the present Prospectus. In this case, the affidavit regarding the extinction of the Fund and liquidation procedure followed as referred to in section 4.4.3 of the Registration Document will be sent to the CNMV and the Rating Agencies.

**4.1.3.3 Bondholder notification procedure**

The notifications that the Sociedad Gestora has to make to the Bondholders in accordance with the above regarding the Fund will be made as follows:



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**(i) Ordinary notification.**

Ordinary notification will be made through publication either in the daily official AIAF bulletin or any other substituting it or with similar characteristics or through publication in a widely circulated newspaper in Spain of a general or economic and financial nature. In addition the Sociedad Gestora or Financial Agent can distribute this or other information in the interests of the Bondholders through financial market distribution channels and systems such as Reuters, Bridge Telerate, Bloomberg or any other with similar characteristics.

**(ii) Extraordinary notification**

Extraordinary notification will be made through publication either in the daily AIAF bulletin, or in such other as may replace it or with similar characteristics, or through publication in a widely circulated newspaper in Spain of either a general or business and financial nature, such notification being deemed effective on the date of the abovementioned publication, which may fall on any day of the year, whether a Business or Non-Business Day (as stipulated in this Prospectus).

As an exception, the liquidation of the Fund may be carried out by means of publication in a widely circulated newspaper in Spain of either a general or economic and financial nature, with such notification being considered as effective on the date of the abovementioned publication, which may fall on any day of the year, whether a Business or Non-Business Day (according to this Prospectus).

**(iii) Notifications and other information**

Furthermore, the Sociedad Gestora may make notifications and other information of interest available to the Bondholders through its own internet pages or other means of remote transmission with similar characteristics.

This Prospectus has been endorsed on each and every page and signed in Madrid, on May 8, 2007.

Signed on behalf of the Fund:

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Mr. Ramón Pérez Hernández  
General Director  
Titulización de Activos, S.G.F.T., S.A.

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## GLOSSARY OF TERMS

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**“Servicer”** means the entity entrusted with servicing the Mortgage Loans sold to the Fund through the issue of the Participations and the Certificates. IBERCAJA will act as Servicer of the Mortgage Loans, without prejudice to the possibility of it being substituted in accordance with the provisions of paragraph 3.7.1. of the present Additional Building Block.

**“Rating Agencies”** means Moody’s and S&P.

**“Financial Agent”** means the Instituto de Crédito Oficial.

**“AIAF”** means the Asociación de Intermediarios de Activos Financieros - Association of Securities Dealers) (AIAF Mercado de Renta Fija).

**“Early Redemption”** means the early redemption, on a Payment Date, of the whole of the Bond issue, pursuant to the Events of Early Liquidation and to the requirements set forth in section 4.4.3 of the Registration Document and subject to the Liquidation Payment Priority Order established in section 3.4.6.3 of the Additional Building Block.

**“Technical Advance”** means the quantity that the Sociedad Gestora determines, in accordance with the provisions of section 3.4.5.2 of the Additional Building Block, that must be delivered by the Seller, with respect to the Participations and Certificates that it services, on a specific Collection Date.

**“Bonds”** means, jointly the Class A Bonds, the Series B Bonds, the Series C Bonds, the Series D Bonds and the Series E Bonds issued by the Fund.

**“Class A Bonds”** means, jointly, the Series A1 and A2 Bonds.

**“Series A1 Bonds”** means one thousand five hundred (1,500) A1 Bonds, each with a face value of one hundred thousand euros (€100,000), for a total nominal amount of one hundred and fifty million (€150,000,000).

**“Series A2 Bonds”** means ten thousand and twenty (10,020) A2 Bonds, each with a face value of one hundred thousand euros (€100,000), for a total nominal amount of one thousand and two million (€1,002,000,000).

**“Series or Class B Bonds”** means three hundred and twenty four (324) Class B Bonds, each with a face value of one hundred thousand euros (€100,000), for a total nominal amount of thirty two million four hundred thousand (€32.400,000).

**“Series or Class C Bonds”** means one hundred and eight (108) Class C Bonds, each with a face value of one hundred thousand euros (€100,000), for a total nominal amount of ten million eight hundred thousand euros (€10,800,000).

**“Series or Class Bonds D”** means forty eight (48) Class D Bonds, each with a face value of one hundred thousand euros (€100,000), for a total nominal amount of four million eight hundred thousand (€4,800,000).

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**“Series or Class Bonds E”** means seventy (70) Class E Bonds, each with a face value of one hundred thousand euros (€100,000), for a total nominal amount of seven million (€7,000,000).

**“Amount Payable by Party A”** means an amount equal to the Interest Computable for the purposes of the Settlement of the Swap.

**“Amount Payable by Party B”** means the amount equal to the result of recalculating the payments of interest on the Participations and on the Certificates corresponding to the Interest Computable for the purposes of the Settlement of the Swap, by substituting the actual rate applied to each Participation or Certificate with the Party B Interest Rate, plus the amount payable, on to the pertinent Payment Date, to the new Servicer as the servicing fee in the event that the Seller is substituted as the servicer of the Mortgage Loans pooled in the Fund.

**“Amount Available for Redemption”** means, on each Payment Date, the amount that will be allocated to the redemption of the Class A, B, C and D Bonds, in the terms set forth in section 4.9.2.4 of the Securities Note

**“Net Amount”** means the positive (or negative) difference between the Amount Payable by Party A and the Amount Payable by Party B.

**“Seller** means IBERCAJA.

**“Certificates”** means the Mortgage Transfer Certificates issued by the Seller on the Incorporation Date and pooled, from time to time, in the Fund.

**“CNMV”** means the Spanish Securities and Exchange Commission.

**“Interest Rate Cap Agreement”** means the interest rate cap agreement entered into by the Sociedad Gestora, acting for and on behalf of the Fund, and JPMORGAN CHASE, and described in section 3.4.7.3 of the Additional Building Block.

**“Guaranteed Interest Rate Deposit Contract”** means the Guaranteed Interest Rate Deposit Contract (Reinvestment Account) entered into by the Sociedad Gestora, for and on behalf of the Fund, and IBERCAJA, and described in section 3.4.4.1. of the Additional Building Block.

**“Bond Issue Management, Underwriting and Placement Contract”** means the contract signed by the Sociedad Gestora and the Underwriting and Placement Agents, in which the latter entities undertake to subscribe or to obtain, at their own responsibility, subscribers for the Bonds.

**“Interest Swap Agreement”** means the Interest Swap Agreement entered into by the Sociedad Gestora, for and on behalf of the Fund, and IBERCAJA, and described in section 3.4.7.1. of the Additional Building Block.

**“Financial Services Contract”** will mean the contract signed by the Sociedad Gestora, on behalf of the Fund, and the Financial Agent, that regulates the deposit of the Participations and the Certificates, the Treasury Account and the Fund's paying agency.

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**"Surplus Account"** means the account that might be opened in the name of the Fund for depositing the amount by which the balance of the Reinvestment Account exceeds 20% of the Receivable Nominal Balance of the Bonds.

**"Reinvestment Account"** means the account opened in the name of the Fund, through which all the payments that the Fund should receive from the Seller will be made on each Collection Date.

**"Treasury Account"** means the financial account in euros opened with the Payment Agent in the name of the Fund, in accordance with the provisions of the Financial Service Contract, through which all of the payments of the Fund will be made.

**"Mortgagors"** means the mortgagors of the Mortgage Loans transferred to the Fund by means of the issue of the Participations and the Certificates.

**"Business Day"** means any day that is not a Saturday, Sunday, public holiday in Inner Madrid or a non-business day on the TARGET (Trans European Automated Real-Time Gross Settlement Express Transfer System) calendar.

**"Spread"** means a margin that will be applied to the Reference Interest Rate for the purposes of calculating the Party B Interest Rate, which will be equal to 0.65 %.

**"Registration Document"** means the document issued in accordance with Annex VII of Regulation 809/2004.

**"EBN"** means EBN BANCO DE NEGOCIOS, S.A.

**"Underwriting and Placement Agents"**, means, jointly, the entities EBN, IBERCAJA, JPMorgan, la Caixa and Société Générale.

**"Lead Managers"** means the entities JPMorgan and Société Générale.

**"Articles of Incorporation"** means the Articles of Incorporation of the Fund, of issue and subscription of the Participations and the Certificates, and of the issue of the Bonds.

**"Risk Factors"** means a description of the main risk factors with respect to the issue, to the securities and to the assets backing the issue

**"Incorporation Date"** means 11 May 2007, the date on which the Fund is incorporated.

**"Disbursement Date"** means 17 May 2007, the date on which the Bonds will be disbursed and the price of the Participations and the Certificates will be paid to the Seller.

**"Fixing Date"** means the Second Business Day prior to each Payment Date (or to the Disbursement Date in the case of the first Interest Accrual Period), during which the Reference Interest Rate that will apply for the next Interest Accrual Period will be fixed. For the first Interest Accrual Period, the Reference Rate will be fixed on the Second Business Day prior to the Disbursement Date (that is to say, 14 May 2007).

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**"Settlement Date"** means the settlement dates of the Interest Swap Agreement and the Interest Rate Cap Agreement, which will match the Fund Payment Dates.

**"Notification Date"**, will mean the date on which the amounts to be paid as the principal and interest are notified to the Bondholders, that is, the second (2<sup>nd</sup>) Business Day before each Payment Date.

**"Payment Date"** means the days 26 February, 26 May, 26 August and 26 November of each year or, if one of these days is not a Business Day, the next Business Day. The first Payment Date will be 27 August 2007.

**"Legal Maturity Date"** means the date of the final redemption of the Bonds, that is to say, 26 November 2049 or, if it is not a Business Day, the next Business Day.

**"Collection Dates"** means the dates in the that the Seller will transfer to the Fund, in other words, the 20th day of each month. This frequency may be reduced if the ratings assigned by the Rating Agencies to the Seller, in its capacity as the Servicer of the Mortgage Loans, are downgraded.

**"Prospectus"** means this prospectus, filed with the CNMV on 8 May 2007.

**"Fund"** means TDA IBERCAJA 5, Fondo de Titulización De Activos.

**"Reserve Fund"** will mean the Reserve Fund incorporated on the Disbursement Date from the Series E Bonds, in accordance with the provisions of section 3.4.2.1 of the Additional Building Block.

**"Liquidation Expenses"**, means the expenses incurred in liquidating the Fund.

**"Ordinary Expenses"** means the expenses that may arise from the mandatory administrative verifications, registrations and authorisations; the fees payable to the Ratings Agencies for monitoring and maintaining the rating of the Bonds; expenses relating to the Bonds bookkeeping, involving their representation by the book-entry system, their admission to trading on the organised secondary markets and the maintenance of all of the above; the expenses incurred in servicing the Fund; the expenses incurred in the annual financial audit of the Fund; the expenses incurred in the redemption of the Bonds; the expenses incurred in the announcements and notifications relative to the Fund and/or the Bonds; the financial expenses of the Bond Issue, the fee of the Sociedad Gestora and the fee of the Financial Agent.

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**"Extraordinary Expense"** means the expenses arising, where applicable, from the preparation and formal execution of the amendment of the Articles of Incorporation and of the Contracts, as well as for the execution of additional contracts. the amount of any initial expenses incurred in the incorporation of the Fund and the issue of the Bonds that exceed the principal amount of the Initial Expenses Loan; extraordinary audit and legal advice expenses; any expenses incurred in the sale of the Participations and the Certificates and of the remaining assets of the Fund when it is liquidated; the expenses required for initiating the enforcement of the Mortgage Loans and those arising from the necessary recovery actions; the consideration payable to the servicer of the Mortgage Loans if the Seller is substituted as the servicer thereof; in general, any other extraordinary expenses incurred by the Fund or by the Sociedad Gestora, on behalf of and for the account of the same.

**"IBERCAJA"** means Caja de Ahorros y Monte de Piedad de Zaragoza, Aragón y Rioja.

**"IBERCLEAR"**, means the entity Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.

**"ICO"** means the Instituto de Crédito Oficial.

**"JPMorgan"** means J.P. Morgan Securities Ltd.

**"JPMORGAN CHASE"** means J.P.MORGAN CHASE BANK, N.A., London Branch.

**"Interest Computable for the Purposes of the Settlement of the Swap"** means the sum of all the amounts of interest of the Participations and Certificates paid by the Mortgagors during the three (3) Collection Periods immediately prior to the current Settlement Date, and that have actually been transferred to the Fund.

**"La Caixa"** means CAJA DE AHORROS Y PENSIONES DE BARCELONA.

**"Ley 19/1992"** means Act 19/1992 of 7 July regulating Sociedades y Fondos de Inversión Inmobiliaria and Fondos de Titulización Hipotecaria (Real Estate Investment Funds and Companies and Mortgage Backed Securitisation Funds).

**"Ley 2/1994"**, means Act 2/1994, of 30 March, on the subrogation and amendment of mortgages loans, in its current wording.

**"Ley 24/1988"** means Securities Market Act 24/1988, of 28 July, in its current wording.

**"Ley 3/1994"**, means Act 3/1994, of 14 April, adapting Spanish legislation regarding credit institutions to the Second Banking Coordination Directive and introducing other modifications to the financial system.

**"Ley 44/2002"** means the Financial System Reform Measures Act 22/2002, of 22 November.

**"Ley Concursal"** means the Spanish Insolvency Act 22/2003 of 9 July.

**"Ley del IVA"** means the Value Added Tax Act 28/1992 of 28 December.

**"Ley del Mercado Hipotecario"** means the Mortgage Market Act 25/1981, of 25 March.

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**"Financial Intermediation Margin"** means the amount equal to the positive difference between the Available Resources of the Fund and the amount applied to the other items included in the Payment Priority Order.

**"Additional Building Block"** means the document of this Prospectus issued in accordance with Annex VIII to Regulation 809/2004.

**"Moody's"** means Moody's Investors Service España, S.A.

**"Required Level"** means the required level that the Reserve Fund must have on each Payment Date pursuant to the provisions of section 3.4.2.1 of the Additional Building Block.

**"Securities Note"** means the document of this Prospectus issued in accordance with Annex XIII to Regulation 809/2004.

**"Payment Priority Order"** means the order in which the Available Resources will be applied on each Payment Date in order to meet the Fund's payment or withholding obligations.

**"Liquidation Payment Priority Order"** means the order in which the Available Resources will be applied on each Payment Date in order to meet the Fund's payment or withholding obligations in the Fund early liquidation and extinction events set forth in section 4.4.3. of the Registration Document.

**"Participations"** means the mortgage participations issued by the Seller on the Incorporation Date and pooled in the Fund from time to time.

**"Defaulted Participations and Certificates"** means the Participations and the Certificates whose underlying loans are 18 months or more in arrears or that have been declared in default by the Seller.

**"Non-Defaulted Participations and Certificates"** means the Participations and Certificates that on a given date are not considered Defaulted Mortgage Loans.

**"Collection Period"** means the period of time between two Collection Dates.

**"Interest Accrual Period"** means the business days elapsed between each two consecutive Payment Dates, including the first Payment Date, and excluding the last Payment Date. The first Interest Accrual Period will start on the Disbursement Date, inclusive, and will end on the first Payment Date, exclusive.

**"Settlement Periods"** means the number of days that actually pass between two consecutive Settlement Dates, including the first one but excluding the last one. Exceptionally, the duration of the first Settlement Period will be equivalent to the number of days actually elapsed between the Incorporation Date (inclusive) and 27 August 2007, (exclusive), except for the Interest Rate Cap Agreement, in which the duration of the Settlement Period will be equivalent to the number of days actually elapsed between the Disbursement Date, (inclusive) and 27 August 2007.

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**“Bond Subscription Period”** means the period for subscribing the Bonds, which will start on 14 May 2007 at 12:00 noon (CET), and will end the same day at 2:00 p.m. (CET).

**“Mortgage Loan(s)”** means the mortgage loan(s) transferred by IBERCAJA to the Fund through the issue of the Participations and the Certificates.

**“Initial Expenses Loan”** means the loan granted by IBERCAJA to the Fund to allow the latter to pay the initial expenses of issuing the Bonds.

**“Subordinated Loan”** means the loan granted by IBERCAJA to the Fund to cover the shortfall that exists on the first Fund Payment Date between the interest accrued by the Participations and the Certificates from the Date of Incorporation until the first Payment Date and the interest collected on the Participations and Certificates due before such Payment Date.

**“Pricewaterhouse Coopers”** means Pricewaterhouse Coopers Auditores, S.L.

**“Royal Decree 685/1982”** means Royal Decree 685/1982, of 17 March, developing the Mortgage Market Act.

**“Royal Decree 926/1998”**, means Royal Decree 926/1998, of 14 May, regulating asset securitisation funds and securitisation fund managers.

**“Royal Decree 1310/2005”** means Royal Decree 1310/2005, of 4 November, that partially developed Ley 24/1988, regarding the admission to trading of securities on organised secondary markets, on public offerings and the prospectus required for such purposes.

**“Available Resources”** means the amount deposited in the Treasury Account on each Payment Date, which will be the sum of (i) the revenues obtained from the Participations and the Certificates as principal and current interest, relative to the immediately previous three Collection Periods, (ii) the amount of the Technical Advance requested from Seller and not repaid, (iii) interest on the balances of the Reinvestment Account and, where applicable, interest on the balances of the Surplus Account, (iv) the Reserve Fund, (v) where applicable, other revenue from the Mortgagors other than principal and current interest on the Mortgage Loans, relative to the immediately previous three Collection Periods, (vi) the Net Amount perceived under the Interest Swap Agreement or, in the event of a breach thereof, its liquidation payment, (vii) the amounts derived from the Interest Rate Cap Agreement and (viii) on the first Payment Date, the amount of the Subordinated Loan.

**“Regulation 809/2004”**, means Regulation (EC) N° 809/2004 of 29 April 2004.

**“Receivable Nominal Balance of the Bonds”**, means the sum of the outstanding principal plus the principal past due and unpaid on one date of all the Bonds that form each Series.

**“Receivable Nominal Balance of the Participations and the Certificates”**, means the sum of the outstanding principal plus the principal past due and unpaid on one date of all the Participations and Certificates.



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**"Cumulative Receivable Nominal Balance of the Defaulted Participations and Certificates"**, will mean the cumulative receivable nominal balance of the Defaulted Participations and Certificates without being reduced by the possible recoveries of those Defaulted Participations and Certificates.

**"Outstanding Nominal Balance of the Bonds"** means the outstanding amount of principal of the Bonds of each Series.

**"Outstanding Nominal Balance of the Participations and the Certificates"**, means the outstanding amount of principal of the Participations and the Certificates.

**"Series"** means, jointly, all the series of the Bonds, that is to say, the Series A1, Series A2, the Series B, the Series C, the Series D and the Series E.

**"Sociedad Gestora"**, means TITULIZACIÓN DE ACTIVOS, S.G.F.T., S.A.

**"Société Générale"**, means SOCIÉTÉ GÉNÉRALE, Spanish Branch.

**"S&P"**, means Standard & Poor's España, S.A.

**"ERR"**, means constant effective early redemption rate.

**"Nominal Interest Rate"**, means the nominal, floating, quarterly Interest Rate, paid quarterly, applicable to each Series and determined for each Interest Accrual Period which is the result of adding (i) the Reference Rate and (ii) a margin for each Series as detailed in section 4.8 of the Securities Note.

**"Party B Interest Rate"**, means the sum of the (i) Bond Reference Interest Rate for the current Interest Accrual Period, and (ii) the Spread.

**"Reference Rate"**, means the Bond Reference Rate, as established in section 4.8. of the Securities Note.

**"Multiple Certificates"**, means the Multiple Certificates that represent the Participations and the Certificates.