

PROSPECTUS

NOVEMBER 25, 2005

BANKINTER 11

FONDO DE TITULIZACIÓN HIPOTECARIA

ISSUE OF MORTGAGE-BACKED BONDS EUR 900,000,000

Series A1	EUR 30,000,000	Aaa/AAA
Series A2	EUR 816,800,000	Aaa/AAA
Series B	EUR 15,600,000	Aa3/A
Series C	EUR 15,300,000	Baa1/BBB-
Series D	EUR 9,800,000	Ba3/BB-
Series E	EUR 12,500,000	Ca

Backed by mortgage certificates issued on mortgage credits by



BANKINTER

Lead Managers



Underwriters and Placement Agents

Bankinter

IXIS CIB

Fortis Bank

**Merrill Lynch
International**

Paying Agent

BANKINTER

Fund established and managed by



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

Material Event concerning

BANKINTER 11 Fondo de Titulización Hipotecaria

As provided for in the Prospectus for **BANKINTER 11 Fondo de Titulización Hipotecaria** (the “Fund”) notice is given to the COMISIÓN NACIONAL DEL MERCADO DE VALORES of the following material event:

- On July 30, 2015, this Management Company notified a Material Event informing about the actual transfer of the Fund’s Treasury Account to SOCIÉTÉ GÉNÉRALE, Sucursal en España (“**SGSE**”), upon the signature of a new Guaranteed Interest Rate Account (Treasury Account) Agreement (the “**Treasury Account Agreement**”) by the Management Company, for and on behalf of the Fund, SGSE and BANKINTER, S.A., summing up the main terms of the aforementioned Treasury Account Agreement.
- On July 20, 2016, the parties to the Treasury Account Agreement have entered into an agreement amending but not terminating the Treasury Account Agreement in order, inter alia, to amend the yield terms of the Treasury Account effective from July 30, 2016.
- As a result of the aforementioned amendment agreement, the following section of the Fund Prospectus shall read as follows from July 30, 2016:

Section	Description
<p>3.4.4.1 Building Block Paragraph 2 (Treasury Account)</p>	<p>Positive balances, if any, on the Treasury Account will accrue daily interest at an annual nominal interest rate to be calculated based on the daily EONIA interest rate published by the Bank of Spain at its official site (the “EONIA”).</p> <p>If the difference between (i) the EONIA and (ii) a 0.05% margin, should be positive, interest shall be deemed to have accrued for the Fund, and the applicable interest rate shall be the interest resulting from subtracting a 0.05% (5 b.p.) margin per annum from the EONIA.</p> <p>If the EONIA should be above or equal to -0.06% and below or equal to 0.05%, no interest shall accrue for either Party.</p> <p>If the EONIA should be below -0.06%, interest shall be deemed to have accrued for the Treasury Account Provider and the applicable interest rate shall be the absolute value resulting from adding a 0.06% (6 b.p.) margin per annum to the EONIA.</p> <p>Interest shall be settled monthly and be calculated by SGSE based on a 365-day calendar year, and will be credited or charged to the actual Treasury Account on the first Business Day of the month after being settled. The calculation formula for obtaining the daily interest shall be as follows: daily balance on the Treasury Account multiplied by the relevant annual nominal interest rate, divided by 36,500.</p> <p>The yield provided for above may be reset by SGSE on July 30 of each year starting from July 30, 2017 (the “Reset Date”). The reset shall be notified by SGSE to the Management Company 60 days in advance of each Reset Date. The Management Company may decide to terminate the Treasury Account Agreement if it disagrees with the reset notified, effective as of the Reset Date, and SGSE shall transfer the amount credited to the Treasury Account</p>

Section	Description
	(together with interest, if any, accrued until the termination date) to the new treasury account opened in the name of the Fund specified by the Management Company.

Madrid, July 21, 2016

José Luis Casillas González
Attorney-in-fact

Paula Torres Esperante
Attorney-in-fact

Material Event concerning

BANKINTER 11 Fondo de Titulización Hipotecaria

As provided for in the Prospectus for **BANKINTER 11 Fondo de Titulización Hipotecaria** (the “Fund”) notice is given to the COMISIÓN NACIONAL DEL MERCADO DE VALORES of the following material event:

- On June 16, 2015, this Management Company notified a material event reporting that the Rating Agency Standard & Poor’s (“**S&P**”) had on June 9, 2015 downgraded the credit rating assigned to BARCLAYS BANK PLC, which circumstance was reported because BARCLAYS BANK PLC, Sucursal en España is the Fund’s counterparty under the Guaranteed Interest Rate Account (Treasury Account) Agreement and the Paying Agent Agreement.
- The Fund’s Treasury Account has been transferred, effective from today’s date, July 30, 2015, to SOCIÉTÉ GÉNÉRALE Sucursal en España (“**SGSE**”) following the signature, on July 24, 2015, of a new Guaranteed Interest Rate Account (Treasury Account) Agreement by the Management Company, for and on behalf of the Fund, SGSE and BANKINTER, S.A. and after duly notifying BARCLAYS BANK, PLC Sucursal en España as the former provider of the Fund’s Treasury Account. On the same effective date, SGSE has been designated Bond Paying Agent following the signature, on July 24, 2015, of a new Paying Agent Agreement by the Management Company, for and on behalf of the Fund, SGSE and BANKINTER, S.A. and after duly notifying BARCLAYS BANK, PLC Sucursal en España, as the former Paying Agent.

The ratings for SOCIÉTÉ GÉNÉRALE’s short- and long-term unsecured and unsubordinated debt obligations assigned by the Rating Agencies are currently as follows:

	S&P	Moody’s
Short-term	A-1	P-1
Long-term	A	A2

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

Section	Description
3.4.4.1 Building Block Paragraph 2 (Treasury Account)	SGSE shall pay to the Fund, through its Management Company, and in relation to the amounts credited to the Treasury Account, an annual nominal interest rate, floating daily and settled quarterly, other than for the first interest accrual period the duration of and interest settlement for which shall be based on the duration of that period, applicable for each Interest Accrual Period to the positive daily balances if any on the Treasury Account, equal to the higher of: (a) zero percent (0%); and (b) the interest rate resulting from decreasing (i) daily EONIA, (ii) by a 0.05% margin, transformed to an interest rate based on calendar years (i.e., multiplied by 365 or, if a leap year, by 366 and divided by 360). That interest rate will be in force until July 30, 2016. Interest shall be settled on the maturity date of each interest accrual period on each Determination Date of the Fund (the fourth (4 th) Business Day preceding each Payment Date), and shall be calculated based on: (i) the exact number of days in each interest accrual period, and (ii) a three-hundred-and-sixty-five (365-) day year or, if a leap year, a three-hundred-and-sixty-six (366-) day year. The first Treasury Account interest settlement date at SGSE shall be August 17, 2015.

Section	Description
	<p>In this connection, the EONIA (Euro Overnight Index Average) reference rate shall mean the effective overnight interest rate calculated as the weighted average of all overnight unsecured lending transactions in the interbank market, carried out within the European Union and in European Free Trade Association (EFTA) countries. The calculation is made by the European Central Bank and is set between 6:45 PM and 7:00 PM (CET), and is reported with two decimals. The EONIA reference rate used for these purposes shall be the rate posted at the EMMI (European Money Markets Institute) website, or other screens supplying the same information.</p>
<p>5.2.1 Securities note Paragraph 5 (Paying Agent Agreement)</p>	<p>In consideration of the services to be provided by the Paying Agent, the Fund shall pay it, during the term of the Agreement on each Bond Payment Date, a fee of EUR one thousand five hundred (1,500.00), inclusive of taxes if any, which shall fall due on each Payment Date and be paid on the same Payment Date provided that the Fund has sufficient liquidity and in the Fund's Priority of Payments, or, in the event, in the Liquidation Priority of Payments. Additionally, for each refund of withholding tax on the Management Company's instructions, the Paying Agent will receive from the Fund a EUR fifty (€50) fee, plus the amount of applicable taxes, if any. The withholding refund amount shall be billed, as the case may be, on a monthly basis by SGSE to the Fund.</p>

Madrid, July 30, 2015

Mario Masiá Vicente
General Manager

TABLE OF CONTENTS

	Page
RISK FACTORS	5
ASSET-BACKED SECURITIES REGISTRATION DOCUMENT (Annex VII to Commission Regulation (EC) No. 809/2004 of April 29, 2004)	9
1. PERSONS RESPONSIBLE	9
1.1 Persons responsible for the information given in the Registration Document.	9
1.2 Declaration by those responsible for the contents of the Registration Document.	9
2. STATUTORY AUDITORS	9
2.1 Fund's Auditors.	9
2.2 Accounting policies used by the Fund.	9
3. RISK FACTORS	9
4. INFORMATION ABOUT THE ISSUER	10
4.1 Statement that the issuer has been established as a securitisation fund.	10
4.2 Legal and commercial name of the issuer.	10
4.3 Place of registration of the issuer and registration number.	10
4.4 Date of incorporation and the existence of the issuer.	10
4.4.1 Date of establishment of the Fund.	10
4.4.2 Existence of the Fund.	10
4.4.3 Early Liquidation of the Fund.	11
4.4.4 Termination of the Fund.	12
4.5 Domicile, legal form and legislation applicable to the issuer.	13
4.5.1 Tax system of the Fund.	13
4.6 Issuer's authorised and issued capital.	14
5. BUSINESS OVERVIEW	14
5.1 Brief description of the issuer's principal activities.	14
5.2 Global overview of the parties to the securitisation program.	14
6. ADMINISTRATION, MANAGEMENT AND SUPERVISORY BODIES	16
7. MAJOR SHAREHOLDERS	19
8. FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION, AND PROFITS AND LOSSES	19
8.1 Statement as to commencement of operations and financial statements as at the date of the Registration Document.	19
8.2 Historical financial information.	19
8.2 bis Historical financial information for issues of securities having a denomination per unit of at least EUR 50,000.	19
8.3 Legal and arbitration proceedings.	20
8.4 Material adverse change in the issuer's financial position.	20
9. THIRD PARTY INFORMATION, STATEMENT BY EXPERTS AND DECLARATIONS OF ANY INTEREST	20
9.1 Statement or report attributed to a person as an expert.	20
9.2 Information sourced from a third party.	20

	Page
10. DOCUMENTS ON DISPLAY	20
10.1 Documents on display.	20
SECURITIES NOTE	23
(Annex XIII to Commission Regulation (EC) No. 809/2004 of April 29, 2004)	
1. PERSONS RESPONSIBLE	23
1.1 Persons responsible for the information given in the Securities Note.	23
1.2 Declaration by those responsible for the Securities Note.	23
2. RISK FACTORS	23
3. KEY INFORMATION	23
3.1 Interest of natural and legal persons involved in the offer.	23
4. INFORMATION CONCERNING THE SECURITIES TO BE OFFERED AND ADMITTED TO TRADING	24
4.1 Total amount of the securities.	24
4.2 Description of the type and class of the securities.	26
4.3 Legislation under which the securities have been created.	26
4.4 Indication as to whether the securities are in registered or bearer form and whether the securities are in certificated or book-entry form.	26
4.5 Currency of the issue.	26
4.6 Ranking of the securities.	26
4.7 Description of the rights attached to the securities.	28
4.8 Nominal interest rate and provisions relating to interest payable.	28
4.9 Maturity date and amortisation of the securities.	32
4.10 Indication of yield.	38
4.11 Representation of security holders.	45
4.12 Resolutions, authorisations and approvals for issuing the securities.	45
4.13 Issue date of the securities.	46
4.14 Restrictions on the free transferability of the securities.	46
5. ADMISSION TO TRADING AND DEALING ARRANGEMENTS	47
5.1 Market where the securities will be traded.	47
5.2 Paying agents and depository agents.	47
6. EXPENSE OF THE OFFERING AND OF ADMISSION TO TRADING	48
7. ADDITIONAL INFORMATION	48
7.1 Statement of the capacity in which the advisors connected with the issue mentioned in the Securities Note have acted.	48
7.2 Other information in the Securities Note which has been audited or reviewed by auditors.	48
7.3 Statement or report attributed to a person as an expert.	49
7.4 Information sourced from a third party.	49
7.5 Credit ratings assigned to the securities by rating agencies.	49
ASSET-BACKED SECURITIES BUILDING BLOCK	53
(Annex VIII to Commission Regulation (EC) No. 809/2004 of April 29, 2004)	
1. SECURITIES.	53
1.1 Minimum denomination of an issue.	53
1.2 Confirmation that the information relating to an undertaking or obligor not involved in the issue has been accurately reproduced from information published by the undertaking or obligor.	53

	Page
2. UNDERLYING ASSETS	53
2.1 Confirmation that the securitised assets have capacity to produce funds to service any payments due and payable on the securities.	53
2.2 Assets backing the issue.	53
2.2.1 Legal jurisdiction by which the pool of assets is governed.	54
2.2.2 General characteristics of the obligors.	55
2.2.3 Legal nature of the pool of assets.	59
2.2.4 Expiry or maturity date(s) of the assets.	60
2.2.5 Amount of the assets.	61
2.2.6 Mortgage Credit to value ratio or level of collateralisation.	61
2.2.7 Method of creation of the assets.	63
2.2.8 Indication of representations and collaterals given to the issuer relating to the assets.	64
2.2.9 Substitution of the securitised assets.	67
2.2.10 Relevant insurance policies relating to the assets.	68
2.2.11 Information relating to the obligors where the securitised assets comprise obligations of 5 or fewer obligors which are legal persons or where an obligor accounts for 20% or more of the assets, or where an obligor accounts for a material portion of the assets.	69
2.2.12 Details of the relationship, if it is material to the issue, between the issuer, guarantor and obligor.	69
2.2.13 Where the assets comprise fixed income securities, a description of the principal terms.	69
2.2.14 Where the assets comprise equity securities, a description of the principal terms.	69
2.2.15 If the assets comprise equity securities that are not traded on a regulated or equivalent market, where they represent more than ten (10) per cent of the securitised assets, a description of the principal terms.	69
2.2.16 Valuation reports relating to the property and cash flow/income streams where a material portion of the assets are secured on real property.	69
2.3 Actively managed assets backing the issue.	69
2.4 Where the issuer proposes to issue further securities backed by the same assets, statement to that effect and description of how the holders of that class will be informed.	69
3. STRUCTURE AND CASH FLOW	70
3.1 Description of the structure of the transaction.	70
3.2 Description of the entities participating in the issue and of the functions to be performed by them.	71
3.3 Description of the method and date of the sale, transfer, novation or assignment of the assets or of any rights and/or obligations in the assets to the issuer.	71
3.4 Explanation of the flow of funds.	74
3.4.1 How the cash flow from the assets will meet the issuer's obligations to holders of the securities.	74
3.4.2 Information on any credit enhancement.	75
3.4.2.1 Description of the credit enhancement.	75
3.4.2.2 Cash Reserve.	75
3.4.3 Details of any subordinated debt finance.	76
3.4.3.1 Start-Up Loan.	76
3.4.3.2 Subordination of Series B, C, D and E Bonds.	77
3.4.4 Investment parameters for the investment of temporary liquidity surpluses and parties responsible for such investment.	77
3.4.4.1 Treasury Account.	77
3.4.4.2 Amortisation Account.	79

	Page
3.4.5 Collection by the Fund of payments in respect of the assets.	81
3.4.6 Order of priority of payments made by the issuer.	81
3.4.6.1 Source and application of funds on the Bond Closing Date and until the first Payment Date, exclusive.	81
3.4.6.2 Source and application of funds from the first Payment Date, inclusive, until the last Payment Date or liquidation of the Fund, exclusive. Priority of Payments.	82
3.4.6.3 Fund Liquidation Priority of Payments.	85
3.4.6.4 Financial Intermediation Margin	86
3.4.7 Other arrangements upon which payments of interest and principal to investors are dependent.	87
3.4.7.1 Interest Swap.	87
3.5 Name, address and significant business activities of the originator of the securitised assets.	92
3.6 Return on and/or repayment of the securities linked to others which are not assets of the issuer.	93
3.7 Administrator, calculation agent or equivalent.	93
3.7.1 Management and representation of the Fund and of the holders of the securities.	93
3.7.2 Servicing and custody of the securitised assets.	97
3.8 Name, address and brief description of any swap, credit, liquidity or account counterparties.	105
4. POST-ISSUANCE REPORTING	105
GLOSSARY OF DEFINITIONS	109

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

1. A description of the major risk factors linked to the issuer, the securities and the assets backing the issue (the “**Risk Factors**”);
2. An asset-backed securities registration document, prepared using the outline provided in Annex VII to Regulation 809/2004 (the “**Registration Document**”);
3. A securities note, prepared using the outline provided in Annex XIII to Regulation 809/2004 (the “**Securities Note**”); and
4. A Securities Note building block, prepared using the block provided in Annex VIII to Regulation 809/2004 (the “**Building Block**”).

RISK FACTORS

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

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

The Fund is a separate closed-end fund devoid of legal personality and is managed by a management company, in accordance with article 5.2 of Investment Trusts and Companies System and Mortgage Securitisation Funds Act 19/1992, July 7 ("**Act 19/1992**"). The Fund shall be liable only for its obligations to its creditors with its assets.

The Management Company shall discharge for the Fund the functions attributed to it in articles 5.2 and 6.1 of Act 19/1992 and in Royal Decree 926/1998, May 14, regulating asset securitisation funds and securitisation fund management companies ("**Royal Decree 926/1998**"), which include enforcing Bondholders' interests as the manager of third-party portfolios. There shall be no syndicate of bondholders. Therefore, the capacity to enforce Bondholders' interests shall depend on the Management Company's means.

b) Forced substitution of the Management Company.

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

c) Limitation of actions.

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

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

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

d) Applicability of the Bankruptcy Act

Both BANKINTER and the Management Company may be declared bankrupt.

In particular, bankruptcy of BANKINTER could affect its contractual relationships with the Fund, in accordance with the provisions of Bankruptcy Act 22/2003, July 9.

Specifically, the transaction involving the issue of the Mortgage Certificates cannot be the subject of restitution other than by an action brought by the receivers of BANKINTER, in accordance with the provisions of bankruptcy laws.

In the event of BANKINTER being decreed in bankruptcy, in accordance with the Bankruptcy Act, the Fund, acting through the Management Company, shall have a right of separation with respect to the multiple certificate representing the Mortgage Certificates, on the terms provided for in articles 80 and 81 of the Bankruptcy Act. Moreover, the Fund, acting through its Management Company, shall be entitled to obtain from BANKINTER the resulting Mortgage Certificate amounts from the date on which bankruptcy is decreed, for those amounts will be considered to be the Fund's property, through its Management Company and must therefore be transferred to the Management Company, representing the Fund. This right of separation would not necessarily extend to the monies received and kept by BANKINTER on behalf of the Fund before that date, for they might be earmarked for bankruptcy, based on the most widespread construction of article 80 of the Bankruptcy Act for the time being in force, given the essential fungible nature of money. The means mitigating that risk are described in sections 3.4.4.1 (Treasury Account), 3.4.4.2 (Amortisation Account), 3.4.5 (Collection by the Fund of payments in respect of the assets) and 3.7.2.1.2 (Collection management) of the Building Block.

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

2 Risks derived from the securities.

a) Liquidity

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

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

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

b) Yield.

Calculation of the internal rate of return, average life and duration of the Bonds in each Series contained in section 4.10 of the Securities Note is subject, inter alia, to presumed Mortgage Credit prepayment and delinquency rates which might not be fulfilled, and future market interest rates, given the floating nature of the nominal interest rate of each Series.

c) Duration.

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

d) Late-payment interest.

Late interest payment or principal repayment to Bondholders shall under no circumstances result in late-payment interest accruing to their favour.

e) Ratings not confirmed.

The failure by the Rating Agencies to confirm the provisional ratings given to the Bonds by the start of the Subscription Period shall be an event of termination of the establishment of the Fund and the Bond Issue.

3 Risks derived from the assets backing the issue.

a) Risk of default on the Mortgage Certificates.

Holders of the Bonds issued by the Fund shall bear the risk of default on the Mortgage Credits pooled in the Fund by means of the issue of the Mortgage Certificates.

BANKINTER shall have no liability whatsoever for the Obligors' default of principal, interest or any other amount they may owe under the Mortgage Credits. BANKINTER is liable, to the extent provided for in article 348 of the Commercial Code, to the Fund exclusively for the existence and lawfulness of the Mortgage Credits on the terms and conditions declared in the Deed of Constitution, and for the personality with which the assignment is made. BANKINTER will have no liability whatsoever to directly or indirectly guarantee that the transaction will be properly performed nor give any guarantees or security, nor indeed agree to repurchase the Mortgage Certificates, other than the undertakings contained in section 2.2.9 of the Building Block regarding substitution or redemption of Mortgage Certificates in that event that any of them or of the underlying Mortgage Credits should fail to conform, upon the Fund being established, to the representations contained in section 2.2.8 of the Building Block.

The Bonds issued by the Fund neither represent nor constitute an obligation of BANKINTER or the Management Company. No other guarantees have been granted by any public or private organisation whatsoever, including BANKINTER, the Management Company and any of their affiliated or associated companies.

b) Limited Hedging.

A high level of delinquency of the Mortgage Credits might reduce or indeed exhaust the limited hedging against Mortgage Credit losses that the Series A1, A2, B, C, D and E Bonds have as a result of the existence of the credit enhancement transactions described in section 3.4.2 of the Building Block.

The degree of subordination in interest payment and principal repayment between the Bonds in the different Series derived from their place in the application of Available Funds and from the rules for Distribution of Available Funds for Amortisation of Series A1, A2, B, C and D in the Priority of Payments and the Liquidation Priority of Payments of the Fund is a mechanism for distinctly hedging the different Series.

c) Mortgage Certificate early amortisation risk.

There will be an early amortisation of the Mortgage Certificates pooled in the Fund when the Mortgage Credit Obligors prepay the portion of principal pending repayment, on the terms provided for in each Mortgage Credit deed. Similarly, there shall be an early amortisation of the Mortgage Certificates in the event that BANKINTER should be substituted in the relevant Mortgage Credits by any other financial institution licensed to do so, subject to Mortgage Loan Subrogation and Amendment Act 2/1994, March 30, as currently worded, ("Act 2/1994") or in any other event having the same effect.

That prepayment risk shall pass quarterly on each Payment Date to Bondholders by the partial amortisation of the Bonds, in accordance with the provisions of the rules for Distribution of Available Funds for Amortisation of Series A1, A2, B, C and D contained in section 4.9.3.6 of the Securities Note.

This is a Certified Translation into English of the Spanish Prospectus. No document other than the Spanish Prospectus registered by the Comisión Nacional del Mercado de Valores may have any legal effect whatsoever or be taken into account with respect to the Bond Issue.

ASSET-BACKED SECURITIES REGISTRATION DOCUMENT

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

1. PERSONS RESPONSIBLE

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

Mr Mario Masiá Vicente, acting for and on behalf of EUROPEA DE TITULIZACIÓN S.A. SOCIEDAD GESTORA DE FONDOS DE TITULIZACIÓN (the “**Management Company**”), the company sponsoring BANKINTER 11 FONDO DE TITULIZACIÓN HIPOTECARIA (the “**Fund**” and/or the “**Issuer**”), takes responsibility for the contents of this Registration Document.

Mr Mario Masiá Vicente is acting as General Manager of the Management Company using the authorities conferred by the Board of Directors at its meetings held on January 19, 1993 and January 28, 2000, and expressly for establishing the Fund pursuant to authorities conferred by the Board of Directors' Executive Committee at its meeting held on October 6, 2005.

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

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

2. STATUTORY AUDITORS

2.1 Fund's Auditors.

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

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

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

2.2 Accounting policies used by the Fund.

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

The expenses of setting up the Fund and issuing the Bonds will be subject to a straight-line depreciation during the months elapsing since the establishment of the Fund until October 31, 2010, inclusive.

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

3. RISK FACTORS

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

4. INFORMATION ABOUT THE ISSUER

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

The Issuer is a mortgage securitisation fund to be established in accordance with Spanish laws.

4.2 Legal and commercial name of the issuer.

The issuer's name is "BANKINTER 11 FONDO DE TITULIZACIÓN HIPOTECARIA" and the following short names may also be used without distinction to identify the Fund:

- BANKINTER 11 FTH
- BANKINTER 11 F.T.H.

4.3 Place of registration of the issuer and registration number.

The place of registration of the Fund is in Spain at the Comisión Nacional del Mercado de Valores (*National Securities Market Commission*) (the "CNMV"). The Fund was entered in the Official Registers of the CNMV on November 25, 2005.

Companies Register

For the record, neither the establishment of the Fund nor the Bonds issued backed by its assets shall be entered in the Companies Register, pursuant to article 5.3 of Act 19/1992.

4.4 Date of establishment and existence of the issuer.

4.4.1 Date of establishment of the Fund.

The Management Company and BANKINTER, Originator of the Mortgage Credits, shall proceed to execute on November 28, 2005 a public deed whereby BANKINTER 11 FONDO DE TITULIZACIÓN HIPOTECARIA will be established, BANKINTER will assign to the Fund Mortgage Credits by means of the issue of Mortgage Certificates, and the Fund will issue the Mortgage-Backed Bonds (the "**Deed of Constitution**"), on the terms provided in article 6 of Royal Decree 926/1998.

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

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

4.4.2 Existence of the Fund.

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

The Fund shall be in existence until August 21, 2048 or the following Business Day if that is not a Business Day, the Final Maturity Date of the Bond Issue, unless there should previously have been an Early Liquidation of the Fund as set forth in section 4.4.3 of this Registration Document or any of the events laid down in section 4.4.4 of this Registration Document should occur.

4.4.3 Early Liquidation of the Fund.

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

- (i) When the amount of the Outstanding Balance of the Mortgage Credits yet to be repaid is less than 10 percent of the initial Outstanding Balance upon the Fund being established, in accordance with the authorisation established in article 5.3 of Act 19/1992, and provided that the payment obligations derived from the outstanding Bonds in each Series may be honoured and settled in full in the Liquidation Priority of Payments.

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

- (ii) Where, in any event or circumstance whatsoever unrelated to the Fund’s operations, a substantial alteration occurs or the financial balance of the Fund required by article 11.b) of Royal Decree 926/1998 is permanently damaged. This event includes such circumstances as the existence of any change in the law or supplementary implementing regulations, the establishment of withholding obligations or other situations which might permanently affect the financial balance of the Fund.
- (iii) Mandatorily, in the event that the Management Company should be adjudged insolvent, or the statutory term to do so or otherwise four months should elapse without a new management company being designated in accordance with the provisions of section 3.7.1.3 of the Building Block to this Prospectus.
- (iv) When a default occurs indicating a major permanent imbalance in relation to any of the Bonds issued or to any unsubordinated credit or that it is about to occur.
- (v) Upon the lapse of thirty (30) months from the date of the last maturity of the Mortgage Credits, even if they still have overdue amounts.

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

- (i) That Bondholders be given not less than fifteen (15) Business Days’ notice, as prescribed in section 4.1.3.2 of the Building Block, of the Management Company’s resolution to proceed to an early liquidation of the Fund.
- (ii) That the Management Company previously advise the CNMV and the Rating Agencies of that notice.
- (iii) The notice of the Management Company’s resolution to proceed to an Early Liquidation of the Fund shall contain a description (i) of the event or events for which an Early Liquidation of the Fund is effected, (ii) of the liquidation procedure, and (iii) of the manner in which the payment obligations derived from the Bonds are to be honoured and settled in the Liquidation Priority of Payments.
- (iv) That all necessary authorisations, if any, to do so shall have been obtained from the competent bodies.

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

- (i) Notwithstanding the provisions of paragraph (iv) below, shall proceed to sell the Mortgage Certificates remaining in the Fund for a price of not less than the sum of the principal value still outstanding plus interest accrued and not paid on the relevant Mortgage Credits.
- (ii) Shall proceed to terminate such agreements as are not necessary for the Fund liquidation procedure.

- (iii) It will be entitled to arrange for a credit facility, with an institution with a credit rating for its short-term unsecured and unsubordinated debt obligations of at least P-1 in Moody's rating scale, which shall be fully and forthwith allocated to the early amortisation of the Series A1, A2, B, C and D Bonds the financial cost of which (interest and fees and expenses, if any) shall not be in excess of the average Nominal Interest Rate of Series A1, A2, B, C and D yet to be repaid weighted by the Outstanding Principal Balance of each of those Series. Accrued financial costs shall be paid and principal shall be repaid under that credit facility in accordance with the Liquidation Priority of Payments.
- (iv) Finally, both due to an insufficiency of the preceding actions and the existence of Mortgage Certificates or other remaining assets of the Fund, the Management Company shall proceed to sell them and shall therefore invite a bid from at least five (5) entities from among the most active in the purchase and sale of those assets who may, in its view, give a market value. The Management Company shall be bound to accept the best bid received for the Mortgage Certificates and for the assets on offer which in its view covers the market value of the asset at issue. In order to set the market value, the Management Company may secure such valuation reports as it shall deem necessary.

In events (i), (iii) and (iv) above, BANKINTER shall have a pre-emptive right on the terms established by the Management Company and will therefore have priority over third parties to acquire the Mortgage Certificates and other assets remaining on the assets of the Fund, or to grant to the Fund, as the case may be, the credit facility designed for the early amortisation of the outstanding Series A1, A2, B, C and D Bonds. The Management Company shall therefore send BANKINTER a list of the assets and of third-party bids received, and the latter may use that right for all of the Mortgage Certificates and the assets offered by the Management Company or the credit facility within ten (10) Business Days of receiving said notice, and provided that its bid is at least equal to the best of the third-party bids.

- 4.4.3.4 The Management Company shall forthwith apply all the proceeds from the sale of the Mortgage Certificates and the Fund's assets to paying the various items, in such manner, amount and order as shall be requisite in the Liquidation Priority of Payments, other than the amounts, if any, drawn under the credit facility arranged for early amortisation of the Series A1, A2, B, C and D Bonds.

4.4.4 Termination of the Fund.

The Fund shall terminate in any of the following events:

- (i) Upon the Mortgage Certificates pooled therein being fully amortised.
- (ii) Upon the Bonds issued being fully amortised.
- (iii) When the Early Liquidation procedure established in section 4.4.3 above is over.
- (iv) At all events, upon the final liquidation of the Fund on the Final Maturity Date on August 21, 2048 or the following Business Day if that is not a Business Day.
- (v) Upon the establishment of the Fund terminating in the event that the Rating Agencies should not confirm any of the assigned provisional ratings as final ratings by the start of the Subscription Period. In this event, the Management Company shall terminate the establishment of the Fund, subscription for the Mortgage Certificates by the Fund and the Bond Issue.

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

In the event that there should be any remainder upon the Fund being liquidated and after making all payments to the various creditors by distributing the Liquidation Available Funds in the set Liquidation Priority of Payments, that remainder shall be for the Originator on the liquidation terms established by the Management Company.

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

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

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

In accordance with the provisions of article 5.1 of Act 19/1992, the Fund has no own legal personality, and Securitisation Fund Management Companies are entrusted with establishing, managing and legally representing those funds, and, as managers of third-party portfolios, with representing and enforcing the interests of the holders of the securities issued by the Funds they manage and of all their other ordinary creditors.

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

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

The establishment of the Fund is subject to Spanish Law and in particular is carried out pursuant to the legal system provided for by (i) Act 19/1992, and (ii) all other legal and statutory provisions in force and applicable from time to time.

4.5.1 Tax system of the Fund.

In accordance with the provisions of article 5.10 of Act 19/1992; article 7.1.h) of the Consolidation of the Corporation Tax Act approved by Legislative Royal Decree 4/2004, March 5; article 20.One.18 of Value Added Tax Act 37/1992, December 28; article 59.k of the Corporation Tax Regulations approved by Royal Decree 1777/2004, July 30; article 45.I.B).15 of Royal Decree 1/1993, September 24, approving the Consolidation of the Capital Transfer and Documents Under Seal Tax; article 16 of Royal Decree 3/1993, and additional provision five of Act 3/1994, the following are the characteristics of the current tax system of the Fund:

- (i) The establishment of the Fund is exempt from the "corporate transactions" item of Capital Transfer and Documents Under Seal Tax.
- (ii) The Bond issue is exempt from payment of Value Added Tax and Capital Transfer and Documents Under Seal Tax.
- (iii) The Fund is subject to the general Corporation Tax system, determining the taxable income in accordance with the provisions of Title IV of the Corporation Tax Act, applying the general rate in force from time to time, which currently stands at 35%.

- (iv) As for returns on the Mortgage Certificates, loans or other credit rights constituting Fund income, there shall be no Corporation Tax withholding or interim payment obligation.
- (v) The Fund management and custody services shall be exempt from Value Added Tax.
- (vi) Transfer of the Mortgage Certificates is exempt from Value Added Tax and Capital Transfer and Documents Under Seal Tax.

4.6 Issuer's authorised and issued capital.

Not applicable.

5. BUSINESS OVERVIEW

5.1 Brief description of the issuer's principal activities.

The Fund's activity is to acquire a set of mortgage participation certificates (the "**Mortgage Certificates**") issued by BANKINTER S.A. ("**BANKINTER**") on the first drawdowns of mortgage credits (the "**Mortgage Credits**") owned by BANKINTER granted to individuals with senior real estate mortgage security on finished homes located in Spain and to issue mortgage-backed bonds (either the "**Mortgage-Backed Bonds**" or the "**Bonds**") designed to finance the acquisition of the Mortgage Certificates, the underwritten placement of which is targeted at qualified investors.

(In this Registration Document and elsewhere in the Prospectus, the term "Mortgage Credits" shall be used in some definitions to generically refer to the Mortgage Certificates perfecting the assignment of the first drawdowns of the mortgage credits, other than where specific reference is made to the Mortgage Certificates as such or to the certificates representing the same.)

Mortgage Credit interest and repayment income received by the Fund shall be allocated quarterly on each payment date to interest payment and principal repayment on the Bonds issued on the specific terms of each of the series (the "**Series**") making up the issue of Bonds and in the order of priority established for Fund payments.

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

5.2 Global overview of the parties to the securitisation program.

- EUROPEA DE TITULIZACIÓN, S.A., SOCIEDAD GESTORA DE FONDOS DE TITULIZACIÓN ("**EUROPEA DE TITULIZACIÓN**") is the Management Company that will establish, manage and legally represent the Fund and was involved in financially structuring the Fund and the Bond Issue.

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

VAT REG. No.: A-805144 66 Business Activity Code No.: 6713

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

- BANKINTER is the originator of the Mortgage Credits to be assigned to the Fund upon being established by means of the issue of the Mortgage Certificates and shall be a Lead Manager and a Bond Issue Underwriter and Placement Agent.

Out of the functions and activities that Lead Managers may discharge in accordance with article 35.1 of Royal Decree 1310/2005, BANKINTER has, together with the Management Company, structured the financial terms of the Fund and the Bond Issue and will, together with the other Lead Managers, do the following: (i) temporary and marketing actions and activities in connection with the public offering for Bond Issue subscription, (ii) liaising with potential investors and (iii) all other actions and activities provided for in respect of the Lead Managers in the Securities Note.

Moreover, BANKINTER shall be counterparty to the Fund in the Guaranteed Interest Rate Account (Treasury Account), Guaranteed Interest Rate Account (Amortisation Account), Start-Up Loan, Interest Swap, Mortgage Credit Servicing and Mortgage Certificate Custody, Bond Paying Agent and Financial Intermediation Agreements.

BANKINTER is a bank incorporated in Spain and entered in the Companies Register of Madrid at volume 14,846, folio 169, section 8, sheet 7766 and in the Bank of Spain's Special Register of Banks and Bankers under number 30, its bank number being 0128.

VAT REG. No.: A28157360 Business Activity Code No.: 65121

Registered office: Paseo de la Castellana number 29, 28046 Madrid (Spain).

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

	Fitch Ratings	Moody's Ratings	S&P Ratings
Short-term	F1	P-1	A-1
Long-term	A+	Aa3	A

- IXIS CORPORATE & INVESTMENT BANK ("**IXIS CIB**") shall be a Lead Manager and one of the Bond Issue Underwriters and Placement Agents.

Out of the functions and activities that Lead Managers may discharge in accordance with article 35.1 of Royal Decree 1310/2005, IXIS CIB will, together with the other Lead Managers, do the following: (i) temporary and marketing actions and activities in connection with the public offering for Bond Issue subscription, (ii) liaising with potential investors and being one of the Bond subscription book runners (iii) all other actions and activities provided for in respect of the Lead Managers in the Securities Note.

IXIS CIB is a bank incorporated and registered in France and also entered in the Bank of Spain as a Community credit institution, operating in Spain without an establishment.

VAT REG. No.: FR66340 706 4007

Registered office: 47 quai d'Austerlitz, 75658 Paris cedex 13

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

	Fitch Ratings	Moody's Ratings	S&P Ratings
Short-term *	F1+	P1	A-1+
Long-term	AA	Aa2	AA
*	AAA	Aaa	Aaa

* Guaranteed by Caisse des Dépôts

- FORTIS BANK NV-SA ("**FORTIS BANK**") shall be a Lead Manager and one of the Bond Issue Underwriters and Placement Agents.

Out of the functions and activities that Lead Managers may discharge in accordance with article 35.1 of Royal Decree 1310/2005, FORTIS BANK will, together with the other Lead Managers, do the following: (i) temporary and marketing actions and activities in connection with the public offering for Bond Issue subscription, (ii) liaising with potential investors and being one of the Bond subscription book runners and (iii) all other actions and activities provided for in respect of the Lead Managers in the Securities Note.

FORTIS BANK is a bank incorporated and registered in Belgium and also entered in the Bank of Spain as a Community credit institution, operating in Spain without an establishment.

VAT REG. No.: BE403199702

Registered office: Montgne du Parc 3, BE 1000 Brussels

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

	Fitch Ratings	Moody's Ratings	S&P Ratings
Short-term	F1+	P-1	A-1+
Long-term	AA-	Aa3	AA-

- MERRILL LYNCH INTERNATIONAL ("**MERRILL LYNCH**") shall be a Lead Manager and one of the Bond Issue Underwriters and Placement Agents.

Out of the functions and activities that Lead Managers may discharge in accordance with article 35.1 of Royal Decree 1310/2005, MERRILL LYNCH will, together with the other Lead Managers, do the following: (i) temporary and marketing actions and activities in connection with the public offering for Bond Issue subscription, (ii) liaising with potential investors and being one of the Bond subscription book runners and (iii) all other actions and activities provided for in respect of the Lead Managers in the Securities Note.

MERRILL LYNCH is an unlimited liability company incorporated in the United Kingdom and entered in the Companies Register of England under number 2312079. Moreover, MERRILL LYNCH is entered in the CNMV as a Foreign Investment Services Company under registration number 426 dated October 14, 1998.

VAT REG. No.: GB 245 1224 93

Registered office: 2 King Edward Street, EC1A 1HQ (London) (United Kingdom)

BANKINTER S.A. has a 1.5317% interest in the share capital of EUROPEA DE TITULIZACIÓN.

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

6. ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

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

6.1 Incorporation and registration at the Companies Register.

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

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

6.2 Audit.

The annual accounts of EUROPEA DE TITULIZACIÓN for the years ended on December 31, 2004, 2003 and 2002 have been audited by the firm Deloitte S.L., with place of business at Madrid, and entered in the Official Register of Auditors (ROAC) under number S0692.

The audit reports on the annual accounts for the years 2004, 2003 and 2002 have no notes.

6.3 Principal activities.

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

EUROPEA DE TITULIZACIÓN managed 45 securitisation funds as at October 31, 2005, of which 18 were mortgage securitisation funds and 27 were asset securitisation funds.

The following table itemises the 45 securitisation funds managed, giving their date of establishment and the face amount of the bonds issued by those funds and their outstanding principal balances.

Securitisation Fund	Establishment	Bond Issue		Bond Issue		Bond Issue		Bond Issue
		Initially	Balance 31.10.2005		Balance 31.12.2004		Balance 31.12.2003	
		EUR	EUR	Δ%	EUR	Δ%	EUR	
TOTAL		38,325,546,652.96	27,230,258,873.77	25.24%	21,742,066,167.51	42.80%	15,225,248,835.61	
Mortgage (FTH)		9,577,546,652.96	4,790,731,367.53	-15.42%	5,664,315,494.43	-9.20%	6,238,076,018.82	
Bankinter 7 FTH	18.02.2004	490,000,000.00	370,378,365.42	-16.44%	443,242,308.18			
Bankinter 5 FTH	16.12.2002	710,000,000.00	480,860,636.59	-15.42%	568,496,104.12	-12.1%	646,824,322.74	
BZ Hipotecario 4 FTH	27.11.2002	313,400,000.00	170,910,609.60	-20.40%	214,702,964.80	-19.8%	267,626,203.20	
Rural Hipotecario IV FTH	14.11.2002	520,000,000.00	324,427,164.89	-15.31%	383,066,455.30	-15.6%	453,900,456.81	
Bancaja 4 FTH	05.11.2002	1,000,000,000.00	562,166,397.85	-16.95%	676,910,165.65	-18.3%	828,101,060.95	
Bankinter 4 FTH	24.09.2002	1,025,000,000.00	718,925,477.00	-10.75%	805,537,009.40	-11.8%	913,481,788.16	
Rural Hipotecario III FTH	14.05.2002	325,000,000.00	191,877,565.42	-13.47%	221,756,180.86	-15.5%	262,514,204.02	
Bankinter 3 FTH	22.10.2001	1,322,500,000.00	752,104,867.20	-14.80%	882,775,463.04	-14.1%	1,027,098,923.52	
BZ Hipotecario 3 FTH	23.07.2001	310,000,000.00	131,343,594.55	-20.15%	164,493,197.56	-21.0%	208,231,256.08	
Rural Hipotecario II FTH	29.05.2001	235,000,000.00	114,727,237.60	-15.15%	135,215,972.80	-16.9%	162,788,372.80	
BZ Hipotecario 2 FTH	28.04.2000	285,000,000.00	84,496,357.62	-19.04%	104,365,347.64	-24.3%	137,863,444.12	
Rural Hipotecario I FTH	22.02.2000	200,000,000.00	72,482,730.44	-16.09%	86,384,087.06	-19.8%	107,756,861.06	
Bankinter 2 FTH	25.10.1999	320,000,000.00	136,877,163.99	-16.49%	163,903,710.50	-15.2%	193,242,016.00	
Bankinter 1 FTH	12.05.1999	600,000,000.00	188,428,409.46	-19.33%	233,577,234.54	-18.9%	287,986,696.98	
BZ Hipotecario 1 FTH	16.04.1999	350,000,000.00	90,897,930.12	-17.57%	110,269,777.88	-22.4%	142,107,218.50	
Hipotecario 2 FTH	04.12.1998	1,051,771,182.67	322,792,651.70	-11.13%	363,220,856.66	-20.5%	456,668,285.80	
Bancaja 2 FTH	23.10.1998	240,404,841.75	59,937,667.98	-22.39%	77,225,834.66	-21.8%	98,788,329.80	
Bancaja 1 FTH	18.07.1997	120,202,420.88	17,096,540.10	-19.61%	21,266,914.30	-25.7%	28,614,973.60	
BBV-MBS I FTH	30.11.1995	90,151,815.66	liquidated	-100.00%	7,905,909.48	-45.4%	14,481,604.68	
Hipotecario 1 FTH	20.09.1993	69,116,392.00	liquidated					
Asset (FTA)		28,748,000,000.00	22,439,527,506.24	39.57%	16,077,750,673.08	78.90%	8,987,172,816.79	
FTPME BANCAJA 4 FTA	07.11.2005	1,524,000,000.00	1,524,000,000.00					
BBVA-4 PYME FTA	26.09.2005	1,250,000,000.00	1,250,000,000.00					
Bankinter 10 FTA	27.06.2005	1,740,000,000.00	1,740,000,000.00					
MBS Bancaja 2 FTA	27.06.2005	809,200,000.00	781,824,860.88					
BBVA Hipotecario 3 FTA	13.06.2005	1,450,000,000.00	1,450,000,000.00					
Rural Hipotecario VII FTA	29.04.2005	1,100,000,000.00	1,043,655,618.71					
Bancaja 8 FTA	22.04.2005	1,680,100,000.00	1,539,361,229.38					
Bankinter 9 FTA	14.02.2005	1,035,000,000.00	1,035,000,000.00					
BBVA-3 FTPYME FTA	29.11.2004	1,000,000,000.00	1,000,000,000.00	0.00%	1,000,000,000.00			
Ruralpyme 1 FTPYME FTA	23.11.2004	214,000,000.00	182,166,403.30	-14.88%	214,000,000.00			
BBVA Autos 1 FTA	25.10.2004	1,000,000,000.00	1,000,000,000.00	0.00%	1,000,000,000.00			
FTPYME Bancaja 3 FTA	11.10.2004	900,000,000.00	900,000,000.00	0.00%	900,000,000.00			
Bancaja 7 FTA	12.07.2004	1,900,000,000.00	1,900,000,000.00	0.00%	1,900,000,000.00			
Rural Hipotecario VI FTA	07.07.2004	950,000,000.00	781,477,860.25	-14.88%	918,039,044.03			
MBS Bancaja 1 FTA	17.05.2004	690,000,000.00	690,000,000.00	0.00%	690,000,000.00			
Valencia H 1 FTA	23.04.2004	472,000,000.00	385,776,222.36	-11.55%	436,154,049.09			
Bankinter 8 FTA	03.03.2004	1,070,000,000.00	868,322,766.41	-11.03%	976,014,308.21			

Securitisation Fund	Establishment	Bond Issue		Bond Issue		Bond Issue		Bond Issue
		Initially	Balance 31.10.2005		Balance 31.12.2004		Balance 31.12.2003	
		EUR	EUR	Δ%	EUR	Δ%	EUR	
Bancaja 6 FTA	03.12.2003	2,080,000,000.00	1,447,337,821.80	-30.42%	2,080,000,000.00	0.0%	2,080,000,000.00	
Rural Hipotecario V FTA	28.10.2003	695,000,000.00	520,669,380.68	-11.93%	591,221,073.84	-13.6%	684,344,386.72	
Bankinter 6 FTA	25.09.2003	1,350,000,000.00	1,074,897,320.91	-9.79%	1,191,555,147.63	-11.7%	1,350,000,000.00	
FTPYME Bancaja 2 FTA	19.09.2003	500,000,000.00	270,480,639.80	-44.02%	483,139,909.38	-3.4%	500,000,000.00	
Bancaja 5 FTA	14.04.2003	1,000,000,000.00	604,031,954.00	-20.37%	758,585,912.95	-18.2%	927,104,197.20	
Bancaja 3 FTA	29.07.2002	520,900,000.00	520,900,000.00	0.00%	520,900,000.00	0.0%	520,900,000.00	
FTPYME Bancaja 1 FTA	04.03.2002	600,000,000.00	260,899,034.40	-56.52%	600,000,000.00	0.0%	600,000,000.00	
BBVA-2 FTPYME ICO	01.12.2000	900,000,000.00	306,595,443.42	-39.66%	508,081,398.75	-38.0%	819,749,937.69	
BCL Municipios I FTA	21.06.2000	1,205,000,000.00	595,672,530.00	-26.92%	815,121,170.00	-6.1%	868,173,110.00	
BBVA-1 FTA	24.02.2000	1,112,800,000.00	290,458,419.94	-41.31%	494,938,659.20	-22.3%	636,901,185.18	

6.4 Share capital and equity.

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

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

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

(EUR)	31.12.2004	Δ%	31.12.2003	Δ%	31.12.2002
Equity *	3,095,298.97	0.03%	3,094,300.50	4.65%	2,956,911.01
Capital	1,803,037.50	0.00%	1,803,037.50	0.00%	1,803,037.50
Reserves	1,292,261.47	0.08%	1,291,263.00	11.91%	1,153,873.51
<i>Legal</i>	360,607.50	0.28%	359,609.03	61.83%	222,219.54
<i>Voluntary</i>	931,653.97	0.00%	931,653.97	0.00%	931,653.97
Year's profit	1,786,915.94	0.84%	1,772,026.40	28.98%	1,373,894.87

* Does not include year's profit

6.5 Existence or not of shareholdings in other companies.

There are no shareholdings in any other company.

6.6 Administrative, management and supervisory bodies.

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

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

Board of Directors

The Board of Directors has the following membership:

Chairman:	Mr Roberto Vicario Montoya *
Vice-Chairman:	Mr Carlos Pertejo Muñoz
Directors:	Mr Ignacio Aldonza Goicoechea Mr Luis Bach Gómez * Mr José M ^a . Castellón Leal on behalf of Barclays Bank, S.A. ** Mr José Luis Domínguez de Posada de Miguel * Ms Ana Fernández Manrique Mr Juan Gortázar Sánchez-Torres Mr Mario Masiá Vicente *** Ms Carmen Pérez de Muniaín Marzana * Mr Borja Uriarte Villalonga on behalf of Bankinter, S.A. * Mr Jesús del Pino Durán ** Mr Jorge Sáenz de Miera on behalf of Deutsche Bank Credit, S.A. Mr José Miguel Raboso Díaz on behalf of Citibank España, S.A. Mr José Manuel Tamayo Pérez Mr Pedro M ^a . Urresti Laca on behalf of J.P. Morgan España, S.A. * Mr Ignacio Benloch Fernández-Cuesta on behalf of Banco Cooperativo Español S.A.**
Non-Director Secretary:	Ms Belén Rico Arévalo

* Member of the Board of Directors' Executive Committee.

**These appointments and re-elections by the Ordinary General Shareholders' Meeting held on June 23, 2005 and the removal of Banco Urquijo S.A. have been filed with and are yet to be entered in the Companies Register and have been duly notified to the CNMV.

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

General Manager.

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

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

Borja Uriarte Villalonga is currently a member of staff of BANKINTER, in turn the Originator of the assets to be pooled in the Fund, Lead Manager, Underwriter and Placement Agent and Paying Agent of the Bond Issue and counterparty to the remaining agreements entered into by the Fund, represented by the Management Company.

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

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

6.9 Litigation in the Management Company.

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

7. MAJOR SHAREHOLDERS

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

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

Name of shareholder company	Holding * (%)
Banco Bilbao Vizcaya Argentaria, S.A.	82.9703
J.P. Morgan España, S.A.	4.0000
Caja de Ahorros del Mediterráneo	1.5420
Bankinter, S.A.	1.5317
Barclays Bank, S.A.	1.5317
Citibank España, S.A.	1.5317
Deutsche Bank Credit, S.A.	0.7658
Deutsche Bank, S.A.E.	0.7658
Banco Cooperativo Español, S.A.	0.7658
Banco Pastor, S.A.	0.7658
Banco de la Pequeña y Mediana Empresa, S.A.	0.7658
Banco Sabadell, S.A.	0.7658
Banco Urquijo, S.A.	0.7658
BNP Paribas España, S.A.	0.7658
Caja de Ahorros y Monte de Piedad de Madrid	0.3829
Caja de Ahorros de Salamanca y Soria - Caja Duero	0.3829
	100.0000

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

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

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

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

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

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

Not applicable.

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

Not applicable.

8.3 Legal and arbitration proceedings.

Not applicable.

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

Not applicable.

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

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

No statement or report is included.

9.2 Information sourced from a third party.

No information is included.

10. DOCUMENTS ON DISPLAY

10.1 Documents on display.

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

- a) the Deed of Constitution of the Fund;
- b) the transcripts of corporate resolutions of the Management Company and of the Originator;
- c) this Prospectus;
- d) the agreements to be entered into by the Management Company for and on behalf of the Fund;
- e) the audit report on certain characteristics and attributes of a sample of all mortgage credits (first drawdowns) selected to be assigned to the Fund;
- f) the letters from the Rating Agencies notifying the ratings assigned to each of the Series in the Bond Issue;
- g) the Management Company's annual accounts and the relevant audit reports; and
- h) the articles of association and memorandum of association of the Management Company.

Those documents may be physically obtained at the registered office of EUROPEA DE TITULIZACIÓN at Madrid, calle Lagasca number 120. Moreover, the Prospectus can also be accessed at the website of EUROPEA DE TITULIZACIÓN, at www.edt-sg.com, and is available to investors interested in the offer by the Underwriters and Placement Agents.

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

This is a Certified Translation into English of the Spanish Prospectus. No document other than the Spanish Prospectus registered by the Comisión Nacional del Mercado de Valores may have any legal effect whatsoever or be taken into account with respect to the Bond Issue.

SECURITIES NOTE

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

1 PERSONS RESPONSIBLE

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

Mr Mario Masiá Vicente, acting for and on behalf of EUROPEA DE TITULIZACIÓN S.A. SOCIEDAD GESTORA DE FONDOS DE TITULIZACIÓN, the company sponsoring BANKINTER 11 FONDO DE TITULIZACIÓN HIPOTECARIA, takes responsibility for the contents of this Securities Note.

1.2 Declaration by those responsible for the Securities Note.

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

2 RISK FACTORS

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

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

3 KEY INFORMATION

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

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

- a) EUROPEA DE TITULIZACIÓN is the Fund Management Company.
- b) BANKINTER and EUROPEA DE TITULIZACIÓN have financially structured the Fund and the Bond Issue.
- c) BANKINTER is the Originator of the Mortgage Credits by means of the issue of the Mortgage Certificates to be pooled in the Fund represented by the Management Company.
- d) BANKINTER, IXIS CIB, FORTIS BANK and MERRILL LYNCH are involved as Lead Managers and Underwriters and Placement Agents of the Bond Issue. IXIS CIB, FORTIS BANK and MERRILL LYNCH shall be the placement agents in charge of keeping the Bond subscription orders book (*joint book runners*).
- e) BANKINTER is involved as Paying Agent of the Bond Issue.

The Management Company is not aware of the existence of any other significant link or economic interest between the aforesaid institutions involved in the Bond Issue offering, other than what is strictly professional derived from their involvement as detailed in this section and in section 3.2 of the Building Block, saving as set out in sections 5.2 and 6.7 of the Registration Document.

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

4.1 Total amount of the securities.

The total actual face value amount of the issue of Mortgage-Backed Bonds (the "**Bond Issue**") is EUR nine hundred million (900,000,000.00), consisting of nine thousand (9,000) Bonds denominated in euros and comprised of five Bond Classes, distributed into six Series as follows:

- a) Class A comprising two Series having a face amount of EUR eight hundred and forty-six million eight hundred thousand (846,800,000.00) (either "**Class A**" or the "**Class A Bonds**"):
 - i) Series A1 having a total face amount of EUR thirty million (30,000,000.00) comprising three hundred (300) Bonds having a unit face value of EUR one hundred thousand (100,000), represented by means of book entries (either "**Series A1**" or the "**Series A1 Bonds**").
 - ii) Series A2 having a total face amount of EUR eight hundred and sixteen million eight hundred thousand (816,800,000.00) comprising eight thousand one hundred and sixty-eight (8,168) Bonds having a unit face value of EUR one hundred thousand (100,000), represented by means of book entries (either "**Series A2**" or the "**Series A2 Bonds**").
- b) Class B comprising a single Series B having a total face amount of EUR fifteen million six hundred thousand (15,600,000.00) comprising one hundred and fifty-six (156) Bonds having a unit face value of EUR one hundred thousand (100,000), represented by means of book entries (either "**Series B**" or the "**Series B Bonds**").
- c) Class C comprising a single Series C having a total face amount of EUR fifteen million three hundred thousand (15,300,000.00) comprising (one hundred and fifty-three) (153) Bonds having a unit face value of EUR one hundred thousand (100,000), represented by means of book entries (either "**Series C**" or the "**Series C Bonds**").
- d) Class D comprising a single Series D having a total face amount of EUR nine million eight hundred thousand (9,800,000.00) comprising (ninety-eight) (98) Bonds having a unit face value of EUR one hundred thousand (100,000), represented by means of book entries (either "**Series D**" or the "**Series D Bonds**").
- e) Class E comprising a single Series E having a total face amount of EUR twelve million five hundred thousand (12,500,000.00) comprising one hundred and twenty-five (125) Bonds having a unit face value of EUR one hundred thousand (100,000), represented by means of book entries (either "**Series E**" or the "**Series E Bonds**").

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

4.1.1 Underwriting placement of the Bond Issue.

The Bond Issue shall be placed by BANKINTER, S.A. ("**BANKINTER**"), IXIS CORPORATE & INVESTMENT BANK ("**IXIS CIB**"), FORTIS BANK NV-SA ("**FORTIS BANK**") and MERRILL LYNCH INTERNATIONAL ("**MERRILL LYNCH**") as Lead Managers and Underwriters and Placement Agents, under the Bond Issue Management, Underwriting and Placement Agreement to be entered into by the Management Company for and on behalf of the Fund.

The Bond Issue Underwriters and Placement Agents shall take on the obligations laid down in the Management, Underwriting and Placement Agreement, which are broadly the following: 1) securing placement by a third-party subscription for the Bond Issue; 2) an undertaking to subscribe on their own account for the Bonds not subscribed for by third parties during the Subscription Period, up to the amounts of their respective joint underwriting commitments; 3) payment by the Underwriters and Placement Agents IXIS CIB, FORTIS BANK and MERRILL LYNCH to the Paying Agent, by 2pm (CET time) on the Closing Date, for same day value, of the face amount of the Bonds they shall each have placed and subscribed for on their own account, as the case may be, up to their respective underwriting commitments, deducting the respective underwriting and placement fee amounts, whereupon the Paying Agent shall proceed to pay to

the Fund, by 3pm (CET time), for same day value, the amount received from the other Underwriters and Placement Agents and the face amount of the Bonds it shall have placed as Underwriter and Placement Agent and subscribed for, as the case may be, on its own account up to its respective underwriting commitment; 4) an undertaking to pay late-payment interest covenanted in the Management, Underwriting and Placement Agreement in the event of late payment of amounts due; 5) providing subscribers with a document proving subscription; 6) providing the Paying Agent with Bond Issue placement dissemination control information; and 7) all other aspects governing underwriting and placement.

The following is the commitment by each Underwriter and Placement Agent in regard to their involvement in underwriting placement of the Bonds in each Series:

Underwriter and Placement Agent	Face amount underwritten in each Series (EUR)					
	Series A1 Bonds	Series A2 Bonds	Series B Bonds	Series C Bonds	Series D Bonds	Series E Bonds
BANKINTER	---	---	---	---	9,800,000.00	12,500,000.00
IXIS CIB	10,000,000.00	272,200,000.00	5,200,000.00	5,100,000.00	---	---
FORTIS BANK	10,000,000.00	272,300,000.00	5,200,000.00	5,100,000.00	---	---
MERRILL LYNCH	10,000,000.00	272,300,000.00	5,200,000.00	5,100,000.00	---	---
Total	30,000,000.00	816,800,000.00	15,600,000.00	15,300,000.00	9,800,000.00	12,500,000.00

Notwithstanding the above, the Underwriters and Placement Agents shall be released from their underwriting commitment and BANKINTER shall have to underwrite all of the Bonds in the event that, by 1pm (CET time) on the day before the Closing Date, December 2, 2005, IXIS CIB, FORTIS BANK and MERRILL LYNCH should give the Management Company and BANKINTER written notice of the decision made with one accord to terminate the underwriting commitment upon the occurrence of any of the circumstances for which provision is made in this connection in the Bond Issue Management, Underwriting and Placement Agreement.

In the event that IXIS CIB, FORTIS BANK and MERRILL LYNCH should decide to terminate the underwriting commitment, any of the remaining Underwriters and Placement Agents may keep the underwriting commitment provided for each of them, merely by so advising the Management Company and BANKINTER in writing by 1pm (CET time) on the Business Day preceding the Closing Date, and BANKINTER shall be bound to underwrite all the Bonds not underwritten by the Underwriters and Placement Agents upon being released from their underwriting commitment.

The Underwriters and Placement Agents of each Series shall altogether receive from the Fund an underwriting and placement fee on the face amount of the Bonds in the relevant Series, comprised between:

- 0.00% and 0.05%, both inclusive, for the Series A1 Bonds.
- 0.00% and 0.10%, both inclusive, for the Series A2 Bonds.
- 0.00% and 0.30%, both inclusive, for the Series B Bonds.
- 0.00% and 0.60%, both inclusive, for the Series C Bonds.
- 0.00% and 0.80%, both inclusive, for the Series D Bonds.
- 0.00% and 1.00%, both inclusive, for the Series E Bonds.

The underwriting and placement fee applicable on the face amount of the Bonds in each Series shall be determined with one accord by the Lead Managers and notified in writing to the Management Company by 10am (CET time) on the day on which the Subscription Period begins (November 29, 2005). Failing an agreement between the Lead Managers, the Management Company shall fix the underwriting and placement fee for the Series in respect of which there was no agreement at the following fee:

- 0.00% for the Series A1 Bonds.
- 0.00% for the Series A2 Bonds.
- 0.00% for the Series B Bonds.
- 0.00% for the Series C Bonds.
- 0.00% for the Series D Bonds.

- 0.00% for the Series E Bonds.

BANKINTER, IXIS CIB, FORTIS BANK and MERRILL LYNCH shall be involved as Lead Managers in the Bond Issue. They shall not be howsoever remunerated for managing the Bond Issue.

The Management, Underwriting and Placement Agreement shall be fully terminated in the event that the Rating Agencies should not confirm the provisional ratings assigned to each Series as final ratings by the start of the Subscription Period or in the events provided for by the laws in force for the time being.

4.2 Description of the type and class of the securities.

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

4.3 Legislation under which the securities have been created.

The establishment of the Fund and the Bond Issue are subject to Spanish Law and in particular are carried out in accordance with the legal system provided for by (i) Act 19/1992, (ii) the Securities Market Act, (iii) Commission Regulation (EC) No. 809/2004 of April 29, 2004, and (iv) all other legal and statutory provisions in force and applicable from time to time.

The Deed of Constitution, the Bond issue and the service provision and financial risk cover transaction agreements on behalf of the Fund shall be subject to Spanish Law and be governed by and construed in accordance with Spanish Laws.

All matters, disagreements, actions and claims deriving from the Management Company's establishment, administration and legal representation of BANKINTER 11 FONDO DE TITULIZACIÓN HIPOTECARIA and the Bond Issue by the same shall be referred to the competent Spanish Courts and Tribunals.

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

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

Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores S.A. ("Iberclear"), with place of business at Calle Pedro Teixeira, no. 8, Madrid, shall be the institution designated in the Deed of Constitution to account for the Bonds in order for the Bonds to be cleared and settled in accordance with the operating rules regarding securities listed on the AIAF, established now or henceforth by Iberclear or AIAF.

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

4.5 Currency of the issue.

The Bonds shall be denominated in Euros.

4.6 Ranking of the securities.

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

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

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

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

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

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

Payment of interest accrued by Series B Bonds is (i) fourth (4th) in the application of Available Funds in the Priority of Payments established in said section 3.4.6.2.1.2 of the Building Block, other than in the event provided for in that same section for the same to be deferred, in which case it shall be eighth (8th), and (ii) sixth (6th) in the application of Liquidation Available Funds in the Liquidation Priority of Payments established in section 3.4.6.3 of the Building Block.

Payment of interest accrued by Series C Bonds is (i) fifth (5th) in the application of Available Funds in the Priority of Payments established in said section 3.4.6.2.1.2 of the Building Block, other than in the event provided for in that same section for the same to be deferred, in which case it shall be ninth (9th), and (ii) eighth (8th) in the application of Liquidation Available Funds in the Liquidation Priority of Payments established in section 3.4.6.3 of the Building Block.

Payment of interest accrued by Series D Bonds is (i) sixth (6th) in the application of Available Funds in the Priority of Payments established in said section 3.4.6.2.1.2 of the Building Block, other than in the event provided for in that same section for the same to be deferred, in which case it shall be tenth (10th), and (ii) tenth (10th) in the application of Liquidation Available Funds in the Liquidation Priority of Payments established in section 3.4.6.3 of the Building Block.

Payment of interest accrued by Series E Bonds is (i) eleventh (11th) in the application of Available Funds in the Priority of Payments established in said section 3.4.6.2.1.2 of the Building Block, and (ii) thirteenth (13th) in the application of Liquidation Available Funds in the Liquidation Priority of Payments established in section 3.4.6.3 of the Building Block.

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

The Series A1, A2, B, C and D Amortisation Withholding amount designed for amortising the Series A1, A2, B, C and D Bonds as a whole without distinction between those Series is seventh (7th) in the application of Available Funds in the Priority of Payments established in section 3.4.6.2.1.2 of the Building Block.

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

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

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

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

Repayment of Series D Bond principal is eleventh (11th) in the application of Liquidation Available Funds in the Liquidation Priority of Payments established in section 3.4.6.3 of the Building Block.

Repayment of Series E Bond principal is fourteenth (14th) in the application of Liquidation Available Funds in the Liquidation Priority of Payments established in section 3.4.6.3 of the Building Block.

4.7 Description of the rights attached to the securities.

The economic and financial rights for Bondholders associated with acquiring and holding the Bonds shall be as derived from the terms as to interest rate, yields and redemption terms on which they are to be issued and given in sections 4.8 and 4.9 of this Securities Note. In accordance with the laws in force for the time being, the Bonds subject of this Securities Note shall vest the investor acquiring the same in no present and/or future political rights in and to Bankinter 11 Fondo de Titulización Hipotecaria.

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

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

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

All matters, disagreements, actions and claims deriving from the Management Company's establishment, administration and legal representation of BANKINTER 11 FONDO DE TITULIZACIÓN HIPOTECARIA and the Bond Issue by the same shall be heard and ruled upon by the competent Spanish Courts and Tribunals.

4.8 Nominal interest rate and provisions relating to interest payable.

4.8.1 Bond nominal interest rate.

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

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

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

4.8.1.1 Interest accrual.

For interest accrual purposes, the duration of each Bond Series shall be divided into successive interest accrual periods (“**Interest Accrual Periods**”) comprising the exact number of days elapsed between every two consecutive Payment Dates, each Interest Accrual Period including the beginning Payment Date but not including the ending Payment Date. Exceptionally, the duration of the first Interest Accrual Period shall be equivalent to the exact number of days elapsed between the Closing Date, December 2, 2005, inclusive, and the first Payment Date, February 21, 2006, exclusive.

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

4.8.1.2 Nominal Interest Rate.

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

- (i) the Reference Rate, as established in the following section, and
- (ii) a margin for each Series as follows:
 - **Series A1:** margin ranging between 0.02% and 0.08%, both inclusive.
 - **Series A2:** margin ranging between 0.06% and 0.17%, both inclusive.
 - **Series B:** margin ranging between 0.16% and 0.38%, both inclusive.
 - **Series C:** margin ranging between 0.30% and 1.00%, both inclusive.
 - **Series D:** margin ranging between 1.40% and 2.25%, both inclusive.
 - **Series E:** margin ranging between 3.00% and 3.90%, both inclusive.

The margin applicable to each Series, expressed as a percentage, shall be determined with one accord among the Lead Managers by 10am (CET time) on the day of the Subscription Period (November 29, 2005).

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

- **Series A1:** 0.08% margin.
- **Series A2:** 0.17% margin.
- **Series B:** 0.38% margin.
- **Series C:** 1.00% margin.
- **Series D:** 2.25% margin.
- **Series E:** 3.90% margin.

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

4.8.1.3 Reference Rate and determining the same.

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

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

Exceptionally, the Reference Rate for the first Interest Accrual Period shall be the result of a straight-line interpolation between two- (2-) month Euribor and three- (3-) month Euribor, fixed at 11am (CET time) on the Closing Date, bearing in mind the number of days in the first Interest Accrual Period. The Reference Rate for the first Interest Accrual Period shall be calculated in accordance with the following formula:

$$IR = [(D-60)/30] \times E3 + [1-((D-60)/30)] \times E2$$

Where:

IR = Reference Rate for the first Interest Accrual Period.

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

E2 = Two- (2-) month Euribor.

E3 = Three- (3-) month Euribor.

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

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

Exceptionally, the substitute Reference Rate for the first Interest Accrual Period shall be the rate resulting from the straight-line interpolation between the interest rate resulting from finding the simple arithmetic mean of the interbank offered interest rates for non-transferable two- (2-) month deposit transactions in euros and the interest rate resulting from finding the simple arithmetic mean of the interbank offered interest rates for non-transferable three- (3-) month deposit transactions in euros, both in an amount equivalent to the face amount of the Bond Issue, declared by the banks as provided for in paragraph one above, following a simultaneous request to each of their headquarters by the Paying Agent after and around 11am (CET time) on the Closing Date.

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

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

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

4.8.1.4 Interest Rate Fixing Date.

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

Exceptionally, the Management Company shall determine the Nominal Interest Rate of the Bonds in each Series for the first Interest Accrual Period as provided for in sections 4.8.1.2 and 4.8.1.3 above, on the Closing Date, and shall notify the same in writing on the same day to the Underwriters and Placement Agents. The Management Company will also notify this to the CNMV, the Paying Agent, AIAF and Iberclear.

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

4.8.1.5 Formula for calculating interest.

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

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

Where:

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

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

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

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

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

For merely illustrative purposes, below are details of the three- (3-) month Euribor rates published on certain dates over the last two years, which, other than the first Payment Date, would have matched the Interest Rate Fixing Dates, published on the EURIBOR01 electronic page supplied by Reuters, and the Nominal Interest Rate that would have been applicable to each Bond Series, in the event that the applicable margins should be the average margins in the range established for each Series, in accordance with section 4.8.1.2 of this Securities Note (0.05% for Series A1, 0.115% for Series A2, 0.27% for Series B, 0.65% for Series C, 1.825% for Series D and 3.45% for Series E):

Dates	3-month Euribor	Series A1 Bonds	Series A2 Bonds	Series B Bonds	Series C Bonds	Series D Bonds	Series E Bonds
21 November 2005	2.439	2.489	2.554	2.709	3.089	4.264	5.889
19 October 2005	2.118	2.168	2.233	2.388	2.768	3.943	5.568
19 September 2005	2.136	2.186	2.251	2.406	2.786	3.961	5.586
18 August 2005	2.132	2.182	2.247	2.402	2.782	3.957	5.582
19 July 2005	2.123	2.173	2.238	2.393	2.773	3.948	5.573
17 June 2005	2.116	2.166	2.231	2.386	2.766	3.941	5.566
19 May 2005	2.125	2.175	2.240	2.395	2.775	3.950	5.575
19 April 2005	2.134	2.184	2.249	2.404	2.784	3.959	5.584
17 March 2005	2.136	2.186	2.251	2.406	2.786	3.961	5.586
17 February 2005	2.135	2.185	2.250	2.405	2.785	3.960	5.585
19 January 2005	2.143	2.193	2.258	2.413	2.793	3.968	5.593
17 December 2004	2.175	2.225	2.290	2.445	2.825	4.000	5.625
18 November 2004	2.176	2.226	2.291	2.446	2.826	4.001	5.626
19 October 2004	2.144	2.194	2.259	2.414	2.794	3.969	5.594
17 September 2004	2.116	2.166	2.231	2.386	2.766	3.941	5.566
19 August 2004	2.114	2.164	2.229	2.384	2.764	3.939	5.564
19 July 2004	2.115	2.165	2.230	2.385	2.765	3.940	5.565
17 June 2004	2.122	2.172	2.237	2.392	2.772	3.947	5.572
19 May 2004	2.091	2.141	2.206	2.361	2.741	3.916	5.541
19 April 2004	2.052	2.102	2.167	2.322	2.702	3.877	5.502
18 March 2004	2.040	2.090	2.155	2.310	2.690	3.865	5.490
19 February 2004	2.060	2.110	2.175	2.330	2.710	3.885	5.510

Dates	3-month Euribor	Series A1 Bonds	Series A2 Bonds	Series B Bonds	Series C Bonds	Series D Bonds	Series E Bonds
19 January 2004	2.077	2.127	2.192	2.347	2.727	3.902	5.527
18 December 2003	2.141	2.191	2.256	2.411	2.791	3.966	5.591

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

Interest on the Bonds in all the Series will be paid until they are finally amortised by Interest Accrual Periods in arrears on February 21, May 21, August 21 and November 21 in each year, or the following Business Day if any of those is not a Business Day (each of those dates, a “**Payment Date**”), and interest for the then-current Interest Accrual Period will accrue until said first Business Day, not inclusive, on the terms established in section 4.8.1.2 of this Securities Note.

The first interest Payment Date for the Bonds in each Series shall be February 21, 2006, and interest will accrue at the applicable Nominal Interest Rate between the Closing Date, December 2, 2005, inclusive, and February 21, 2006, exclusive.

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

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

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

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

In the event that on a Payment Date the Fund should be unable to make full or partial payment of interest accrued on the Bonds in any Series, in the Priority of Payments, the amounts that Bondholders should not have received shall be accumulated on the following Payment Date to interest on the Series proper that, as the case may be, should be paid on that same Payment Date, and will be paid in the Priority of Payments and applied by order of maturity if it should be impossible once again not to pay the same fully due to a shortage of Available Funds.

Deferred interest amounts shall earn for holders an interest equivalent to that applied to the Bonds in their respective Series during the Interest Accrual Period(s) until the Payment Date on which they are paid, without late-payment interest and without this entailing an increase in the Outstanding Principal Balance of the Bonds.

The Fund, through its Management Company, may not defer Bond interest payment beyond August 21, 2048, the Final Maturity Date, or the following Business Day if that is not a Business Day.

The Bond issue shall be serviced through the Paying Agent, to which end the Management Company shall, for and on behalf of the Fund, enter into a Paying Agent Agreement with BANKINTER.

4.9 Maturity date and amortisation of the securities.

4.9.1 Bond redemption price.

The redemption price of the Bonds in each Series shall be EUR one hundred thousand (100,000) per Bond, equivalent to 100 percent of their face value, payable as established in section 4.9.2 below.

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

4.9.2 Characteristics specific to the Amortisation of each Bond Series.

4.9.2.1 Amortisation of Series A1 Bonds.

Amortisation of Series A1 Bond principal shall consist of a single payment for their aggregate face value on May 21, 2007 (“**Series A1 Maturity Date**”) or the following Business Day if that is not a Business Day, using the Available Funds for Amortisation of Series A1, A2, B, C and D on that Payment Date.

However, in the event of the Available Funds for Amortisation of Series A1, A2, B, C and D on the Series A1 Maturity Date not being sufficient to amortise the aggregate face value of the Series A1 Bonds, Series A1 Bonds shall be amortised on the Series A1 Maturity Date and on subsequent Payment Dates by partial amortisation until their total face amount has been fully amortised, in an amount equal to the Available Funds for Amortisation of Series A1, A2, B, C and D applied on each Payment Date to amortising Series A1, in accordance with the rules for Distribution of Available Funds for Amortisation of Series A1, A2, B, C and D given in sections 4.9.3.5 and 4.9.3.6 below, pro rated between the Bonds in Series A1 proper by reducing the face amount of each Series A1 Bond.

Final amortisation of Series A1 Bonds shall occur on the Final Maturity Date (August 21, 2048 or the following Business Day if that is not a Business Day), notwithstanding the amortisation for which provision is made on the Series A1 Maturity Date or on subsequent Payment Dates, as the case may be, and the fact that the Management Company may, for and on behalf of the Fund, and in accordance with the provisions of section 4.9.4 below, proceed to the Early Amortisation of the Bond Issue before the Final Maturity Date.

4.9.2.2 Amortisation of Series A2 Bonds.

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

The first partial amortisation of Series A2 Bonds shall take place on the Payment Date falling on the later of the following dates: (i) the Payment Date on which Series A1 Bonds are fully amortised or (ii) the Payment Date falling on May 21, 2007. Nevertheless, from the Payment Date falling on May 21, 2007 and even if Series A1 has not been fully amortised, in the event that the circumstances for Pro Rata Amortisation of Class A occur, Series A2 Bonds shall be amortised pro rata to the Series A1 Bonds, in accordance with the rules for Distribution of Available Funds for Amortisation of Series A1, A2, B, C and D.

Final amortisation of Series A2 Bonds shall occur on the Final Maturity Date (August 21, 2048 or the following Business Day if that is not a Business Day), notwithstanding the partial amortisation for which provision is made, and the fact that the Management Company may, for and on behalf of the Fund, and in accordance with the provisions of section 4.9.4 below, proceed to the Early Amortisation of the Bond Issue before the Final Maturity Date.

4.9.2.3 Amortisation of Series B Bonds.

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

The first partial amortisation of Series B Bonds shall occur once the Class A Bonds have been fully amortised. However, even if Class A has not been fully amortised, the Available Funds for Amortisation of Series A1, A2, B, C and D shall also be applied to amortising Series B on the Payment Date on which the

Conditions for Pro Rata Amortisation are satisfied in accordance with the rules for Distribution of Available Funds for Amortisation of Series A1, A2, B, C and D, in such a way that the ratio of the Outstanding Principal Balance of Series B to the sum of the Outstanding Principal Balance of Series A1, A2, B, C and D is kept at 3.516%, or higher percentage closest thereto.

Final amortisation of Series B Bonds shall occur on the Final Maturity Date (August 21, 2048 or the following Business Day if that is not a Business Day), notwithstanding the partial amortisation for which provision is made, and the fact that the Management Company may, for and on behalf of the Fund, and in accordance with the provisions of section 4.9.4 below, proceed to the Early Amortisation of the Bond Issue before the Final Maturity Date.

4.9.2.4 Amortisation of Series C Bonds.

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

The first partial amortisation of Series C Bonds shall occur once the Class A and the Series B Bonds have been fully amortised. However, even if Class A and Series B have not been fully amortised, the Available Funds for Amortisation of Series A1, A2, B, C and D shall also be applied to amortising Series C on the Payment Date on which the Conditions for Pro Rata Amortisation are satisfied in accordance with the rules for Distribution of Available Funds for Amortisation of Series A1, A2, B, C and D, in such a way that the ratio of the Outstanding Principal Balance of Series C to the sum of the Outstanding Principal Balance of Series A1, A2, B, C and D is kept at 3.448%, or higher percentage closest thereto.

Final amortisation of Series C Bonds shall occur on the Final Maturity Date (August 21, 2048 or the following Business Day if that is not a Business Day), notwithstanding the partial amortisation for which provision is made, and the fact that the Management Company may, for and on behalf of the Fund, and in accordance with the provisions of section 4.9.4 below, proceed to the Early Amortisation of the Bond Issue before the Final Maturity Date.

4.9.2.5 Amortisation of Series D Bonds.

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

The first partial amortisation of Series D Bonds shall occur once the Class A, the Series B and the Series C Bonds have been fully amortised. However, even if Class A, Series B and Series C have not been fully amortised, the Available Funds for Amortisation of Series A1, A2, B, C and D shall also be applied to amortising Series D on the Payment Date on which the Conditions for Pro Rata Amortisation are satisfied in accordance with the rules for Distribution of Available Funds for Amortisation of Series A1, A2, B, C and D, in such a way that the ratio of the Outstanding Principal Balance of Series D to the sum of the Outstanding Principal Balance of Series A1, A2, B, C and D is kept at 2.209%, or higher percentage closest thereto.

Final amortisation of Series D Bonds shall occur on the Final Maturity Date (August 21, 2048 or the following Business Day if that is not a Business Day), notwithstanding the partial amortisation for which provision is made, and the fact that the Management Company may, for and on behalf of the Fund, and in accordance with the provisions of section 4.9.4 below, proceed to the Early Amortisation of the Bond Issue before the Final Maturity Date.

4.9.2.6 Amortisation of Series E Bonds.

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

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

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

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

- (i) EUR twelve million five hundred thousand (12,500,000.00).
 - (ii) The higher of:
 - a) 2.80% of the sum of the Outstanding Principal Balance of Series A1, A2, B, C and D.
 - b) EUR six million two hundred and twelve thousand five hundred (6,212,500.00).
3. Notwithstanding the above, the Required Cash Reserve shall not be reduced on the relevant Payment Date and shall remain at the Required Cash Reserve amount on the preceding Payment Date whenever any of the following circumstances concur on the Payment Date:
- i) That, on the Determination Date preceding the relevant Payment Date, the amount of the Outstanding Balance of Delinquent Mortgage Credits is equal to or greater than 1.00% of the Outstanding Balance of Non-Doubtful Mortgage Credits.
 - ii) That on the Payment Date preceding the relevant Payment Date, the Cash Reserve was not provisioned up to the Required Cash Reserve amount on that Payment Date.
 - iii) That three (3) years have not elapsed since the date of establishment of the Fund"

Final amortisation of Series E Bonds shall occur on the Final Maturity Date (August 21, 2048), notwithstanding the partial amortisation for which provision is made, and the fact that the Management Company may, for and on behalf of the Fund, and in accordance with the provisions of section 4.9.4 below, proceed to the Early Amortisation of the Bond Issue before the Final Maturity Date.

4.9.3 Common characteristics applicable to amortisation of Series A1, A2, B, C and D Bonds.

Irrespective of the Final Maturity Date and subject to the Early Amortisation of the Bond Issue in the event of Early Liquidation of the Fund, on the Payment Dates from the Payment Date falling on May 21, 2007, inclusive, the Fund shall, through its Management Company, proceed to a full amortisation or a partial amortisation, as the case may be, of the Series A1 Bonds and a partial amortisation of the Series A2, B, C and D Bonds in accordance with the specific amortisation terms for each Series established in sections 4.9.2.1 to 4.9.2.5 of this Securities Note and on the terms described hereinafter in this section common to Series A1, A2, B, C and D.

4.9.3.1 Determination Dates and Determination Periods.

These will be the dates falling on the fourth (4th) Business Day preceding each Payment Date on which the Management Company on behalf of the Fund will make all necessary calculations to distribute or withhold the Available Funds and the Available Funds for Amortisation of Series A1, A2, B, C and D which the Fund shall dispose of on the relevant Payment Date, in the Priority of Payments.

Determination Periods shall be periods comprising the exact number of days elapsed between every two consecutive Determination Dates, each Determination Period excluding the beginning Determination Date and including the ending Determination Date. Exceptionally, the duration of the first Determination Period shall be equal to the days elapsed between the date of establishment of the Fund, inclusive, and the first Determination Date, February 15, 2006, inclusive.

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

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

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

4.9.3.3 **Outstanding Balance of the Mortgage Credits.**

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

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

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

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

4.9.3.4 **Series A1, A2, B, C and D Amortisation Withholding on each Payment Date.**

On each Payment Date, the Available Funds shall be used in seventh (7th) place in the priority of payments for withholding the amount designed for amortising the Series A1, A2, B, C and D Bonds as a whole, without distinguishing between those Series ("**Series A1, A2, B, C and D Amortisation Withholding**"), in an amount equal to the positive difference, if any, on the Determination Date preceding the relevant Payment Date, between (i) the sum of the Outstanding Principal Balance of Series A1, A2, B, C and D, minus, until the Payment Date falling on May 21, 2007, inclusive, the Amortisation Account balance and the Surplus Account balance, if any, transferred from the Amortisation Account, on the Determination Date preceding the relevant Payment Date, and (ii) the Outstanding Balance of Non-Doubtful Mortgage Credits.

Depending on the liquidity existing on each Payment Date, the amount actually applied of the Available Funds to the Series A1, A2, B, C and D Amortisation Withholding shall be included among the Available Funds for Amortisation of Series A1, A2, B, C and D and be applied in accordance with the rules for Distribution of Available Funds for Amortisation of Series A1, A2, B, C and D established hereinafter in section 4.9.3.1.6 below.

4.9.3.5 **Available Funds for Amortisation of Series A1, A2, B, C and D and Amortisation Deficiency on each Payment Date.**

The available funds for amortisation of Series A1, A2, B, C and D on each Payment Date (the "**Available Funds for Amortisation of Series A1, A2, B, C and D**") shall be (i) the Series A1, A2, B, C and D Amortisation Withholding amount actually applied in seventh (7th) place of the Available Funds on the relevant Payment Date, and (ii) exclusively on the Payment Date falling on May 21, 2007, inclusive, the

Amortisation Account balance and the Surplus Account balance, if any, transferred from the Amortisation Account, on the preceding Determination Date.

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

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

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

1. Until the Payment Date falling on May 21, 2007, exclusive, the Available Funds for Amortisation of Series A1, A2, B, C and D shall be credited to the Amortisation Account.
2. From the Payment Date falling on May 21, 2007, inclusive, the Available Funds for Amortisation of Series A1, A2, B, C and D shall be sequentially applied firstly to amortising Class A (Series A1 and A2) until fully amortised, secondly to amortising Series B until fully amortised, thirdly to amortising Series C until fully amortised and fourthly to amortising Series D until fully amortised, subject to the provisions of rules 3, 4 and 5 below for pro rata amortisation of Series A1, A2, B, C and D.
3. The amounts of the Available Funds for Amortisation of Series A1, A2, B, C and D applied to amortising Class A (Series A1 and A2), both under rule 2 above and under rules 4 and 5 below, shall be applied to amortising Series A1 and A2 as follows:

3.1 Ordinary application in the following order:

1. Repayment of Series A1 Bond principal.
2. Repayment of Series A2 Bond principal once the Series A1 Bonds have been fully amortised.

- 3.2 Exceptional pro rata application of Class A ("**Pro Rata Amortisation of Class A**") if Series A1 has not been fully amortised: The application priority of paragraph 3.1 above shall be stopped if on the Determination Date preceding the relevant Payment Date the Outstanding Balance of Delinquent Mortgage Credits is in excess of 2.00% of the Outstanding Balance of Non-Doubtful Mortgage Credits.

In that event, on the relevant Payment Date the amount of the Available Funds for Amortisation of Series A1, A2, B, C and D applied to amortising Class A (Series A1 and A2) shall be applied to amortising Series A1 and to amortising Series A2, and shall be prorated among the same directly in proportion to (i) the Outstanding Principal Balance of Series A1, and ii) the Outstanding Principal Balance of Series A2, on the Determination Date preceding the relevant Payment Date.

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

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

- i) the Outstanding Principal Balance of Series B is equal to or greater than 3.516% of the sum of the Outstanding Principal Balance of Series A1, A2, B, C and D, and
- ii) the Outstanding Balance of Delinquent Mortgage Credits does not exceed 1.50% of the Outstanding Balance of Non-Doubtful Mortgage Credits.

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

- i) the Outstanding Principal Balance of Series C is equal to or greater than 3.448% of the sum of the Outstanding Principal Balance of Series A1, A2, B, C and D, and
- ii) the Outstanding Balance of Delinquent Mortgage Credits does not exceed 1.00% of the Outstanding Balance of Non-Doubtful Mortgage Credits.

- c) In order to amortise Series D, that on the Determination Date preceding the relevant Payment Date:
 - i) the Outstanding Principal Balance of Series D is equal to or greater than 2.209% of the sum of the Outstanding Principal Balance of Series A1, A2, B, C and D, and
 - ii) the Outstanding Balance of Delinquent Mortgage Credits does not exceed 1.00% of the Outstanding Balance of Non-Doubtful Mortgage Credits.
 - d) In order to amortise Series B and Series C and Series D:
 - i) that the Required Cash Reserve amount shall have been fully provisioned on the relevant Payment Date, and
 - ii) that on the Determination Date preceding the relevant Payment Date, the amount of the Outstanding Balance of Mortgage Credits is equal to or greater than 10 percent of the initial Outstanding Balance upon the Fund being established.
5. In the event that the amortisation of Series B, C and D should apply on a Payment Date as provided for in rule 4 above, the Available Funds for Amortisation of Series A1, A2, B, C and D shall also be applied to amortising Series B and, as the case may be, to amortising Series C and, as the case may be, to amortising Series D in such a way that the ratio of the Outstanding Principal Balance of Series B or of Series C or of Series D to the sum of the Outstanding Principal Balance of Series A1, A2, B, C and D is respectively kept at 3.516%, at 3.448% and at 2.209%, or higher percentages closest thereto.

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

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

4.9.5 **Final Maturity Date.**

The Final Maturity Date and consequently the final amortisation of the Bonds is August 21, 2048 or the following Business Day if that is not a Business Day, without prejudice to the Management Company, for and on behalf of the Fund, and in accordance with the provisions of sections 4.9.3 and 4.9.4 of this Securities Note, proceeding to amortise the Bond Issue before the Final Maturity Date. Final amortisation of the Bonds on the Final Maturity Date shall be made subject to the Liquidation Priority of Payments.

4.10 **Indication of yield.**

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

- i) The repayment schedule and system of each Mortgage Credit established in the relevant loan document.
- ii) The Obligors' capacity to prepay the Mortgage Credits in whole or in part and the aggregate prepayment pace throughout the life of the Fund. In this sense, Mortgage Credit prepayments by Obligors, subject to continual changes, and estimated in this Prospectus using several performance assumptions of the future effective constant annual early amortisation or prepayment rate (hereinafter also "CPR"), are very significant and shall directly affect the pace at which the Bonds are amortised, and therefore their average life and duration.
- iii) The floating interest rates which shall apply to each Mortgage Credit, resulting in the repayment amount on every instalment differing.
- iv) The Obligors' delinquency in payment of Mortgage Credit instalments.

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

- Mortgage Credit interest rate: 2.79% weighted average interest rate as of November 7, 2005 of the portfolio of selected mortgage credits (first drawdowns) which has been used for calculating the repayment instalments and interest of each of the selected mortgage credits (first drawdowns);
- Mortgage Credit portfolio delinquency: 0.10% of the Outstanding Balance of the Mortgage Credits, with 100% recoveries within 15 months of becoming delinquent;
- Mortgage Credit portfolio doubtful debts rated as bad debts: 0%;
- that the Mortgage Credit prepayment rate remains constant throughout the life of the Bonds;
- that the Bond Closing Date is December 2, 2005;
- that there is no Amortisation Deficiency, and
- that there is no extension of the term of any of the selected mortgage credits (first drawdowns).

The actual adjusted life and the yield or return on the Bonds will also depend on their floating interest rate. The following nominal interest rates are assumed for each Series for the first Interest Accrual Period, resulting from the straight-line interpolation bearing in mind the number of days in the First Interest Accrual Period between 2-month Euribor (2.388%) and 3-month Euribor (2.439%) on November 21, 2005:

	Series A1 Bonds	Series A2 Bonds	Series B Bonds	Series C Bonds	Series D Bonds	Series E Bonds
Nominal interest rate	2.474%	2.539%	2.694%	3.074%	4.249%	5.874%

For successive Interest Accrual Periods, the floating interest rate of the Bonds in each Series is assumed to be constant as follows, resulting from 3-month Euribor (2.439%) on November 21, 2005:

	Series A1 Bonds	Series A2 Bonds	Series B Bonds	Series C Bonds	Series D Bonds	Series E Bonds
Nominal interest rate	2.489%	2.554%	2.709%	3.089%	4.264%	5.889%

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

Assuming that the Management Company shall exercise the Early Liquidation of the Fund and Early Amortisation of the Bond Issue option provided in section 4.4.3.1(i) of the Registration Document when the Outstanding Balance of the Mortgage Credits is less than 10% of their initial Outstanding Balance upon the Fund being established, the average life, return (IRR) for the Bond subscriber, duration and final maturity of the Bonds for different CPRs, would be as follows:

% CPR:	6.00%	8.00%	10.00%	12.00%	14.00%
	Series A1 Bonds				
Average life (years)	1.47	1,47	1,47	1,47	1,47
IRR	2.545%	2,545%	2,545%	2,545%	2,545%
Duration (years)	1.41	1,41	1,41	1,41	1,41
Final maturity	21 05 2007	21 05 2007	21 05 2007	21 05 2007	21 05 2007
(in years)	1.47	1,47	1,47	1,47	1,47

% CPR:	6.00%	8.00%	10.00%	12.00%	14.00%
--------	-------	-------	--------	--------	--------

Series A2 Bonds					
Average life (years)	8.55	7,33	6,41	5,65	5,04
IRR	2,614%	2,614%	2,614%	2,614%	2,614%
Duration (years)	7.16	6,26	5,56	4,97	4,49
Final maturity	21 05 2025	21 11 2022	22 02 2021	21 05 2019	21 11 2017
(in years)	19.48	16,98	15,24	13,47	11,98

Series B Bonds					
Average life (years)	13.58	11,68	10,24	9,00	8,00
IRR	2,774%	2,774%	2,774%	2,774%	2,774%
Duration (years)	10.91	9,62	8,59	7,69	6,93
Final maturity	21 05 2025	21 11 2022	22 02 2021	21 05 2019	21 11 2017
(in years)	19.48	16,98	15,24	13,47	11,98

Series C Bonds					
Average life (years)	13.58	11,68	10,24	9,00	8,00
IRR	3,168%	3,168%	3,168%	3,168%	3,168%
Duration (years)	10.60	9,38	8,39	7,53	6,80
Final maturity	21 05 2025	21 11 2022	22 02 2021	21 05 2019	21 11 2017
(in years)	19.48	16,98	15,24	13,47	11,98

Series D Bonds					
Average life (years)	13.58	11,68	10,24	9,00	8,00
IRR	4,393%	4,393%	4,393%	4,393%	4,393%
Duration (years)	9.70	8,67	7,82	7,05	6,41
Final maturity	21 05 2025	21 11 2022	22 02 2021	21 05 2019	21 11 2017
(in years)	19.48	16,98	15,24	13,47	11,98

Series E Bonds					
Average life (years)	14.65	12,63	11,18	9,85	8,74
IRR	6,105%	6,105%	6,105%	6,105%	6,105%
Duration (years)	9.00	8,18	7,51	6,87	6,29
Final maturity	21 05 2025	21 11 2022	22 02 2021	21 05 2019	21 11 2017
(in years)	19.48	16,98	15,24	13,47	11,98

These figures have been calculated using the following formula:

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

$$V = \frac{\sum (P \times d)}{T} \times \frac{1}{365}$$

Where:

- V = Average life in each Bond Series issued expressed in years.
- P = Principal to be repaid in each Bond Series on each Payment Date, in accordance with the amount to be amortised in each Bond Series, as described in section 4.9.2 of this Securities Note.
- d = Number of days elapsed between the Closing Date and the Payment Date at issue.
- T = Total face amount in EUR in each Bond Series.

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

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

Where:

- N = face value of the Bond in each Series.
- r = IRR expressed as an annual rate, per unit.
- A_i = (A_1 A_n). Total amortisation and interest amounts to be received by investors.
- nd = Number of days comprised between the Closing Date of the issue and each of the n Payment Dates, not inclusive, during the life of the Bond.

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

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

Where:

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

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

- Whereas CPRs are assumed to be constant respectively at 8.00%, 10.00% and 12.00% throughout the life of the Bond Issue, as explained above actual prepayment changes continually.
- The Outstanding Principal Balance of the Bonds on each Payment Date and hence interest payable on each such dates shall depend on the actual Loan prepayment, delinquency and default rates.
- Whereas Bond nominal interest rates are assumed to be constant for each Series from the second Interest Accrual Period, the interest rate in all the Series is known to be variable.
- The assumed values referred to at the beginning of this section are at all events taken for granted.
- It is assumed that the Management Company will exercise the Early Liquidation of the Fund and thereby the Early Amortisation of the Bond Issue option when the Outstanding Balance of the Mortgage Credits is less than 10% of the Initial Outstanding Balance upon the Fund being set up, as provided in section 4.4.3 of the Registration Document.

This is a Certified Translation into English of the Spanish Prospectus. No document other than the Spanish Prospectus registered by the Comisión Nacional del Mercado de Valores may have any legal effect whatsoever or be taken into account with respect to the Bond Issue.

FLows FOR EVERY Bond WITHOUT WITHHOLDING FOR THE HOLDER
(AMOUNTS IN EUR)
CPR = 8%

Payment Date	Series A1 Bonds			Series A2 Bonds			Series B Bonds			Series C Bonds			Series D Bonds			Series E Bonds		
	Principal Repayment	Gross Interest	Total Flow	Principal Repayment	Gross Interest	Total Flow	Principal Repayment	Gross Interest	Total Flow	Principal Repayment	Gross Interest	Total Flow	Principal Repayment	Gross Interest	Total Flow	Principal Repayment	Gross Interest	Total Flow
TOTALS:	100,000.00	3,695.57	103,695.57	100,000.00	16,964.84	118,964.84	100,000.00	32,082.40	132,082.40	100,000.00	36,583.14	136,583.14	100,000.00	50,500.54	150,500.54	100,000.00	75,431.36	175,431.36
02-Dec-05																		
21-Feb-06	0.00	596.65	596.65	0.00	571.28	571.28	0.00	606.15	606.15	0.00	691.65	691.65	0.00	956.03	956.03	0.00	1,321.65	1,321.65
22-May-06	0.00	615.34	615.34	0.00	631.41	631.41	0.00	669.73	669.73	0.00	763.67	763.67	0.00	1,054.16	1,054.16	0.00	1,455.89	1,455.89
21-Aug-06	0.00	636.08	636.08	0.00	652.69	652.69	0.00	692.30	692.30	0.00	789.41	789.41	0.00	1,089.69	1,089.69	0.00	1,504.97	1,504.97
21-Nov-06	0.00	636.08	636.08	0.00	652.69	652.69	0.00	692.30	692.30	0.00	789.41	789.41	0.00	1,089.69	1,089.69	0.00	1,504.97	1,504.97
21-Feb-07	0.00	636.08	636.08	0.00	652.69	652.69	0.00	692.30	692.30	0.00	789.41	789.41	0.00	1,089.69	1,089.69	0.00	1,504.97	1,504.97
21-May-07	100,000.00	615.34	100,615.34	12,668.21	631.41	13,299.62	0.00	669.73	669.73	0.00	763.67	763.67	0.00	1,054.16	1,054.16	0.00	1,455.89	1,455.89
21-Aug-07	0.00	0.00	0.00	2,661.71	570.00	3,231.71	0.00	692.30	692.30	0.00	789.41	789.41	0.00	1,089.69	1,089.69	0.00	1,504.97	1,504.97
21-Nov-07	0.00	0.00	0.00	2,596.82	552.63	3,149.45	0.00	692.30	692.30	0.00	789.41	789.41	0.00	1,089.69	1,089.69	0.00	1,504.97	1,504.97
21-Feb-08	0.00	0.00	0.00	2,531.52	535.69	3,067.21	0.00	692.30	692.30	0.00	789.41	789.41	0.00	1,089.69	1,089.69	0.00	1,504.97	1,504.97
21-May-08	0.00	0.00	0.00	2,431.18	507.88	2,939.06	0.00	677.25	677.25	0.00	772.25	772.25	0.00	1,066.00	1,066.00	0.00	1,472.25	1,472.25
21-Aug-08	0.00	0.00	0.00	2,407.77	503.30	2,911.07	0.00	692.30	692.30	0.00	789.41	789.41	0.00	1,089.69	1,089.69	0.00	1,504.97	1,504.97
21-Nov-08	0.00	0.00	0.00	2,347.15	487.58	2,834.73	0.00	692.30	692.30	0.00	789.41	789.41	0.00	1,089.69	1,089.69	0.00	1,504.97	1,504.97
23-Feb-09	0.00	0.00	0.00	2,288.07	472.26	2,760.33	0.00	692.30	692.30	0.00	789.41	789.41	0.00	1,089.69	1,089.69	0.00	1,504.97	1,504.97
21-May-09	0.00	0.00	0.00	2,180.28	442.42	2,622.70	0.00	669.73	669.73	0.00	763.67	763.67	0.00	1,054.16	1,054.16	0.00	1,455.89	1,455.89
21-Aug-09	0.00	0.00	0.00	2,175.46	443.10	2,618.56	0.00	692.30	692.30	0.00	789.41	789.41	0.00	1,089.69	1,089.69	0.00	1,504.97	1,504.97
23-Nov-09	0.00	0.00	0.00	2,120.91	428.90	2,549.81	0.00	692.30	692.30	0.00	789.41	789.41	0.00	1,089.69	1,089.69	0.00	1,504.97	1,504.97
22-Feb-10	0.00	0.00	0.00	2,066.94	415.06	2,482.00	0.00	692.30	692.30	0.00	789.41	789.41	0.00	1,089.69	1,089.69	0.00	1,504.97	1,504.97
21-May-10	0.00	0.00	0.00	1,969.94	388.47	2,358.41	0.00	669.73	669.73	0.00	763.67	763.67	0.00	1,054.16	1,054.16	0.00	1,455.89	1,455.89
23-Aug-10	0.00	0.00	0.00	1,963.89	386.71	2,350.60	0.00	692.30	692.30	0.00	789.41	789.41	0.00	1,089.69	1,089.69	0.00	1,504.97	1,504.97
22-Nov-10	0.00	0.00	0.00	1,913.81	375.89	2,289.70	0.00	692.30	692.30	0.00	789.41	789.41	0.00	1,089.69	1,089.69	0.00	1,504.97	1,504.97
21-Feb-11	0.00	0.00	0.00	1,864.36	363.40	2,227.76	0.00	692.30	692.30	0.00	789.41	789.41	0.00	1,089.69	1,089.69	0.00	1,504.97	1,504.97
23-May-11	0.00	0.00	0.00	1,777.41	339.78	2,117.19	0.00	669.73	669.73	0.00	763.67	763.67	0.00	1,054.16	1,054.16	0.00	1,455.89	1,455.89
22-Aug-11	0.00	0.00	0.00	1,770.79	339.63	2,110.42	0.00	692.30	692.30	0.00	789.41	789.41	0.00	1,089.69	1,089.69	0.00	1,504.97	1,504.97
21-Nov-11	0.00	0.00	0.00	1,725.38	328.07	2,053.45	0.00	692.30	692.30	0.00	789.41	789.41	0.00	1,089.69	1,089.69	1,482.85	1,504.97	2,987.82
23-Feb-12	0.00	0.00	0.00	1,452.78	316.81	1,769.59	4,576.45	692.30	5,268.75	4,576.29	789.41	5,365.70	4,574.51	1,089.69	5,664.20	3,053.79	1,482.85	4,576.44
21-May-12	0.00	0.00	0.00	1,465.63	300.65	1,766.28	2,970.17	646.26	3,616.43	2,970.18	736.91	3,707.09	2,970.23	1,017.24	3,987.47	2,970.17	1,404.87	4,375.04
21-Aug-12	0.00	0.00	0.00	1,448.11	297.76	1,745.87	2,934.66	640.05	3,574.71	2,934.67	729.84	3,664.51	2,934.66	1,007.47	3,942.19	2,934.66	1,391.39	4,326.05
21-Nov-12	0.00	0.00	0.00	1,410.46	288.31	1,698.77	2,888.37	619.74	3,478.11	2,888.38	706.67	3,565.05	2,888.43	975.50	3,833.93	2,888.37	1,347.22	4,205.59
21-Feb-13	0.00	0.00	0.00	1,373.22	279.11	1,652.33	2,782.90	599.95	3,382.85	2,782.90	684.11	3,467.01	2,782.95	944.35	3,727.30	2,782.89	1,304.21	4,087.10
21-May-13	0.00	0.00	0.00	1,309.38	261.33	1,570.71	2,693.52	561.75	3,215.27	2,693.53	640.55	3,294.08	2,693.58	884.22	3,537.80	2,693.52	1,221.16	3,874.68
21-Aug-13	0.00	0.00	0.00	1,300.62	261.60	1,562.22	2,635.78	562.31	3,198.09	2,635.78	641.19	3,276.97	2,635.83	885.11	3,520.94	2,635.78	1,222.39	3,858.17
21-Nov-13	0.00	0.00	0.00	1,265.01	253.11	1,518.12	2,563.61	544.07	3,107.68	2,563.61	620.38	3,183.99	2,563.66	856.38	3,420.04	2,563.61	1,182.72	3,746.33
21-Feb-14	0.00	0.00	0.00	1,229.93	244.85	1,474.78	2,492.51	526.32	3,018.83	2,492.51	600.15	3,092.66	2,492.56	828.45	3,321.01	2,492.51	1,144.14	3,636.65
21-May-14	0.00	0.00	0.00	1,172.50	229.10	1,401.60	2,376.13	492.46	2,868.59	2,376.14	561.54	2,937.68	2,376.18	775.16	3,151.34	2,376.13	1,070.54	3,446.67
21-Aug-14	0.00	0.00	0.00	1,163.45	229.17	1,392.62	2,357.79	492.46	2,850.40	2,357.80	561.71	2,919.51	2,357.84	775.39	3,133.23	2,357.79	1,070.54	3,446.67
21-Nov-14	0.00	0.00	0.00	1,131.54	221.58	1,353.12	2,293.12	476.29	2,789.41	2,293.13	543.10	2,836.23	2,293.17	749.70	3,042.87	2,293.12	1,005.39	3,328.51
23-Feb-15	0.00	0.00	0.00	1,100.66	214.19	1,314.85	2,230.55	460.41	2,690.96	2,230.55	525.00	2,755.55	2,230.59	724.71	2,955.30	2,230.54	1,000.88	3,231.42
21-May-15	0.00	0.00	0.00	1,048.43	200.26	1,248.69	2,124.69	430.46	2,555.15	2,124.69	490.85	2,615.54	2,124.73	677.57	2,802.30	2,124.69	935.76	3,080.45
21-Aug-15	0.00	0.00	0.00	1,039.71	200.16	1,239.87	2,107.02	430.26	2,537.28	2,107.03	490.62	2,597.65	2,107.07	677.25	2,784.32	2,107.02	935.33	3,042.35
23-Nov-15	0.00	0.00	0.00	1,010.91	193.38	1,204.29	2,048.66	415.68	2,464.34	2,048.67	473.98	2,522.65	2,048.71	654.29	2,703.00	2,048.66	903.62	2,952.28
22-Feb-16	0.00	0.00	0.00	982.42	186.78	1,169.20	1,990.93	401.49	2,392.42	1,990.93	457.81	2,448.74	1,990.97	631.97	2,622.94	1,990.93	872.79	2,863.72
23-May-16	0.00	0.00	0.00	942.92	176.45	1,119.37	1,910.87	379.28	2,290.15	1,910.87	432.48	2,343.35	1,910.91	597.01	2,507.92	1,910.87	824.50	2,735.37
22-Aug-16	0.00	0.00	0.00	929.03	174.21	1,103.24	1,892.73	374.48	2,257.21	1,892.73	427.01	2,309.74	1,892.77	589.45	2,472.22	1,892.72	814.07	2,696.79
21-Nov-16	0.00	0.00	0.00	903.08	168.15	1,071.23	1,830.14	361.45	2,191.59	1,830.14	412.15	2,242.29	1,830.17	568.93	2,369.10	1,830.13	785.73	2,615.86
21-Feb-17	0.00	0.00	0.00	877.10	162.26	1,039.36	1,777.49	348.78	2,126.27	1,777.49	397.70	2,175.19	1,777.53	548.99	2,326.52	1,777.49	758.19	2,537.58
22-May-17	0.00	0.00	0.00	836.12	151.43	987.55	1,694.44	325.50	2,019.94	1,694.44	371.16	2,065.60	1,694.47	512.58	2,206.82	1,694.44	723.58	2,458.58
21-Aug-17	0.00	0.00	0.00	828.24	151.07	979.31	1,678.48	324.74	2,003.22	1,678.48	370.29	2,048.77	1,678.51	511.16	2,189.67	1,678.48	717.97	2,447.97
21-Nov-17	0.00	0.00	0.00	805.66	145.67	951.33	1,632.72	313.12										

This is a Certified Translation into English of the Spanish Prospectus. No document other than the Spanish Prospectus registered by the Comisión Nacional del Mercado de Valores may have any legal effect whatsoever or be taken into account with respect to the Bond Issue.

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

Payment Date	Series A1 Bonds			Series A2 Bonds			Series B Bonds			Series C Bonds			Series D Bonds			Series E Bonds		
	Principal Repayment	Gross Interest	Total Flow	Principal Repayment	Gross Interest	Total Flow	Principal Repayment	Gross Interest	Total Flow	Principal Repayment	Gross Interest	Total Flow	Principal Repayment	Gross Interest	Total Flow	Principal Repayment	Gross Interest	Total Flow
TOTALS:	100,000.00	3,695.57	103,695.57	100,000.00	16,584.00	116,584.00	100,000.00	28,108.67	128,108.67	100,000.00	32,052.00	132,052.00	100,000.00	44,245.75	144,245.75	100,000.00	66,740.61	166,740.61
02-Dec-06																		
21-Feb-06	0.00	556.65	556.65	0.00	571.28	571.28	0.00	606.15	606.15	0.00	691.65	691.65	0.00	956.03	956.03	0.00	1,321.65	1,321.65
22-May-06	0.00	615.34	615.34	0.00	631.41	631.41	0.00	669.73	669.73	0.00	763.67	763.67	0.00	1,054.16	1,054.16	0.00	1,455.89	1,455.89
21-Aug-06	0.00	636.08	636.08	0.00	652.69	652.69	0.00	692.30	692.30	0.00	789.41	789.41	0.00	1,089.69	1,089.69	0.00	1,504.97	1,504.97
21-Nov-06	0.00	636.08	636.08	0.00	652.69	652.69	0.00	692.30	692.30	0.00	789.41	789.41	0.00	1,089.69	1,089.69	0.00	1,504.97	1,504.97
21-Feb-07	0.00	636.08	636.08	0.00	652.69	652.69	0.00	692.30	692.30	0.00	789.41	789.41	0.00	1,089.69	1,089.69	0.00	1,504.97	1,504.97
21-May-07	100,000.00	615.34	100,615.34	15,507.67	631.41	16,139.08	0.00	669.73	669.73	0.00	763.67	763.67	0.00	1,054.16	1,054.16	0.00	1,455.89	1,455.89
21-Aug-07	0.00	0.00	0.00	3,061.20	551.47	3,612.67	0.00	692.30	692.30	0.00	789.41	789.41	0.00	1,089.69	1,089.69	0.00	1,504.97	1,504.97
21-Nov-07	0.00	0.00	0.00	2,968.51	531.49	3,499.99	0.00	692.30	692.30	0.00	789.41	789.41	0.00	1,089.69	1,089.69	0.00	1,504.97	1,504.97
21-Feb-08	0.00	0.00	0.00	2,875.42	512.13	3,387.55	0.00	692.30	692.30	0.00	789.41	789.41	0.00	1,089.69	1,089.69	0.00	1,504.97	1,504.97
21-May-08	0.00	0.00	0.00	2,741.63	482.63	3,224.26	0.00	677.25	677.25	0.00	772.25	772.25	0.00	1,066.00	1,066.00	0.00	1,472.25	1,472.25
21-Aug-08	0.00	0.00	0.00	2,701.26	475.47	3,176.73	0.00	692.30	692.30	0.00	789.41	789.41	0.00	1,089.69	1,089.69	0.00	1,504.97	1,504.97
21-Nov-08	0.00	0.00	0.00	2,616.92	457.83	3,074.75	0.00	692.30	692.30	0.00	789.41	789.41	0.00	1,089.69	1,089.69	0.00	1,504.97	1,504.97
23-Feb-09	0.00	0.00	0.00	2,535.16	440.75	2,975.91	0.00	692.30	692.30	0.00	789.41	789.41	0.00	1,089.69	1,089.69	0.00	1,504.97	1,504.97
21-May-09	0.00	0.00	0.00	2,397.13	410.37	2,807.50	0.00	669.73	669.73	0.00	763.67	763.67	0.00	1,054.16	1,054.16	0.00	1,455.89	1,455.89
21-Aug-09	0.00	0.00	0.00	2,380.80	408.56	2,789.36	0.00	692.30	692.30	0.00	789.41	789.41	0.00	1,089.69	1,089.69	0.00	1,504.97	1,504.97
23-Nov-09	0.00	0.00	0.00	2,306.49	393.02	2,699.51	0.00	692.30	692.30	0.00	789.41	789.41	0.00	1,089.69	1,089.69	0.00	1,504.97	1,504.97
22-Feb-10	0.00	0.00	0.00	2,233.71	377.97	2,611.68	0.00	692.30	692.30	0.00	789.41	789.41	0.00	1,089.69	1,089.69	0.00	1,504.97	1,504.97
21-May-10	0.00	0.00	0.00	2,112.33	351.54	2,463.87	0.00	669.73	669.73	0.00	763.67	763.67	0.00	1,054.16	1,054.16	0.00	1,455.89	1,455.89
23-Aug-10	0.00	0.00	0.00	2,098.18	349.80	2,447.98	0.00	692.30	692.30	0.00	789.41	789.41	0.00	1,089.69	1,089.69	0.00	1,504.97	1,504.97
22-Nov-10	0.00	0.00	0.00	2,029.84	335.92	2,365.76	0.00	692.30	692.30	0.00	789.41	789.41	0.00	1,089.69	1,089.69	0.00	1,504.97	1,504.97
21-Feb-11	0.00	0.00	0.00	1,964.98	322.67	2,287.65	0.00	692.30	692.30	0.00	789.41	789.41	0.00	1,089.69	1,089.69	0.00	1,504.97	1,504.97
23-May-11	0.00	0.00	0.00	1,916.39	299.74	2,216.13	6,867.75	669.73	7,537.48	6,867.59	763.67	7,631.26	6,865.85	1,054.16	7,920.01	3,421.03	1,405.71	4,826.74
22-Aug-11	0.00	0.00	0.00	1,874.08	299.95	2,174.03	3,392.61	644.75	4,037.36	3,392.62	735.20	4,127.82	3,392.68	1,014.87	4,407.55	3,392.61	1,401.61	4,794.22
21-Nov-11	0.00	0.00	0.00	1,820.76	289.02	2,109.78	3,284.56	621.27	3,905.83	3,284.57	708.42	3,992.99	3,284.63	977.90	4,262.53	3,284.56	1,350.55	4,635.11
21-Feb-12	0.00	0.00	0.00	1,768.82	278.44	2,047.26	3,179.30	598.53	3,777.83	3,179.31	682.49	3,861.80	3,179.37	942.11	4,121.48	3,179.30	1,301.12	4,480.42
21-May-12	0.00	0.00	0.00	1,695.03	262.37	1,957.40	3,029.75	563.99	3,593.74	3,029.76	643.10	3,672.86	3,029.82	887.74	3,917.56	3,029.75	1,226.03	4,255.78
21-Aug-12	0.00	0.00	0.00	1,669.50	258.45	1,927.95	2,978.02	555.54	3,533.56	2,978.02	633.47	3,611.49	2,978.08	874.45	3,852.53	2,978.01	1,207.67	4,185.68
21-Nov-12	0.00	0.00	0.00	1,622.13	248.86	1,870.99	2,882.02	534.93	3,416.95	2,882.02	609.96	3,491.98	2,882.08	842.00	3,724.08	2,882.01	1,162.86	4,044.87
21-Feb-13	0.00	0.00	0.00	1,575.75	239.57	1,815.32	2,788.03	514.97	3,303.00	2,788.03	587.21	3,375.24	2,788.08	810.59	3,598.67	2,788.02	1,119.48	3,907.50
21-May-13	0.00	0.00	0.00	1,501.28	223.08	1,724.36	2,637.10	479.51	3,116.61	2,637.11	546.77	3,183.88	2,637.16	754.77	3,391.93	2,637.10	1,042.39	3,679.49
23-Aug-13	0.00	0.00	0.00	1,468.87	222.10	1,690.97	2,607.91	477.42	3,085.33	2,607.91	544.39	3,152.30	2,607.96	751.47	3,359.43	2,607.90	1,037.84	3,645.74
21-Nov-13	0.00	0.00	0.00	1,423.76	213.70	1,637.46	2,520.54	459.36	2,979.90	2,520.54	523.80	3,044.34	2,520.59	723.06	3,243.65	2,520.53	998.59	3,519.12
21-Feb-14	0.00	0.00	0.00	1,375.75	205.58	1,581.33	2,435.27	441.91	2,877.18	2,435.27	503.90	2,939.17	2,435.32	695.59	3,130.91	2,435.26	960.65	3,395.91
21-May-14	0.00	0.00	0.00	1,326.64	191.29	1,517.93	2,302.90	411.19	2,714.09	2,302.90	468.87	2,771.77	2,302.94	647.23	2,950.17	2,302.89	893.87	3,196.76
21-Aug-14	0.00	0.00	0.00	1,278.41	180.32	1,458.73	2,175.10	409.11	2,684.21	2,175.10	466.50	2,741.60	2,175.14	643.96	2,919.10	2,175.09	889.35	3,164.44
21-Nov-14	0.00	0.00	0.00	1,231.89	183.00	1,414.89	2,198.59	393.36	2,591.95	2,198.59	448.54	2,547.13	2,198.64	619.16	2,817.80	2,198.59	855.11	3,053.70
23-Feb-15	0.00	0.00	0.00	1,184.51	175.92	1,360.43	2,124.86	378.14	2,503.00	2,124.86	431.18	2,556.04	2,124.90	595.21	2,730.11	2,124.85	822.02	2,946.87
21-May-15	0.00	0.00	0.00	1,137.77	163.56	1,301.33	2,007.85	351.58	2,359.43	2,007.85	400.89	2,408.74	2,007.89	553.40	2,561.29	2,007.84	784.28	2,772.12
21-Aug-15	0.00	0.00	0.00	1,097.17	162.61	1,259.78	1,982.32	349.53	2,331.85	1,982.33	398.56	2,380.89	1,982.36	550.17	2,532.53	1,982.35	787.75	2,645.57
23-Nov-15	0.00	0.00	0.00	1,044.97	156.22	1,201.19	1,915.02	335.80	2,250.82	1,915.03	382.91	2,297.94	1,915.06	528.57	2,443.63	1,915.05	747.97	2,579.97
22-Feb-16	0.00	0.00	0.00	1,012.46	150.05	1,162.51	1,849.16	322.55	2,171.71	1,849.16	367.79	2,216.95	1,849.19	507.70	2,356.89	1,849.18	717.97	2,519.86
23-May-16	0.00	0.00	0.00	969.10	140.97	1,110.07	1,781.29	303.01	2,064.30	1,781.29	345.52	2,106.81	1,781.32	476.95	2,238.27	1,781.31	731.71	2,473.07
22-Aug-16	0.00	0.00	0.00	951.81	138.43	1,090.24	1,728.23	297.55	2,023.78	1,728.23	339.29	2,065.07	1,728.27	468.36	2,194.63	1,728.26	717.97	2,449.27
21-Nov-16	0.00	0.00	0.00	922.63	132.87	1,055.50	1,667.09	285.60	1,982.69	1,667.10	325.66	1,992.76	1,667.13	449.55	2,116.68	1,667.12	707.97	2,424.67
21-Feb-17	0.00	0.00	0.00	893.83	127.50	1,021.33	1,608.73	274.06	1,942.79	1,608.74	312.50	1,921.24	1,608.77	431.38	2,040.15	1,608.76	707.97	2,407.74
22-May-17	0.00	0.00	0.00	870.52	118.33	988.85	1,520.96	254.35	1,775.31	1,520.96	290.03	1,810.99	1,520.99	400.36	1,921.35	1,520.98	707.97	2,382.58
21-Aug-17	0.00	0.00	0.00	850.04	117.42	967.46	1,499.73	252.39	1,752.12	1,499.73	287.80	1,787.53	1,499.76	397.28	1,897.04	1,499.75	707.97	2,363.07
21-Nov-17	0.00	0.00	0.00	831.03	115.09</													

This is a Certified Translation into English of the Spanish Prospectus. No document other than the Spanish Prospectus registered by the Comisión Nacional del Mercado de Valores may have any legal effect whatsoever or be taken into account with respect to the Bond Issue.

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

Payment Date	Series A1 Bonds			Series A2 Bonds			Series B Bonds			Series C Bonds			Series D Bonds			Series E Bonds		
	Principal Repayment	Gross Interest	Total Flow	Principal Repayment	Gross Interest	Total Flow	Principal Repayment	Gross Interest	Total Flow	Principal Repayment	Gross Interest	Total Flow	Principal Repayment	Gross Interest	Total Flow	Principal Repayment	Gross Interest	Total Flow
TOTALS:	100,000.00	3,695.57	103,695.57	100,000.00	14,631.93	114,631.93	100,000.00	24,724.54	124,724.54	100,000.00	28,193.21	128,193.21	100,000.00	38,919.07	138,919.07	100,000.00	58,786.35	158,786.35
02-Dec-05																		
21-Feb-06	0.00	556.65	556.65	0.00	571.28	571.28	0.00	606.15	606.15	0.00	691.65	691.65	0.00	956.03	956.03	0.00	1,321.65	1,321.65
22-May-06	0.00	615.34	615.34	0.00	631.41	631.41	0.00	669.73	669.73	0.00	763.67	763.67	0.00	1,054.16	1,054.16	0.00	1,455.89	1,455.89
21-Aug-06	0.00	636.08	636.08	0.00	652.69	652.69	0.00	692.30	692.30	0.00	789.41	789.41	0.00	1,089.69	1,089.69	0.00	1,504.97	1,504.97
21-Nov-06	0.00	636.08	636.08	0.00	652.69	652.69	0.00	692.30	692.30	0.00	789.41	789.41	0.00	1,089.69	1,089.69	0.00	1,504.97	1,504.97
21-Feb-07	0.00	636.08	636.08	0.00	652.69	652.69	0.00	692.30	692.30	0.00	789.41	789.41	0.00	1,089.69	1,089.69	0.00	1,504.97	1,504.97
21-May-07	100,000.00	615.34	100,615.34	18,320.59	631.41	18,952.00	0.00	669.73	669.73	0.00	763.67	763.67	0.00	1,054.16	1,054.16	0.00	1,455.89	1,455.89
21-Aug-07	0.00	0.00	0.00	3,436.99	533.11	3,970.10	0.00	692.30	692.30	0.00	789.41	789.41	0.00	1,089.69	1,089.69	0.00	1,504.97	1,504.97
21-Nov-07	0.00	0.00	0.00	3,312.56	510.67	3,823.23	0.00	692.30	692.30	0.00	789.41	789.41	0.00	1,089.69	1,089.69	0.00	1,504.97	1,504.97
21-Feb-08	0.00	0.00	0.00	3,190.61	489.05	3,679.66	0.00	692.30	692.30	0.00	789.41	789.41	0.00	1,089.69	1,089.69	0.00	1,504.97	1,504.97
21-May-08	0.00	0.00	0.00	3,021.28	458.04	3,479.32	0.00	677.25	677.25	0.00	772.25	772.25	0.00	1,066.00	1,066.00	0.00	1,472.25	1,472.25
21-Aug-08	0.00	0.00	0.00	2,960.86	448.50	3,409.36	0.00	692.30	692.30	0.00	789.41	789.41	0.00	1,089.69	1,089.69	0.00	1,504.97	1,504.97
21-Nov-08	0.00	0.00	0.00	2,850.76	429.18	3,279.94	0.00	692.30	692.30	0.00	789.41	789.41	0.00	1,089.69	1,089.69	0.00	1,504.97	1,504.97
21-Feb-09	0.00	0.00	0.00	2,744.63	410.57	3,155.20	0.00	692.30	692.30	0.00	789.41	789.41	0.00	1,089.69	1,089.69	0.00	1,504.97	1,504.97
21-May-09	0.00	0.00	0.00	2,676.38	379.85	3,056.23	0.00	669.73	669.73	0.00	763.67	763.67	0.00	1,054.16	1,054.16	0.00	1,455.89	1,455.89
21-Aug-09	0.00	0.00	0.00	2,546.18	375.84	2,922.02	0.00	692.30	692.30	0.00	789.41	789.41	0.00	1,089.69	1,089.69	0.00	1,504.97	1,504.97
23-Nov-09	0.00	0.00	0.00	2,451.33	359.22	2,810.55	0.00	692.30	692.30	0.00	789.41	789.41	0.00	1,089.69	1,089.69	0.00	1,504.97	1,504.97
22-Feb-10	0.00	0.00	0.00	2,359.26	343.22	2,702.48	0.00	692.30	692.30	0.00	789.41	789.41	0.00	1,089.69	1,089.69	0.00	1,504.97	1,504.97
21-May-10	0.00	0.00	0.00	2,214.73	317.13	2,531.86	0.00	669.73	669.73	0.00	763.67	763.67	0.00	1,054.16	1,054.16	2,453.94	1,455.89	3,909.83
23-Aug-10	0.00	0.00	0.00	1,864.14	313.37	2,177.51	6,479.25	692.30	7,171.55	6,479.10	789.41	7,260.51	6,477.35	1,089.69	7,567.04	4,025.50	1,468.04	5,493.54
22-Nov-10	0.00	0.00	0.00	1,911.52	301.20	2,212.72	3,873.79	647.44	4,521.23	3,873.80	738.26	4,612.06	3,873.87	1,019.11	4,892.98	3,873.78	1,407.45	5,281.23
21-Feb-11	0.00	0.00	0.00	1,838.92	288.72	2,127.64	3,726.66	620.63	4,347.29	3,726.67	707.68	4,434.35	3,726.74	976.89	4,703.63	3,726.65	1,349.15	5,075.80
23-May-11	0.00	0.00	0.00	1,726.47	267.70	1,994.17	3,498.78	575.43	4,074.21	3,498.78	656.15	4,154.93	3,498.85	905.75	4,404.60	3,498.77	1,250.90	4,749.67
22-Aug-11	0.00	0.00	0.00	1,703.68	265.45	1,969.13	3,452.59	570.60	4,023.19	3,452.59	650.65	4,103.24	3,452.66	898.16	4,350.82	3,452.58	1,240.41	4,692.99
21-Nov-11	0.00	0.00	0.00	1,639.04	254.33	1,893.37	3,321.60	546.70	3,868.30	3,321.60	623.39	3,944.99	3,321.67	860.53	4,182.20	3,321.59	1,188.45	4,510.04
21-Feb-12	0.00	0.00	0.00	1,576.53	243.64	1,820.17	3,194.93	523.71	3,718.64	3,194.93	597.17	3,792.10	3,194.99	824.34	4,019.33	3,194.92	1,138.46	4,333.38
21-May-12	0.00	0.00	0.00	1,491.80	228.27	1,720.07	3,023.21	490.68	3,513.89	3,023.22	559.51	3,582.73	3,023.27	772.36	3,795.63	3,023.21	1,066.68	4,089.89
21-Aug-12	0.00	0.00	0.00	1,458.44	223.61	1,682.05	2,955.60	480.66	3,436.26	2,955.60	548.08	3,503.68	2,955.66	756.58	3,712.24	2,955.59	1,044.88	4,000.47
21-Nov-12	0.00	0.00	0.00	1,402.50	214.09	1,616.59	2,842.24	460.20	3,302.44	2,842.24	524.75	3,366.99	2,842.30	724.37	3,566.67	2,842.23	1,000.40	3,842.63
21-Feb-13	0.00	0.00	0.00	1,348.21	204.94	1,553.15	2,732.22	440.52	3,172.74	2,732.23	502.31	3,234.54	2,732.28	693.40	3,425.68	2,732.22	957.63	3,689.85
21-May-13	0.00	0.00	0.00	1,265.63	189.74	1,455.37	2,564.86	407.86	2,972.72	2,564.86	465.07	3,029.93	2,564.91	641.98	3,206.89	2,564.85	886.62	3,451.47
23-Aug-13	0.00	0.00	0.00	1,245.63	187.88	1,433.51	2,524.33	403.85	2,928.18	2,524.33	460.50	2,984.83	2,524.38	635.68	3,160.06	2,524.33	877.91	3,402.24
21-Nov-13	0.00	0.00	0.00	1,196.38	179.75	1,376.13	2,424.53	386.37	2,810.90	2,424.53	440.57	2,865.10	2,424.58	608.17	3,032.75	2,424.53	839.92	3,284.45
21-Feb-14	0.00	0.00	0.00	1,148.72	171.94	1,320.66	2,327.93	369.59	2,697.52	2,327.94	421.43	2,749.37	2,327.98	581.75	2,909.73	2,327.93	803.43	3,131.36
21-May-14	0.00	0.00	0.00	1,078.07	159.08	1,237.15	2,184.76	341.94	2,526.70	2,184.76	389.91	2,574.67	2,184.80	538.24	2,723.04	2,184.77	743.34	2,100.72
21-Aug-14	0.00	0.00	0.00	1,059.98	157.40	1,217.38	2,148.11	338.35	2,486.46	2,148.11	385.81	2,533.92	2,148.15	532.57	2,680.72	2,148.11	747.97	2,100.72
21-Nov-14	0.00	0.00	0.00	1,017.88	150.49	1,168.37	2,062.78	323.47	2,386.25	2,062.79	368.85	2,431.64	2,062.83	509.16	2,571.99	2,062.79	747.97	2,100.72
23-Feb-15	0.00	0.00	0.00	977.50	143.94	1,121.34	1,980.95	309.19	2,290.14	1,980.96	352.57	2,333.53	1,980.99	486.68	2,467.67	1,980.99	747.97	2,100.72
21-May-15	0.00	0.00	0.00	916.72	132.98	1,049.70	1,857.77	285.84	2,143.61	1,857.78	325.94	2,183.72	1,857.81	449.93	2,307.74	1,857.81	723.58	2,100.72
21-Aug-15	0.00	0.00	0.00	900.73	131.48	1,032.21	1,825.37	282.62	2,107.99	1,825.37	322.26	2,147.63	1,825.41	444.85	2,270.26	1,825.41	747.97	2,100.72
23-Nov-15	0.00	0.00	0.00	864.62	125.60	990.22	1,752.20	269.98	2,022.18	1,752.20	307.85	2,060.05	1,752.23	424.96	2,177.19	1,752.20	747.97	2,100.72
22-Feb-16	0.00	0.00	0.00	829.60	119.96	949.56	1,681.22	257.85	1,939.07	1,681.23	294.02	1,975.25	1,681.26	405.87	2,087.13	1,681.26	747.97	2,100.72
23-May-16	0.00	0.00	0.00	784.44	112.05	896.49	1,589.71	240.86	1,830.57	1,589.71	274.65	1,884.36	1,589.74	379.12	1,968.86	1,589.74	731.71	2,100.72
22-Aug-16	0.00	0.00	0.00	764.65	109.42	874.07	1,540.61	235.21	1,784.82	1,540.61	268.20	1,817.81	1,540.64	370.23	1,919.87	1,540.64	747.97	2,100.72
21-Nov-16	0.00	0.00	0.00	733.72	104.43	838.15	1,486.92	224.48	1,711.40	1,486.93	255.97	1,742.90	1,486.95	353.34	1,840.29	1,486.95	747.97	2,100.72
21-Feb-17	0.00	0.00	0.00	703.53	99.64	803.17	1,425.75	214.18	1,639.93	1,425.75	244.23	1,669.98	1,425.78	337.14	1,762.92	1,425.78	747.97	2,100.72
22-May-17	0.00	0.00	0.00	660.00	91.95	751.95	1,337.53	197.65	1,535.18	1,337.53	225.38	1,562.91	1,337.56	311.11	1,648.67	1,337.56	723.58	2,100.72
21-Aug-17	0.00	0.00	0.00	647.60	90.74	738.34	1,312.40	195.05	1,507.45	1,312.40	222.42	1,534.82	1,312.43	307.02	1,619.45	1,312.43	747.97	2,100.72
21-Nov-17	0.00	0.00	0.															

4.11 Representation of security holders.

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

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

4.12 Resolutions, authorisations and approvals for issuing the securities.

a) Corporate resolutions.

Resolution to set up the Fund and issue the Bonds:

At its meeting of October 6, 2005, the Executive Committee of the Board of Directors of EUROPEA DE TITULIZACIÓN resolved that:

- i) BANKINTER 11 FONDO DE TITULIZACIÓN HIPOTECARIA be set up in accordance with the legal system for which provision is made in Act 19/1992, Royal Decree 926/1998, and to the extent applicable, and all other legal and statutory provisions in force and applicable from time to time.
- ii) Credit rights owned by BANKINTER derived from the first drawdowns of mortgage credits granted by BANKINTER to individuals with senior real estate mortgage security on finished homes located in Spain assigned to the Fund upon being established by means of the issue by BANKINTER and subscription by the Fund of mortgage certificates, be pooled in the Fund.
- iii) The Bonds be issued by the Fund.

Resolution to assign mortgage credits by means of the issue of mortgage certificates:

At meetings held on October 15 and November 16, 2005, the Board of Directors of BANKINTER resolved that the assignment of credits with real estate security by means of the issue of mortgage certificates to be pooled in or subscribed for by the Fund be authorised.

b) Registration by the CNMV.

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

This Prospectus regarding the establishment of the Fund and issue of the Bonds has been entered in the CNMV's Official Registers on November 25, 2005.

c) Execution of the Fund public deed of constitution.

Upon the CNMV registering this Prospectus, the Management Company shall, with the presence of BANKINTER, Originator of the Mortgage Credits by means of the issue of the Mortgage Certificates, proceed to execute on November 28, 2005 a public deed whereby BANKINTER 11 FONDO DE TITULIZACIÓN HIPOTECARIA will be established, BANKINTER will issue and the Fund will subscribe for the Mortgage Certificates, and the Fund will issue the Mortgage-Backed Bonds, on the terms provided in articles 5 and 6 of Act 19/1992.

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

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

4.13 Issue date of the securities.

The Bond issue date shall be December 2, 2005, on the Closing Date proper.

4.13.1 Potential investors to whom the Bonds are offered

Placement of the Bonds in each of Series A1, A2, B, C, D and E of the Bond Issue is targeted at qualified investors.

Tranches.

Each of the Series consists of one tranche only.

4.13.2 Bond subscription or acquisition date or period.

The subscription period (the "**Subscription Period**") shall begin at 1pm (CET time) on November 29, 2005 and end at 2pm (CET time) on the same day.

4.13.3 Where and with whom may Bond subscription or acquisition be processed?

In order to be taken into account, subscription proposals shall be made during the Subscription Period established in the preceding section, with BANKINTER, IXIS CIB, FORTIS BANK and MERRILL LYNCH, as Underwriters and Placement Agents, and observing the procedures established hereinafter in the following sections.

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

4.13.4 Placement and allocation of the Bonds.

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

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

4.13.5 Bond subscription payment method and dates.

The investors to whom the Bonds are allocated shall pay the relevant Underwriter and Placement Agent by 1pm (CET time) on December 2, 2005 (the "**Closing Date**"), for same day value, the relevant issue price for each Bond allocated for subscription.

4.14 Restrictions on the free transferability of the securities.

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

5 ADMISSION TO TRADING AND DEALING ARRANGEMENTS.

5.1 Market where the securities will be traded.

In fulfilment of the provisions of article 5.9 of Act 19/1992, the Management Company shall, upon the Bonds having been paid up, apply for this Bond Issue to be listed on AIAF Mercado de Renta Fija (“**AIAF**”), which is a qualified official secondary securities market pursuant to transitional provision six of Act 37/1998, November 16, amending the Securities Market Act, and a Regulated Market, as contained in the Annotated List of Regulated Markets and Additional Provisions under the Investment Services Directive (93/22), published in the Official Journal of the European Communities on May 12, 2005. The Management Company undertakes that definitive listing will be achieved not later than one month after the Closing Date.

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

In the event that, by the end of the one-month period referred to in the first paragraph of this section, the Bonds should not be so listed on the AIAF, the Management Company shall forthwith proceed to notify Bondholders thereof, moreover advising of the reasons resulting in such breach, using the extraordinary notice procedure provided for in section 4.1.2 of the Building Block, i.e., publication of the relevant event at the CNMV and, additionally, publication of an announcement in the AIAF market bulletin. This shall be without prejudice to the Management Company being held to be contractually liable, as the case may be, if the delay is for reasons exclusively attributable to the same.

5.2 Paying agents and depository agents.

5.2.1 Paying Agent of the Bond Issue.

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

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

The obligations to be taken on by BANKINTER (the “**Paying Agent**”) under this Paying Agent Agreement are summarily as follows:

- (i) Paying the Fund by 3pm (CET time) on the Closing Date, by crediting the Treasury Account, for same day value, the aggregate amount of the subscription for the Bond Issue received from the other Underwriters and Placement Agents as provided for in the Bond Issue Management, Underwriting and Placement Agreement plus the face amount of the Bonds placed, as Underwriter and Placement Agent, and subscribed, as the case may be, for on its own account, deducting in both cases each of their respective underwriting and placement fees.
- (ii) Handing to the Management Company Bond Issue placement dissemination control information based on the information provided in that connection by the Underwriters and Placement Agents, using for that purpose the form duly established by the CNMV.
- (iii) On each of the Bond Payment Dates, paying interest and, as the case may be, repaying Bond principal through Iberclear, after deducting the total amount of the interim tax withholding for return on investments to be made by the Management Company, on behalf of the Fund, in accordance with applicable tax laws.
- (iv) On each Interest Rate Fixing Date, notifying the Management Company of the Reference Rate determined to be used as the basis for calculating the Nominal Interest Rate applicable to each Bond Series.

In the event that the rating of the short-term, unsecured and unsubordinated debt of BANKINTER should, at any time during the life of the Bond Issue, fall below P-1 or A-1 respectively in Moody's and S&P's rating scales, the Management Company shall within not more than thirty (30) Business Days from the time of the occurrence of any such circumstances, after notifying the Rating Agencies, put in place any of the following: (i) revoke the appointment of BANKINTER as Paying Agent, and shall thereupon designate another institution having a credit rating for its short-term, unsecured and unsubordinated debt of at least P-1 and A-1 respectively in Moody's and S&P's rating scales, to take its place before terminating the Paying Agent Agreement or, (ii) put in place any other actions allowing a suitable level of security to be maintained with respect to the commitments derived from this Agreement in order for there to be no detriment to the Bond rating given by the Rating Agencies. Should BANKINTER be replaced as Paying Agent, the Management Company shall be entitled to change the fee payable to the substitute institution, which may be higher than that established with BANKINTER under the Paying Agent Agreement.

In consideration of the services provided by the Paying Agent, the Fund shall pay it on each Payment Date during the term of the agreement, a fee of EUR 1,502.53, inclusive of taxes as the case may be. This fee shall be paid on the same Payment Date provided that the Fund has sufficient liquidity and in the Priority of Payments or, as the case may be, the Liquidation Priority of Payments.

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

The Paying Agent Agreement shall be fully terminated in the event that the Rating Agencies should not confirm the provisional ratings assigned to each Series as final ratings by the start of the Subscription Period or in the event of termination of the Bond Issue Management, Underwriting and Placement Agreement.

6 EXPENSE OF THE OFFERING.

The following are the expected expenses deriving from setting up the Fund and issuing and listing the Bond issue:

	EUR
• Initial Management Company fee	80,000.00
• Notary's, audit, rating and legal advice fees	298,975.65
• CNMV fees (registering Prospectus and supervising listing of Bonds)	65,433.29
• AIAF and Iberclear fees for including the Bonds in the register of book entries	55,680.00
• Underwriting and placement fees	1,173,800.00
• Translation, printing and other expenses	66,731.68
Total expenses	1,740,620.62

7 ADDITIONAL INFORMATION.

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

RAMÓN Y CAJAL ABOGADOS S.L. ("RAMÓN & CAJAL"), as independent advisers, have provided legal advice for establishing the Fund and issuing the Bonds and reviewed its tax implications.

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

Not applicable.

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

PRICEWATERHOUSECOOPERS has audited the selected mortgage credits (first drawdowns) on the terms set forth in section 2.2 of the Building Block and has audited BANKINTER's annual accounts.

7.4 Information sourced from a third party.

Within its duties to verify the contents of this Prospectus, the Management Company has received confirmation from BANKINTER as to the truthfulness of the characteristics of BANKINTER as Originator, of the Mortgage Credits and of the Mortgage Certificates given in section 2.2.8 of the Building Block, and of the remaining information on BANKINTER, the Mortgage Credits and Mortgage Certificates given in this Prospectus.

In the Deed of Constitution of the Fund, BANKINTER shall, as holder of the Mortgage Credits until assigned to the Fund and issuer of the Mortgage Certificates, reaffirm to the Management Company the fulfilment of those characteristics on the date on which the Fund is established.

The Management Company has accurately reproduced the information received from BANKINTER and, to the extent of its knowledge and ability to determine based on that information received from BANKINTER, confirms that no fact has been omitted which might result in the information reproduced being inaccurate or deceptive, or that this Prospectus omits any material facts or figures which might be relevant to the investor.

7.5 Credit ratings assigned to the securities by rating agencies.

The Management Company has entrusted the assessment of the Bond credit risk to the rating agencies Moody's Investors Service España, S.A. and Standard & Poor's España, S.A., which rating agencies (jointly the "**Rating Agencies**") are recognised by the CNMV, for the purposes of the provisions of article 5.8 of Act 19/1992.

Moody's Investors Service España, S.A. is an affiliated Spanish company operating in accordance with the methodology, standards and quality control of Moody's Investors Service Limited (each of them "**Moody's**" without distinction).

On November 23, 2005, Moody's Investors Service España, S.A. assigned the following provisional ratings to each Bond Series, and expects to assign the same final ratings by the start of the Bond Subscription Period.

Bond Series	Moody's Ratings
Series A1	Aaa
Series A2	Aaa
Series B	Aa3
Series C	Baa1
Series D	Ba3
Series E	Ca

Standard & Poor's España, S.A. is an affiliated Spanish company operating in accordance with the methodology, standards and quality control of Standard & Poor's Rating Services (each of them "**S&P**" without distinction).

On November 23, 2005, Standard & Poor's España, S.A. assigned the following provisional ratings to each Bond Series, and expects to assign the same final ratings by the start of the Bond Subscription Period.

Bond Series	S&P Ratings
Series A1	AAA
Series A2	AAA
Series B	A
Series C	BBB-
Series D	BB-
Series E	---

S&P has issued no opinion whatsoever on the Series E Bonds. The preliminary analysis by S&P indicated that Series E would not attain a CCC rating. S&P did not carry out this final analysis for rating Series E because it was finally not required to do so.

If the Rating Agencies should not confirm any of the assigned provisional ratings as final by the start of the Subscription Period, this circumstance would forthwith be notified to the CNMV and be publicised in the manner for which provision is made in section 4.1.2.2 of the Building Block. Furthermore, this circumstance would result in the establishment of the Fund, the Bond Issue and the issue of and subscription for the Mortgage Certificates terminating.

Rating scales used by Fitch, Moody's and S&P.

The following are the rating scales for long-term debt used by the agencies:

Fitch	Ratings given by Moody's	S&P	Meaning
AAA	Aaa	AAA	Extremely strong capacity for interest payment and principal repayment
AA	Aa	AA	Very strong capacity for interest payment and principal repayment
A	A	A	Strong capacity for interest payment and principal repayment. Factors giving security are considered adequate, but may be susceptible to impairment in the future
BBB	Baa	BBB	Interest and principal payment protection may not be so large; payment capacity is considered adequate. Adverse business conditions may result in inadequate capacity to make interest and principal payments
BB	Ba	BB	Speculative grade. Their future cannot be considered as assured. Protection of interest and principal payments is very moderate
B	B	B	Assurance of interest or principal payments may be small. Highly vulnerable to adverse business conditions
CCC	Caa	CCC	Vulnerable to default. Continuity of payments dependent on favourable financial, economic and business conditions.
CC	Ca	CC	Highly speculative.
C	C	C	Denotes actual or imminent default
DDD,DD,D		D	Speculative securities. Their value might not exceed the repayment value in the event of liquidation or reorganisation of the sector

- Fitch appends (+) or (-) to categories from AA to CCC denoting relative status within each category.

- Moody's applies numerical modifiers 1, 2, and 3 in each generic rating category from Aa to Caa. Modifier 1 indicates that the security ranks in the higher end of each generic rating category; modifier 2 indicates a mid-range ranking; and modifier 3 indicates a ranking in the lower end of each generic category.
- S&P appends (+) or (-) to categories from AA to denoting relative standing within each category

The following are the rating scales for short-term debt used:

Ratings given by			
Fitch	Moody's	S&P	Meaning
F-1	P-1	A-1	The highest rating, indicating strongest capacity for timely payments. In the case of Fitch and S&P, the + sign may be appended if capacity is extremely strong.
F-2	P-2	A-2	Capacity for timely debt servicing is satisfactory, although margin of safety not as great as in the previous case.
F-3	P-3	A-3	Capacity for payment is satisfactory, but more vulnerable than the previous cases to adverse changing circumstances.
B	Not Prime	B	Normally implies an adequate payment capacity but adverse circumstances would seriously impair debt servicing capacity
C	---	C	This rating is assigned to short-term debt with a doubtful payment capacity.
D	---	D	Debt rated D is in default. This category is used when interest or principal payment is not made on the date due, even if the applicable grace period has not expired.

Rating considerations.

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

The ratings assigned to each Bond Series by S&P measure the Fund's ability to meet interest payments as they fall due on each set Payment Date and principal repayment throughout the life of the transaction and, in any event, before the Final Maturity Date.

The rating takes into account the structure of the Bond Issue, the legal aspects thereof and of the issuing Fund, the characteristics of the mortgage credits (first drawdowns) selected to be assigned to the Fund and the regularity and continuity of the operating flows.

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

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

- are assigned by the Rating Agencies based on manifold information received with respect to which they give no assurance, nor even as to their accuracy or wholeness, wherefore the Rating Agencies may in no event be deemed to be responsible therefor; and
- are not and cannot therefore be howsoever construed as an invitation, recommendation or encouragement for investors to proceed to carry out any transaction whatsoever on the Bonds and, in particular, acquire, keep, charge or sell those Bonds.

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

In carrying on the rating and monitoring process, the Rating Agencies rely on the accuracy and wholeness of the information provided by BANKINTER, the Management Company, the Lead Managers, the auditors of the selected mortgage credits and lawyers.

SECURITIES BUILDING BLOCK

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

1. SECURITIES

1.1 Minimum denomination of the issue.

The Fund shall be set up by pooling the Mortgage Certificates which BANKINTER shall issue to be subscribed for by the Fund upon being established and their total principal or capital shall be at least equal to EUR eight hundred and eighty-seven million five hundred thousand (887,500,000.00), the face value amount of the Series A1, A2, B, C and D Bonds.

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

Not applicable.

2. UNDERLYING ASSETS

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

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

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

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

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

2.2 Assets backing the issue.

The credit rights to be pooled in the Fund, represented by the Management Company, upon being established, shall exclusively consist of the Mortgage Certificates issued by BANKINTER on the Mortgage Credits (first drawdowns under credit facility agreements granted by BANKINTER to individuals with senior real estate mortgage security on finished homes located in Spain).

The Mortgage Credits derive from a credit agreement in which the limit of each mortgage credit facility is equivalent to the amount of the first drawdown (the "**First Drawdown**") and allows the obligor or borrower to make successive drawdowns subject to certain limits as to minimum and maximum amount and at all times the total sum of subsequent drawdowns by the obligor or borrower shall be less than or equal to the part repaid on the first drawdown. Subsequent drawdowns other than the First Drawdown are not the subject of the issue of the Mortgage Certificates pooled in the Fund, although they share the mortgage security of the First Drawdowns of the Mortgage Credits. BANKINTER may freely and unilaterally refuse

new drawdowns requested under each agreement underlying the Mortgage Credits. The maximum term of each subsequent drawdown shall be the lower of ten years and the term to the maturity date of the First Drawdown.

Moreover, the contract terms of the mortgage credit facilities provide in respect of the First Drawdown the possibility of agreeing with the obligor or borrower to:

- (i) Extend the date of maturity on the terms provided for in section 2.2.4.1 of this Building Block.
- (ii) Establish or suppress repayment and interest exclusion periods, subject to the following limitations:
 - a) During the first ten years and after the first three years from the date of execution of the public deed recording the mortgage credit facility, possibility of reducing not more than three monthly payments, consecutively or otherwise, per annum, up to not more than twelve payments during that period, and
 - b) From the tenth year and for each ten-year period during the term of the transaction, the possibility of reducing not more than three monthly payments, consecutively or otherwise, per annum, up to not more than 12 payments during that period.
 - c) The obligor or borrower shall be in good standing in respect of all payments accrued and shall not be in breach of any of the duties described in the public deed recording the credit facility.

Interest accrued on the capital outstanding upon a request for reduction of payments being made shall be fully collected with the first instalment after the repayment exclusion period.

The portfolio of selected mortgage credits (first drawdowns) from which the Mortgage Credits to be assigned to the Fund upon being established will be taken comprises 6,630 mortgage credits (first drawdowns), the outstanding principal of which as of November 7, 2005 amounted to EUR 946,291,124.01 and the overdue principal amounted to EUR 17,704.02.

Audit of the assets securitised through the Fund.

These selected mortgage credits have been audited by the firm PricewaterhouseCoopers Auditores S.L. ("PRICEWATERHOUSECOOPERS"), entered in the Official Register of Auditors (ROAC) under number S0242 and having its registered office in Madrid, Paseo de la Castellana number 43.

That audit was made using sampling techniques consisting of analysing a number of mortgage credits (first drawdowns) fewer (sample) than the full selection of mortgage credits (first drawdowns) -population-, allowing a conclusion to be arrived at regarding that population. The verification deals with a number of both quantitative and qualitative attributes regarding the sample mortgage credits and specifically regarding: mortgage credit origination, purpose of the mortgage credit, identification of the borrower, date of origination and first drawdown under the credit, maturity date of the first drawdown of the credit, initial amount and first drawdown under the credit, current balance of the first drawdown of the credit, interest rate or benchmark index, interest rate spread, address of the mortgaged property, appraisal value, current loan to value ratio, mortgage security, arrears in payment and damage insurance. Mortgage credits (first drawdowns) in respect of which errors are detected in verifying the sample shall not be included by BANKINTER for issuing the Mortgage Certificates.

The audit results shall be set out in a report prepared by PRICEWATERHOUSECOOPERS.

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

The securitised assets are governed by Spanish Law.

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

a) Information as to number and distribution of the obligors of the selected mortgage credits (first drawdowns).

All obligors are individuals. The following table gives the concentration of the ten obligors weighing most in the portfolio of selected mortgage credits (first drawdowns) as of November 7, 2005.

Portfolio of mortgage credits (first drawdowns) as of 07/11/2005				
Classification by Obligor				
	Credits		Outstanding principal	
		%	(EUR)	%
Obligor 1	1	0.0151	966,981.28	0.1022
Obligor 2	1	0.0151	856,478.92	0.0905
Obligor 3	1	0.0151	843,829.93	0.0892
Obligor 4	1	0.0151	786,944.50	0.0832
Obligor 5	1	0.0151	785,773.26	0.0830
Obligor 6	1	0.0151	727,743.37	0.0769
Obligor 7	1	0.0151	637,465.33	0.0674
Obligor 8	1	0.0151	633,854.21	0.0670
Obligor 9	1	0.0151	622,069.22	0.0657
Obligor 10	1	0.0151	611,783.38	0.0647
Rest: 6,605 obligors	6,620	99.849	938,818,200.61	99.210
Total 6,615 obligors	6,630	100.00	946,291,124.01	100.00

The outstanding principal of each obligor is the result of the sum of the outstanding principal of each of the selected mortgage credits (first drawdowns) granted to a same obligor.

b) Information regarding origination dates of the selected mortgage credits (first drawdowns).

The mortgage credits (first drawdowns) making up the provisional portfolio were originated on dates comprised between November 29, 2002 and May 31, 2005, average portfolio age being 17.09 months as of November 7, 2005.

The following table gives the distribution of mortgage credits (first drawdowns) according to origination date by six-monthly intervals, and the maximum and minimum average weighted age.

Portfolio of mortgage credits (first drawdowns) as of 07/11/2005				
Classification by mortgage credit origination date				
Date interval	Credits		Outstanding principal	
		%	(EUR)	%
01/07/2002 to 31/12/2002	10	0.15	1,646,869.44	0.17
01/01/2003 to 30/06/2003	821	12.38	96,496,846.21	10.20
01/07/2003 to 31/12/2003	1,314	19.82	169,239,624.31	17.88
01/01/2004 to 30/06/2004	1,647	24.84	227,047,425.01	23.99
01/07/2004 to 31/12/2004	1,435	21.64	217,616,488.58	23.00
01/01/2005 to 30/06/2005	1,403	21.16	234,243,870.46	24.75
Total	6,630	100.00	946,291,124.01	100.00
Weighted average age		17.09	Months	
Maximum age	29/11/2002	35.31	Months	
Minimum age	31/05/2005	5.26	Months	

c) Information regarding outstanding principal of the selected mortgage credits (first drawdowns).

The outstanding principal of the mortgage credits (first drawdowns) as of November 7, 2005 ranges between EUR 231.02 and EUR 966,981.28.

The following table gives the distribution of the outstanding principal of the mortgage credits (first drawdowns) in EUR 25,000.00 intervals. Intervals with no contents are not detailed.

Portfolio of mortgage credits (first drawdowns) as of 07/11/2005				
Classification by outstanding principal				
Outstanding principal interval (in EUR)	Credits		Outstanding principal	
	No.	%	(EUR)	%
0.00 - 24,999.99	70	1.06	1,170,613.10	0.12
25,000.00 - 49,999.99	395	5.96	15,815,993.38	1.67
50,000.00 - 74,999.99	748	11.28	47,263,902.83	4.99
75,000.00 - 99,999.99	1,000	15.08	87,563,395.50	9.25
100,000.00 - 124,999.99	1,049	15.82	118,259,497.33	12.50
125,000.00 - 149,999.99	937	14.13	128,995,473.80	13.63
150,000.00 - 174,999.99	680	10.26	110,195,838.34	11.65
175,000.00 - 199,999.99	512	7.72	95,067,312.61	10.05
200,000.00 - 224,999.99	355	5.35	75,060,544.74	7.93
225,000.00 - 249,999.99	250	3.77	59,043,130.60	6.24
250,000.00 - 274,999.99	192	2.90	50,425,790.56	5.33
275,000.00 - 299,999.99	131	1.98	37,635,396.19	3.98
300,000.00 - 324,999.99	85	1.28	26,510,430.32	2.80
325,000.00 - 349,999.99	68	1.03	22,814,420.43	2.41
350,000.00 - 374,999.99	38	0.57	13,608,393.39	1.44
375,000.00 - 399,999.99	34	0.51	13,122,411.70	1.39
400,000.00 - 424,999.99	21	0.32	8,650,441.40	0.91
425,000.00 - 449,999.99	13	0.20	5,661,473.97	0.60
450,000.00 - 474,999.99	7	0.11	3,273,347.16	0.35
475,000.00 - 499,999.99	8	0.12	3,876,361.60	0.41
500,000.00 - 524,999.99	9	0.14	4,638,860.21	0.49
525,000.00 - 549,999.99	6	0.09	3,205,630.16	0.34
550,000.00 - 574,999.99	5	0.08	2,811,597.94	0.30
575,000.00 - 599,999.99	6	0.09	3,539,826.72	0.37
600,000.00 - 624,999.99	3	0.05	1,841,969.23	0.19
625,000.00 - 649,999.99	2	0.03	1,271,319.54	0.13
725,000.00 - 749,999.99	1	0.02	727,743.37	0.08
775,000.00 - 799,999.99	2	0.03	1,572,717.76	0.17
825,000.00 - 849,999.99	1	0.02	843,829.93	0.09
850,000.00 - 874,999.99	1	0.02	856,478.92	0.09
950,000.00 - 974,999.99	1	0.02	966,981.28	0.10
Total	6,630	100.00	946,291,124.01	100.00
	Average principal:		142,728.68	
	Minimum principal:		231.02	
	Maximum principal:		966,981.28	

d) Information regarding the benchmark indices applicable for determining the floating interest rates applicable to the selected mortgage credits (first drawdowns).

The selected mortgage credits (first drawdowns) all have a floating rate. The following table gives the distribution of the mortgage credits according to the benchmark indices applicable to them for determining the nominal interest rate, indicating the weighted average margin that is added to the relevant benchmark index for that determination.

Portfolio of mortgage credits (first drawdowns) as of 07/11/2005					
Classification by interest rate benchmark index					
Benchmark index	Credits		Outstanding principal		%Margin * o/index
		%	(EUR)	%	
1-year EURIBOR	6,630	100.00	946,291,124.01	100.00	0.471
Total	6,630	100.00	946,291,124.01	100.00	

*Average margin weighted by the outstanding principal.

e) Information regarding applicable nominal interest rates: maximum, minimum and average rates of the selected mortgage credits (first drawdowns).

The nominal interest rates applicable to the selected mortgage credits (first drawdowns) as of November 7, 2005 range between 2.00 and 4.34%, the average nominal interest rate weighted by the outstanding principal being 2.79%.

The following table gives the distribution of the mortgage credits (first drawdowns) by 0.25% nominal interest rate intervals.

Portfolio of mortgage credits (first drawdowns) as of 07/11/2005					
Classification by nominal interest rates					
% Interest Rate Interval	Credits		Outstanding principal		%Interest Rate*
		%	(EUR)	%	
2.00 - 2.24	1	0.02	238,093.58	0.03	2.20
2.25 - 2.49	63	0.95	14,400,653.31	1.52	2.45
2.50 - 2.74	2,375	35.82	378,880,307.67	40.04	2.64
2.75 - 2.99	3,575	53.92	482,352,527.14	50.97	2.88
3.00 - 3.24	541	8.16	62,252,397.23	6.58	3.06
3.25 - 3.49	55	0.83	6,018,734.72	0.64	3.29
3.50 - 3.74	16	0.24	1,790,779.16	0.19	3.53
3.75 - 3.99	2	0.03	161,655.96	0.02	3.87
4.00 - 4.24	1	0.02	82,380.74	0.01	4.00
4.25 - 4.49	1	0.02	113,594.50	0.01	4.34
Total	6,630	100.00	946,291,124.01	100.00	
			Weighted average:		2.79
			Simple average:		2.81
			Minimum:		2.20
			Maximum:		4.34

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

f) Information regarding final maturity date of the selected mortgage credits (first drawdowns).

The final maturity of the selected mortgage credits (first drawdowns) falls on dates comprised between March 19, 2006 and May 31, 2040.

Mortgage credits are repaid throughout the life remaining until full repayment, during which period mortgagors must pay instalments comprising capital repayment and interest, notwithstanding which repayment and interest exclusion periods may be established, as set out at the beginning of this section 2.2.

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

The following table gives the distribution of mortgage credits according to final maturity date in yearly intervals, and total weighted average residual life and first and last maturity dates.

Portfolio of mortgage credits (first drawdowns) as of 07/11/2005						
Classification by final maturity date						
Final maturity year	Credits		Outstanding principal		Residual life _{wa} *	
		%	(EUR)	%	Months	Date
2006	4	0.06	10,033.86	0.00	7.43	21/06/2006
2007	3	0.05	29,157.54	0.00	20.99	8/08/2007
2008	14	0.21	318,121.28	0.03	32.60	26/07/2008
2009	11	0.17	296,984.41	0.03	43.00	8/06/2009
2010	20	0.30	774,607.48	0.08	55.85	4/07/2010
2011	17	0.26	702,741.01	0.07	68.00	9/07/2011
2012	28	0.42	1,564,872.45	0.17	79.16	12/06/2012
2013	83	1.25	4,374,022.66	0.46	92.37	19/07/2013
2014	74	1.12	4,443,131.38	0.47	103.93	6/07/2014
2015	69	1.04	5,891,057.80	0.62	115.06	10/06/2015
2016	65	0.98	5,921,748.98	0.63	128.95	6/08/2016
2017	45	0.68	4,376,447.17	0.46	139.26	16/06/2017
2018	178	2.68	14,803,714.17	1.56	152.39	20/07/2018
2019	194	2.93	16,140,335.57	1.71	163.72	30/06/2019
2020	95	1.43	10,019,921.17	1.06	173.19	14/04/2020
2021	53	0.80	5,614,053.17	0.59	187.85	4/07/2021
2022	53	0.80	6,392,872.88	0.68	199.64	28/06/2022
2023	348	5.25	39,004,508.82	4.12	212.33	19/07/2023
2024	382	5.76	45,552,098.25	4.81	223.62	26/06/2024
2025	186	2.81	24,150,588.82	2.55	233.00	8/04/2025
2026	51	0.77	6,305,431.08	0.67	248.94	6/08/2026
2027	67	1.01	9,989,088.44	1.06	259.79	2/07/2027
2028	411	6.20	53,036,239.84	5.60	272.66	28/07/2028
2029	547	8.25	74,787,051.08	7.90	283.66	28/06/2029
2030	247	3.73	38,039,922.01	4.02	293.07	10/04/2030
2031	46	0.69	6,732,577.79	0.71	308.80	2/08/2031
2032	66	1.00	9,897,503.44	1.05	320.50	23/07/2032
2033	543	8.19	82,333,940.35	8.70	333.16	12/08/2033
2034	1,075	16.21	167,494,313.48	17.70	343.88	5/07/2034
2035	596	8.99	103,789,063.65	10.97	352.41	21/03/2035
2036	11	0.17	2,388,322.47	0.25	369.32	17/08/2036
2037	21	0.32	3,272,257.18	0.35	381.70	29/08/2037
2038	226	3.41	39,751,414.87	4.20	393.10	11/08/2038
2039	521	7.86	100,137,978.98	10.58	404.16	14/07/2039
2040	280	4.22	57,955,000.48	6.12	412.55	25/03/2040
Total	6,630	100.00	946,291,124.01	100.00		
	Weighted average:				313.01	8/12/2031
	Simple average:				291.72	28/02/2030
	Minimum:				4.34	19/03/2006
	Maximum:				414.75	31/05/2040

*Residual life (months and date) are averages weighted by the outstanding principal.

g) Information regarding geographical distribution by Autonomous Communities of the selected mortgage credits (first drawdowns).

The following table gives the geographical distribution of the selected mortgage credits (first drawdowns) arranged by Autonomous Communities in which the properties securing the same are located.

Portfolio of mortgage credits (first drawdowns) as of 07/11/2005				
Classification by Autonomous Communities				
Autonomous Communities	Credits		Outstanding principal	
		%	(EUR)	%
Andalusia	863	13.02	101,662,023.91	10.74
Aragón	125	1.89	18,934,118.65	2.00
Asturies	105	1.58	11,528,168.98	1.22
Balearic Isles	292	4.40	39,142,673.20	4.14
Canary Islands	379	5.72	42,445,974.42	4.49
Cantabria	88	1.33	9,679,312.92	1.02
Catalonia	1,025	15.46	158,354,376.26	16.73
Basque Country	28	0.42	3,263,247.56	0.34
Extremadura	114	1.72	10,442,456.55	1.10
Galicia	259	3.91	31,042,518.02	3.28
Castile-León	363	5.48	43,056,006.20	4.55
Madrid	1,730	26.09	335,143,121.35	35.42
Castile La Mancha	411	6.20	45,249,653.92	4.78
Murcia	96	1.45	10,341,532.80	1.09
Navarre	73	1.10	13,577,054.94	1.43
La Rioja	13	0.20	1,688,925.74	0.18
Valencian Community	666	10.05	70,739,958.59	7.48
Total	6,630	100.00	946,291,124.01	100.00

h) Information regarding delays in collecting principal instalments of the selected mortgage credits (first drawdowns).

The following table gives the number of mortgage credits, the outstanding principal and the overdue principal on the selected mortgage credits (first drawdowns) in regard to which there was any delay in payment of amounts due as of November 7, 2005.

Arrears in payment of instalments due as of 07/11/2005				
Day Interval	Credits	Outstanding principal	Overdue Principal	
				% of Total Outstanding Principal
1 to 15 days	38	5,233,120.89	7,539.81	0.000797
16 to 30 days	10	1,167,905.93	1,398.62	0.000148
31 to 60 days	8	844,737.91	4,552.65	0.000481
61 to 90 days	5	709,858.60	4,212.94	0.000445
Total	61	7,955,623.33	17,704.02	0.001871

As described in section 2.2.8 (26) of the Building Block, none of the Mortgage Credits that will finally be the subject of the issue of the Mortgage Certificates for the Fund to be established shall have any payments more than one (1) month overdue on their issue date.

2.2.3 Legal nature of the pool of assets.

The assets selected to be securitised are first drawdowns under credit facilities granted by BANKINTER to individuals with real estate mortgage security on finished homes located in Spain, originated in a public deed and designed to finance the purchase, building or renovation of homes.

The mortgage credit facilities were originated in a public deed subject to the Civil Code, Mortgage Act, February 8, 1956, mortgage market regulation rules and supplementary laws.

The First Drawdowns of the mortgage credits shall be assigned to the Fund by means of the issue by BANKINTER and subscription the Fund of Mortgage Certificates subject to the provisions of Mortgage Market Regulation Act 2/1981, March 25 ("Act 2/1981"), Royal Decree 685/1982, March 17, implementing

certain aspects of Mortgage Market Regulation Act 2/1981 (“**Royal Decree 685/1982**”), amended by Royal Decree 1289/1991, August 2, (“**Royal Decree 685/1982**”), Act 19/1992 and other applicable laws, on the terms provided for in section 3.3 of this Building Block.

The First Drawdowns of the mortgage credits meet the requirements established in Section 2 of Act 2/1981 for Mortgage Certificates to be issued. In particular, subject to the representations given in section 2.2.8.2 of this Building Block, they meet the following requirements:

- i) The purpose of the First Drawdown of the mortgage credit is financing the building, renovation and purchase of homes.
- ii) The mortgage credit (the First Drawdown and subsequent drawdowns, if any) is secured with a senior real estate mortgage in the legal and beneficial ownership of all the mortgaged property.
- iii) The mortgage credits are secured with a safety or maximum mortgage, and a record is made of the First Drawdown in the public deed granting the mortgage credit for the purpose of entering the debt undertaken in the relevant Land Registry.
- iv) The capital of the mortgage credit (the First Drawdown and subsequent drawdowns, if any) does not exceed 80 percent of the appraisal value of the mortgaged property.
- v) The properties mortgaged as security for the mortgage credits have at least a valid fire damage insurance and the insured sum thereunder is not less than the appraisal value of the mortgaged property, excluding elements that are uninsurable by nature. In this connection, BANKINTER has taken out a general insurance policy to cover those risks in the event of the damage insurance policy taken out by the obligor not existing, falling short or being ineffective.

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

The selected mortgage credits (first drawdowns) each have a final maturity date without prejudice to periodic partial repayment instalments, on the specific terms applicable to each of them.

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

Final maturity date of the selected mortgage credits (first drawdowns) as of November 7, 2005 lies between March 19, 2006 and May 31, 2040, although the maturity date may be extended as set out in the following section. Section 2.2.2.f) above contains a table giving the distribution of the selected mortgage credits (first drawdowns) based on the final maturity date for each one.

2.2.4.1 Extending the maturity date of the assets.

The public deeds originating the mortgage credits provide for the possibility of the obligor or borrower and BANKINTER agreeing to extend the maturity date of the first drawdown if the obligor or borrower is in good standing in payment of all instalments due and is not in breach of any of the duties laid down in the public deed, subject to the following limitations:

- a) The extension may not be agreed before the lapse of a 24-month period after the date of execution of the origination public deed.
- b) The maturity date may be extended for the shorter of the following periods:
 - i) Up to a period of not more than 40 years from the date of execution of the origination public deed.
 - ii) An extended period of 6 months for every 12 months paid and after the lapse of the first 24 months.
- c) The mortgage cover shall be equal to or less than 80 percent.

Based on the above terms for extending the maturity date of the first drawdown, the last maturity date of the selected mortgage credits (first drawdowns) as of November 7, 2005 if extended could actually be May 31, 2045.

2.2.5 Amount of the assets.

The Fund shall be set up with the Mortgage Certificates which BANKINTER shall issue on the Mortgage Credits to be subscribed for by the Fund upon being established and their total principal or capital shall be at least equal to EUR eight hundred and eighty-seven million five hundred thousand (887,500,000.00), the face value amount of the Series A1, A2, B, C and D Bonds.

The portfolio of selected mortgage credits (first drawdowns) from which the Mortgage Credits to be assigned to the Fund upon being established will be taken comprises 6,630 mortgage credits, the outstanding principal of which as of November 7, 2005 amounted to EUR 946,291,124.01 and the overdue principal amounted to EUR 17,704.02.

2.2.6 Loan to value ratio or level of collateralisation.

The selected mortgage credits all have a senior real estate mortgage security securing both the first and subsequent drawdowns made, and the different drawdowns shall therefore rank *pari passu*.

2.2.6.1 Ratio to the initial and maximum limit of the mortgage credit.

The ratio, expressed as a percentage, of the initial and maximum limit equivalent to the initial principal of the first drawdown of the selected mortgage credits (first drawdowns) as of November 7, 2005 to the appraisal value of the mortgaged properties is comprised between 2.94% and 80.00%, and the average ratio weighted by the outstanding principal of each mortgage credit is 63.93%.

The following table gives the distribution of the mortgage credits by 5.00% intervals of that ratio.

Portfolio of mortgage credits (first drawdowns) as of 07/11/2005					
Classification by initial limit / Appraisal Value limit					
Ratio Intervals	Credits		Initial Limit		(%) Initial Limit / Appraisal Value*
		%	(EUR)	%	
0.01 - 5.00	1	0.02	21,000.00	0.00	2.94
5.01 - 10.00	8	0.12	287,100.00	0.03	8.98
10.01 - 15.00	23	0.35	1,059,852.42	0.10	12.74
15.01 - 20.00	58	0.87	3,759,998.03	0.37	17.80
20.01 - 25.00	120	1.81	9,127,532.68	0.89	22.82
25.01 - 30.00	174	2.62	16,379,945.83	1.60	27.77
30.01 - 35.00	200	3.02	21,013,434.88	2.05	32.75
35.01 - 40.00	286	4.31	34,582,752.52	3.38	37.58
40.01 - 45.00	330	4.98	40,886,961.49	3.99	42.73
45.01 - 50.00	453	6.83	58,648,225.82	5.73	47.69
50.01 - 55.00	496	7.48	73,131,657.75	7.14	52.66
55.01 - 60.00	593	8.94	93,013,111.79	9.09	57.57
60.01 - 65.00	613	9.25	102,839,260.93	10.04	62.59
65.01 - 70.00	723	10.90	121,888,377.76	11.91	67.57
70.01 - 75.00	782	11.79	138,526,172.52	13.53	72.45
75.01 - 80.00	1,770	26.70	308,623,648.96	30.15	78.59
Total	6,630	100.00	1,023,789,033.38	100.00	
	Weighted Average:				63.93 %
	Simple Average:				61.10 %
	Minimum:				2.94 %
	Maximum:				80.00 %

*Initial Limit/Appraisal Value Ratio are averages weighted by the initial limit.

2.2.6.2 Ratio to the outstanding principal balance.

The ratio, expressed as a percentage, of the outstanding principal amount of the first and subsequent drawdowns, if any, of the selected mortgage credits (first drawdowns) as of November 7, 2005 to the appraisal value of the mortgaged properties was comprised between 0.27% and 79.67%, the average ratio weighted by the outstanding principal of each mortgage credit being 60.38%.

The ratio is found on the outstanding principal amount of the first and subsequent drawdowns, if any, because the senior mortgage loan secures both the first and subsequent drawdowns made, and the different drawdowns rank *pari passu*.

The following table gives the distribution of the mortgage credits by 5.00% intervals of that ratio.

Portfolio of mortgage credits (first drawdowns) as of 07/11/2005					
Classification by outstanding principal /Appraisal Value ratio					
Ratio Intervals	Credits		Outstanding principal		(%) Outstanding principal/ Appraisal V. *
		%	(EUR)	%	
0.01 - 5.00	8	0.12	42,558.64	0.00	2.83
5.01 - 10.00	34	0.51	923,578.80	0.10	8.24
10.01 - 15.00	55	0.83	2,636,912.22	0.28	12.78
15.01 - 20.00	120	1.81	7,092,332.95	0.75	17.80
20.01 - 25.00	172	2.59	13,047,389.15	1.38	22.82
25.01 - 30.00	230	3.47	19,857,665.95	2.10	27.63
30.01 - 35.00	273	4.12	27,690,885.02	2.93	32.76
35.01 - 40.00	329	4.96	37,681,703.82	3.98	37.53
40.01 - 45.00	404	6.09	48,142,149.21	5.09	42.59
45.01 - 50.00	495	7.47	64,908,150.03	6.86	47.57
50.01 - 55.00	598	9.02	84,124,083.44	8.89	52.58
55.01 - 60.00	592	8.93	92,696,729.94	9.80	57.52
60.01 - 65.00	659	9.94	101,083,487.37	10.68	62.53
65.01 - 70.00	794	11.98	132,355,623.53	13.99	67.63
70.01 - 75.00	816	12.31	136,482,904.61	14.42	72.69
75.01 - 80.00	1,051	15.85	177,524,969.33	18.76	77.24
Total	6,630	100.00	946,291,124.01	100.00	
	Weighted average:				60.38 %
	Simple average:				56.73 %
	Minimum:				0.27 %
	Maximum:				79.67 %
*Outstanding principal first and subsequent drawdowns/Appraisal value ratio are averages weighted by the outstanding principal of the first and subsequent drawdowns.					

2.2.6.3 Overcollateralisation.

There is no overcollateralisation in the Fund since the total Mortgage Credit principal or capital that BANKINTER shall issue to be subscribed for by the Fund upon being set up shall be equal to or slightly above EUR eight hundred and eighty-seven million five hundred thousand (887,500,000.00), the face value amount of the Series A1, A2, B, C and D Bonds.

2.2.7 Method of creation of the assets.

Loan or mortgage credit transactions granted to individuals are authorised by means of two approval systems:

- Automatic approvals
- Manual approvals

Automatic approvals

BANKINTER has an internal quantification or rating model which it has been developing and enhancing in recent years, based on statistical systems in accordance with Basle II regulations.

Obtaining a rating for each transaction is associated with a given default probability based on historic data and that is the main indicator of the quality of a transaction. The rating is the main variable in automatic approvals.

In obtaining the rating a number of variables are taken into account which are regularly reviewed and updated and which mainly refer to the customer's repayment capacity, creditworthiness and relationship.

Additional filters are subsequently added, most important being the transaction cover, absence of negative credit history, risk dispersal and expected collateral profitability based on the customer's profile.

The automatic approval system is based on:

1. A search for the borrower's positions with the Bank proper, risk declared at the Bank of Spain's Risk Information Centre (CIRBE) and ASNEF database.
2. The borrower's repayment capacity adjusted in accordance with a number of variables (appraisal value, geographical location, age upon maturity, employment stability, term, repayment system, etc.).

Repayment capacity is analysed calculated the income used for loan repayment (RDDP), defined as:

$$RDDP = \text{MIN} \left[\text{MAX} \left[0.08 \times (RN - RC) \right], RN \times 0.53 - 0.2025 \times \exp \left(\frac{-2 \times RN}{10,000,000} \right) \right]$$

where

RN = Net Income

RC = Compromised Income

In turn, Net Income (RN) and Compromised Income are defined as:

RN = Income from third parties + Own income + Other income

RC = [12 × (home payments + car payments + other expenses)] / No. of people

Upon finding the income used for loan repayment, it is multiplied by each of the model variable values and the maximum authorised amount is thus obtained. The value of each variable is calculated analysing past performance of the variable over the last two years, discarding most recent data, and adjusting the same to a function optimising the profitability – delinquency binomial. The normal or expected value of the function for each variable is one, considering that the closer the value of the function to one, the lower the transaction risk, and, conversely, the further the value of the function to one, the higher the transaction risk.

The functions in place are regularly reviewed, incorporating historic data from transactions refused by the automatic system and manually approved, and analysing the results obtained in different simulations based on delinquency and profitability.

Manual approvals

This system consists of authorising transactions through the Branch, Area or Organisation Loan Committees. Risk proposals are drawn up for all transactions not provided for in or refused by the automatic system. Proposals must enclose:

- the Retail Banking risks file;
- the relevant analysis sheet.

Proposals are sent to and discussed at Loan Committees empowered to do so.

In addition to the above, transactions controlled by the Authorisations system require transmission of a risk application file automated through the applications in place for that purpose. Upon the Authorisations system obtaining the relevant authorisation, the transaction is originated, and the file number covering the same is reported.

Loan Committees are empowered to approve transactions outside the automatic systems, at the following levels:

- Branch Loan Committee
- Area/Organisation Loan Committee
- Risks Division Loan Committee
- Executive Committee
- Board of Directors

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

The characteristics of the Originator, of the Mortgage Credits and of the Mortgage Certificates as of the date on which the Fund is established shall be as follows.

1. In relation to BANKINTER.

- (1) BANKINTER is a credit institution duly incorporated in accordance with the laws in force for the time being and entered in the Companies Register and in the Register of Credit Institutions of the Bank of Spain, and is authorised to operate in the mortgage market.
- (2) Neither at today's date nor at any time since it was incorporated has BANKINTER had a creditors' meeting called or been insolvent, in receivership or bankrupt, nor in any circumstance generating a liability which might result in the credit institution authorisation being revoked.
- (3) BANKINTER has obtained all necessary authorisations both from the administration and from its corporate bodies and third parties who may be affected by the assignment of the Mortgage Credits to the Fund and the issue of the Mortgage Certificates, to validly execute the Deed of Constitution, for the undertakings made therein and to execute the agreements relating to the establishment of the Fund.
- (4) BANKINTER has audited accounts for the years 2004, 2003 and 2002 with at least a favourable opinion and without any negative notes from the auditors in the last year (2004) and they have been filed with the CNMV and with the Companies Register.

2. In relation to the Mortgage Certificates and the Mortgage Credits.

- (1) The Mortgage Certificates are issued at arm's length and in accordance with Act 2/1981, Royal Decree 685/1982, amended by Royal Decree 1289/1991, Act 19/1992 and other applicable laws, and satisfy all the requirements established therein and are susceptible of being included in a Mortgage Securitisation Fund.
- (2) The Mortgage Certificates are issued for the same term remaining until maturity and for the same interest rate of each of the underlying Mortgage Credits.

- (3) The Mortgage Credits exist and are valid and enforceable in accordance with the applicable laws, and all applicable laws have also been observed in granting the same.
- (4) BANKINTER is the legal and beneficial owner of all the Mortgage Credits and of the relevant mortgages and there is no obstacle whatsoever for the Mortgage Certificates to be issued.
- (5) The details and information of the mortgage credits (first drawdowns) selected for the Mortgage Certificates to be issued given in section 2 of the Building Block to the Prospectus, accurately reflect their status on the relevant date and are correct.
- (6) The details of the Mortgage Certificates and the Mortgage Credits included in the schedules to the Deed of Constitution accurately reflect the current status of those Mortgage Credits and Mortgage Certificates and are full and accurate, and match the data files sent to the Management Company on those Mortgage Credits.
- (7) The Mortgage Credits underlying the Mortgage Certificates are part of the mortgage credits (first drawdowns) selected for the Mortgage Certificates to be issued, the characteristics of which are given in section 2 of the Building Block to the Prospectus.
- (8) The information on the Mortgage Certificates and the Mortgage Credits given in the Prospectus is accurate and fairly reflects their real status.
- (9) The Mortgage Credits are secured with a senior real estate mortgage on the legal and beneficial ownership of each and every one of the mortgaged properties. Moreover, the Mortgage Credits are not encumbered by restrictions on disposal, conditions subsequent, or any other restriction on ownership. Nevertheless, the Mortgage Credits shall share the mortgage security with the subsequent drawdowns granted by BANKINTER to the obligors of the credit facility from which the Mortgage Credits derive.
- (10) The Mortgage Credits are all originated in a public deed, and the mortgages are all duly granted and entered in the relevant Land Registries. The registration of the mortgaged properties is in force and has not been howsoever opposed and is subject to no limitation whatsoever taking precedence over the mortgage, in accordance with the applicable regulations.
- (11) The Mortgage Credits all stand as a valid and binding payment obligation for the relevant Obligor and are enforceable on their own terms.
- (12) The Mortgage Credits are all denominated and payable exclusively in euros, and the capital or principal has been fully drawn down.
- (13) All the Mortgage Credit payment obligations are satisfied by directly debiting a bank account.
- (14) The Obligors are all individuals.
- (15) The Mortgage Credits have been granted in order to finance, with real estate mortgage security, the purchase, building or renovation of homes located in Spain.
- (16) The Mortgage Credits have been granted to individuals both directly and through subrogations of financing granted to developers for building homes.
- (17) The mortgages are granted on real properties already built wholly legally and beneficially owned by the respective mortgagor and meeting the requirements established by article 27 of Royal Decree 685/1982, and BANKINTER is not aware of the existence of litigation over the ownership of those properties which might detract from the mortgages.
- (18) The mortgaged properties underlying the Mortgage Credits are not ineligible as assets excluded for standing as security under article 31.1.d) of Royal Decree 685/1982, nor do the Mortgage Credits have any of the credit features excluded or restricted under article 32 of Royal Decree 685/1982.

- (19) The purpose of the first drawdown of the Mortgage Credits is to finance the purchase, building or renovation of homes.
- (20) The mortgaged properties are all finished homes located in Spain and have been appraised by duly qualified institutions approved by the BANKINTER, evidence of which appraisal has been provided in the form of an appropriate certificate. The appraisals made satisfy all the requirements established in the mortgage market laws.
- (21) In the case of Mortgage Credits secured with officially protected homes, the appraisal value considered and reported for all calculation purposes was the maximum legal value under the official protection system.
- (22) The sum of the outstanding principal balance on each Mortgage Credit and subsequent drawdowns, if any, under the respective mortgage credit facility, does not exceed 80% of the appraisal value of the properties mortgaged as security for the relevant Mortgage Credit.
- (23) BANKINTER is not aware of there having been any fall in the value of any of the properties mortgaged as security for the Mortgage Credits in excess of 20% of the appraisal value.
- (24) The properties mortgaged as security for the Mortgage Credits all have at least a valid fire damage insurance, and the insured sum thereunder is not less than the appraisal value of the mortgaged property, excluding elements that are uninsurable by nature. In this connection, BANKINTER has taken out a general insurance policy to cover those risks in the event of the damage insurance policy taken out by the Obligor not existing, falling short or being ineffective.
- (25) BANKINTER is not aware of the premiums accrued heretofore by the insurance taken out referred to in paragraph (23) above not having been paid in full.
- (26) The Mortgage Credits are not represented by such instruments as registered, negotiable or bearer securities, other than the Mortgage Certificates issued to be pooled in the Fund.
- (27) None of the Mortgage Certificates have any payments in excess of one (1) month overdue on the date of issue of the Mortgage Certificates.
- (28) BANKINTER is not aware that any Mortgage Credit Obligor holds any credit right against BANKINTER whereby that Obligor might be entitled to a set-off which might adversely affect the rights conferred by the Mortgage Certificates.
- (29) BANKINTER has strictly adhered to the policies for granting credit in force at the time in granting each and every one of the Mortgage Credits and in accepting, as the case may be, the subrogation of subsequent borrowers in the position of the initial borrower, and a summary description by BANKINTER of BANKINTER's policies for granting credits and loans with real estate security to individuals, currently in force, is given in section 2.2.7 of the Building Block to the Prospectus and is attached to the Deed of Constitution in that respect.
- (30) The deeds for the mortgages granted on the properties to which the Mortgage Credits relate have all been duly filed in the records of BANKINTER suitable therefor, and are at the Management Company's disposal, for and on behalf of the Fund, and the Mortgage Credits are all clearly identified both in data files and by means of their deeds.
- (31) The outstanding capital balance of each Mortgage Credit on the date of issue is equivalent to the principal figure of the relevant Mortgage Certificate and that, in turn, the total capital of the Mortgage Certificates shall be at least equal to EUR eight hundred and eighty-seven million five hundred thousand (887,500,000.00).
- (32) The final maturity date of the Mortgage Credits is at no event after May 31, 2040.
- (33) After being granted the Mortgage Credits have been serviced and are still being serviced by BANKINTER in accordance with its set customary procedures.

- (34) BANKINTER has no knowledge of the existence of any litigation whatsoever in relation to the Mortgage Credits which may detract from their validity or which may result in the application of Civil Code article 1535, or of the existence of circumstances which may result in the purchase agreement of the home mortgaged as security for the Mortgage Credits being ineffective.
- (35) BANKINTER is not aware of any of the Obligors being able to make any objection whatsoever to paying any Mortgage Credit amount.
- (36) On the date of issue BANKINTER has received no notice of full prepayment of the Mortgage Credits.
- (37) On the date of the issue no Mortgage Credit has any clauses establishing interest rate floors and ceilings limiting the interest rate amount applicable to the Mortgage Credit.
- (38) On the date of the issue at least two instalments have fallen due on each Mortgage Credit.
- (39) BANKINTER is not aware of the existence of any circumstance whatsoever which might prevent the mortgage security from being enforced.
- (40) Once the Mortgage Certificates are issued the outstanding principal balance of mortgage debentures issued by BANKINTER shall not be in excess of 90 percent of the sum of the capitals not repaid on its portfolio mortgage credits, deducting those affected by other mortgage instruments. And that there is no issue of mortgage bonds outstanding made by BANKINTER.
- (41) The Mortgage Credits are not earmarked for any issue whatsoever of mortgage bonds or mortgage certificates, other than the issue of the Mortgage Certificates, and after their issue the Mortgage Credits shall not be earmarked for any issue whatsoever of mortgage debentures, mortgage bonds, mortgage certificates or other Mortgage Certificates.
- (42) Nobody has a preferred right over the Fund in and to the Mortgage Credits, as holder of the Mortgage Certificates.

The Management Company has obtained from BANKINTER representations and warranties concerning the characteristics of BANKINTER as Originator, and the Mortgage Credits and the Mortgage Certificates described in this section, which representations and warranties shall be reaffirmed by BANKINTER, as holder of the Mortgage Credits until assigned to the Fund and issuer of the Mortgage Certificates, in the Deed of Constitution.

2.2.9 Substitution of the securitised assets.

Set rules for substituting the Mortgage Certificates.

1. In the event of early amortisation of Mortgage Certificates upon prepayment of the relevant Mortgage Credit capital, there will be no substitution of the affected Mortgage Certificates.
2. In the event that it should be observed throughout the life of the Mortgage Certificates that any of them or of the underlying Mortgage Credits fails to meet the representations contained in section 2.2.8 of this Building Block upon the Fund being constituted, BANKINTER agrees, subject to the Management Company's consent, to proceed forthwith to remedy and, if that is not possible, to a substitution or, as the case may be, early amortisation of the Mortgage Certificate in that situation, subject to the following rules:
 - a) The party becoming aware of the existence of a non-conforming Mortgage Certificate, whether BANKINTER or the Management Company, shall notify the other party of this circumstance. BANKINTER shall have five (5) Business Days from said notice to proceed to remedy that circumstance if it may be remedied.
 - b) The substitution shall be made for the outstanding principal plus interest accrued and not paid and any amount owing to the Fund until that date on the relevant Mortgage Credit underlying the substituted Mortgage Certificate.

In order to proceed to the substitution, BANKINTER shall notify the Management Company of the characteristics of the mortgage credits proposed to be assigned under new Mortgage Certificates satisfying the representations made in section 2.2.8 of this Building Block and similarly characterised as to residual term, interest rate, outstanding principal value, and credit quality construed as the existing ratio of the outstanding mortgage credit principal to the appraisal value of the property mortgaged as security, in order for the financial balance of the Fund, and indeed the Bond rating given by the Ratings Agencies, to be unaffected by the substitution. Once the Management Company has checked that the substitute mortgage credit is appropriate, because it may be included in the Fund, and expressly agreed to it, BANKINTER shall proceed to issue the new replacement Mortgage Certificate(s).

- c) The substitution shall be recorded in a notarial certificate setting forth all the particulars both of the Mortgage Certificate to be replaced and the Mortgage Credit attached thereto, and the new Mortgage Certificate(s) issued, along with details of the mortgage credits, and the reason for substituting and characteristics determining their homogenous nature as described in the last paragraph of section b) above, a copy of which shall be filed by the Management Company with the CNMV, Iberclear and AIAF, notifying the Rating Agencies.
 - d) In the event that any Mortgage Certificate should not be substituted by issuing new ones on the terms set in rule b) of this section, BANKINTER shall proceed to an early amortisation of the affected Mortgage Certificate. That early amortisation shall take place by a repayment in cash to the Fund of the outstanding principal, interest accrued and not settled, and any other amount owing to the Fund until that date on the Mortgage Credit underlying the relevant Mortgage Certificate.
 - e) In the event of early amortisation of Mortgage Certificates by BANKINTER due to both substitution and repayment, BANKINTER shall be vested in all the rights attaching to those Mortgage Credits accruing from the amortisation date or accrued and not due, and overdue amounts on that same date.
3. In particular, the amendment by the Originator during the life of the Mortgage Credits of their terms without regard to the limits established in the special laws applicable and, in particular, to the terms agreed between the Fund, represented by the Management Company, and the Originator in this Prospectus, in the Deed of Constitution and in the Servicing Agreement, which would therefore be an absolutely exceptional amendment, would constitute a unilateral breach by the Originator of its duties which should not be borne by the Fund or by the Management Company.

That breach is not to be borne by the Fund and shall therefore be redressed, as provided for in article 1224 of the Civil Code, which redress shall not result in a warranty by the Originator as Servicer that the transaction will be successful.

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

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

2.2.10 Relevant insurance policies relating to the assets.

In accordance with the Originator's representation (23) given in section 2.2.8.2 of this Building Block, the properties mortgaged as security for the Mortgage Credits all have at least a valid fire damage insurance and the insured sum thereunder is not less than the appraisal value of the mortgaged property, excluding elements that are uninsurable by nature. In this connection, BANKINTER has taken out a general

insurance policy to cover those risks in the event of the damage insurance policy taken out by the Obligor not existing, falling short or being ineffective.

The Originator shall thereupon perfect the assignment attached to the issue of the Mortgage Certificates of the rights the Originator has as the beneficiary of those damage insurance contracts taken out by the Obligors or any other insurance policy providing equivalent cover. As the holder of the Mortgage Certificates, the Fund shall be entitled to all the amounts the Originator would have received in this connection.

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

Not applicable.

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

Borja Uriarte Villalonga is currently a member of staff of BANKINTER, in turn the Originator of the assets to be pooled in the Fund, Underwriter and Placement Agent and Paying Agent of the Bond Issue and counterparty to the remaining agreements entered into by the Fund, represented by the Management Company.

BANKINTER S.A. has a 1.5317% interest in the share capital of EUROPEA DE TITULIZACIÓN.

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

Not applicable.

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

Not applicable.

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

Not applicable.

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

The appraisal values of the properties securing the selected mortgage credits (first drawdowns) correspond to appraisals made by appraisers for the purpose of granting and arranging the same.

2.3 Actively managed assets backing the issue.

Not applicable.

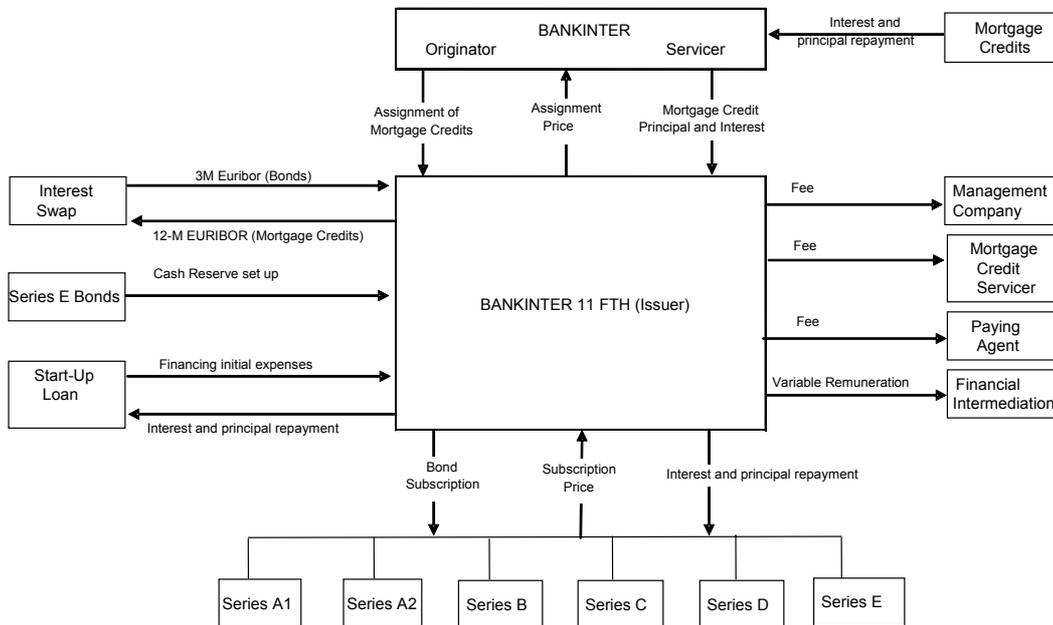
2.4 Where the issuer proposes to issue further securities backed by the same assets, statement to that effect and description of how the holders of that class will be informed.

Not applicable.

3. STRUCTURE AND CASH FLOW

3.1 Description of the structure of the transaction, including if necessary, a diagram.

Transaction structure diagram.



Initial balance sheet of the Fund.

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

ASSETS		LIABILITIES	
Fixed Assets		Bond Issue 900,000,000.00	
Mortgage Certificates	889,350,000.00	Series A1 Bonds	30,000,000.00
(adjustment excess to EUR 109,379.38)	887,609,379.38	Series A2 Bonds	816,800,000.00
Set-up and issue expenses*	1,740,620.62	Series B Bonds	15,600,000.00
		Series C Bonds	15,300,000.00
		Series D Bonds	9,800,000.00
		Series E Bonds	12,500,000.00
Current assets to be determined		Other long-term liabilities 1,850,000.00	
Treasury Account*	12,500,000.00	Start-Up Loan	1,850,000.00
Amortisation Account	0.00		
Accrued interest receivable**	to be determined		
		Short-term creditors to be determined	
		Mortgage Credit interest accrued **	to be determined
Total assets	901,850,000.00	Total liabilities	901,850,000.00
MEMORANDUM ACCOUNTS			
Cash Reserve	12,500,000.00		
Interest Swap collections	to be determined		
Interest Swap payments	to be determined		

(Amounts in EUR)

* Assuming that all Fund set-up and Bond issue expenses are met on the Closing Date and that they amount to EUR 1,740,620.62 as detailed in section 6 of the Securities Note.

** As set forth in section 3.3.3 of this Building Block.

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

- (i) EUROPEA DE TITULIZACIÓN is the Fund Management Company that will establish, manage and legally represent the Fund and was involved in financially structuring the Fund and the Bond Issue.
- (ii) BANKINTER is the originator of the Mortgage Credits to be assigned to the Fund upon being established by means of the issue of the Mortgage Certificates and shall be a Lead Manager and a Bond Issue Underwriter and Placement Agent.

Out of the functions and activities that Lead Managers may discharge in accordance with article 35.1 of Royal Decree 1310/2005, BANKINTER has, together with the Management Company, structured the financial terms of the Fund and the Bond Issue and will, together with the other Lead Managers, do the following: (i) temporary and marketing actions and activities in connection with the public offering for Bond Issue subscription, (ii) liaising with potential investors and (iii) all other actions and activities provided for in respect of the Lead Managers in the Securities Note.

Moreover, BANKINTER shall be counterparty to the Fund in the Guaranteed Interest Rate Account (Treasury Account), Guaranteed Interest Rate Account (Amortisation Account), Start-Up Loan, Interest Swap, Mortgage Credit Servicing and Mortgage Certificate Custody, Bond Paying Agent and Financial Intermediation Agreements.

- (iii) IXIS CIB, FORTIS BANK and MERRILL LYNCH shall be Lead Managers and Bond Issue Underwriters and Placement Agents and shall be the book runners.

Out of the functions and activities that Lead Managers may discharge in accordance with article 35.1 of Royal Decree 1310/2005, IXIS CIB, FORTIS BANK and MERRILL LYNCH will, together with the other Lead Managers, do the following: (i) temporary and marketing actions and activities in connection with the public offering for Bond Issue subscription, (ii) liaising with potential investors and (iii) all other actions and activities provided for in respect of the Lead Managers in the Securities Note.

- (iv) RAMÓN & CAJAL, as independent advisers, have provided legal advice for establishing the Fund and issuing the Bonds and reviewed their tax implications.
- (v) PRICEWATERHOUSECOOPERS have audited the selected mortgage credits (first drawdowns) of BANKINTER.

The description of the institutions referred to in paragraphs (i) to (iv) above is contained in section 5.2 of the Registration Document.

The Management Company represents that the summary descriptions of those agreements, contained in the relevant sections, which it shall enter into, for and on the Fund's behalf, give the most substantial and relevant information on each of the agreements, and no information has been omitted which might affect the contents of the Prospectus.

3.3 Description of the method and date of the sale, transfer, novation or assignment of the assets or of any rights and/or obligations in the assets to the issuer.

3.3.1 Perfecting the assignment of the Mortgage Credits.

The Deed of Constitution shall perfect the issue by BANKINTER of the Mortgage Certificates which shall be the instruments for assigning the Mortgage Credits effective upon the very date on which the Fund is established, and their subscription by the Fund, represented by the Management Company.

The Mortgage Certificates will be issued in accordance with the provisions of Act 2/1981, Royal Decree 685/1982, Act 19/1992 and other applicable laws.

The Mortgage Certificates may be transferred by a written statement on the very certificate and, in general, by any of the means admitted by Law. Transfer of the Mortgage Certificate and the new holder's address shall be notified by the transferee to the issuer. They may only be acquired or held by institutional or professional investors, and may not be acquired by the unspecialised public.

BANKINTER, as the issuer, shall keep a special book in which it shall enter the Mortgage Certificates issued and the changes of address notified by Mortgage Certificate holders, moreover including therein (i) Mortgage Credit origination and maturity dates, Mortgage Credit amount and settlement method; and (ii) the registration particulars of the mortgages securing the Mortgage Credits.

Given that the Fund is an institutional investor and that the Fund has subscribed for the Mortgage Certificates, for the purposes of paragraph two of article 64.1.6 of Royal Decree 685/1982, the issue of the Mortgage Certificates shall not be subject to a marginal note on each entry of the mortgage underlying each of the Mortgage Credits in the Land Registry.

The assignment by BANKINTER to the Fund of the Mortgage Credits, effected by means of the issue of and subscription for the Mortgage Certificates, shall not be notified to the Obligors. However, in the event of insolvency, or indications thereof, of administration by the Bank of Spain, of liquidation of an Originator or of substitution of the Originator as Servicer, or because the Management Company deems it reasonably justified, the Management Company may demand the Servicer to notify Obligors of the transfer to the Fund of the outstanding Mortgage Credits, and that the payments derived therefrom will only be effective as a discharge if made into the Treasury Account opened in the name of the Fund. However, both in the event of the Servicer failing to notify Obligors within five (5) Business Days of receiving the request and in the event of the Servicer becoming insolvent, the Management Company itself shall directly or, as the case may be, through a new Servicer it shall have designated, notify Obligors.

3.3.2 Mortgage Certificate issue and subscription terms.

1. The Mortgage Credits will be fully and unconditionally assigned, perfected by means of the issue of the Mortgage Certificates, for the entire term remaining until maturity of each Mortgage Credit.
2. The Mortgage Certificates shall be represented by means of registered certificates as established in section 3.3.4 below.
3. BANKINTER shall be liable to the Fund for the existence and lawfulness of the Mortgage Credits, to the same extent determined in articles 348 of the Commercial Code and 1529 of the Civil Code, and for the personality with which the assignment is made, but shall not be liable for Obligors' creditworthiness.

Moreover, in accordance with article 5.8 of Act 19/1992, BANKINTER shall not bear the risk of default on the Mortgage Credits and shall therefore have no liability whatsoever for default by the Obligors of principal, interest or any other amount owing by the Obligors under the Mortgage Credits, and shall not be answerable either for the enforceability of the securities collateral thereto. It will moreover have no liability whatsoever to directly or indirectly guarantee that the transaction will be properly performed, nor give any guarantees or security, nor indeed agree to replace or repurchase the Mortgage Certificates, saving as provided for in section 2.2.9 of this Building Block.

4. The Mortgage Certificates will be issued in respect of 100 percent of the outstanding principal of the First Drawdown of Mortgage Credits, which is not necessarily equal to 100 percent of the outstanding mortgage credit facility capital, interest not due and overdue interest and all and any other amounts, assets or rights attaching to each of the relevant Mortgage Credits, excluding the fees established in each of the Mortgage Credits, which shall remain for the benefit of BANKINTER.

Specifically, the Mortgage Certificates shall confer on the Fund as their holder the following rights in relation to each Mortgage Credit:

- a) To receive all Mortgage Credit capital or principal repayment amounts accrued.
- b) To receive all Mortgage Credit principal ordinary interest amounts accrued.
- c) To receive all Mortgage Credit late-payment interest amounts accrued.
- d) To receive any other amounts, assets or rights received as payment of Mortgage Credit principal, interest or expenses, either in the form of knock-down price or amount determined by a court decision or notarial procedure in enforcing the mortgage securities, on the sale or utilisation of properties or assets awarded or, upon foreclosing, in the administration or interim possession of the properties in foreclosure proceedings.

- e) To receive all possible rights or compensations accruing for BANKINTER, including not only those derived from the insurance contracts attached to the Mortgage Credits which are also assigned to the Fund, but also those derived from any right collateral to the Mortgage Credit, excluding fees established for each Mortgage Credit, which shall remain to the benefit of the BANKINTER.

The above-mentioned rights will all accrue for the Fund from the date of issue of the Mortgage Certificates. Interest shall moreover include interest accrued and not due since the last interest settlement date on each of the Mortgage Credits, on or before the date of issue of the Mortgage Certificates, and interest due and not paid on that same date.

5. Until the execution of the Deed of Constitution, BANKINTER shall be the beneficiary of the damage insurance contracts taken out by the Obligors in relation to the properties mortgaged as security for the Mortgage Credits, up to the insured amount, and each of the Mortgage Credit documents shall, in the event of default on the relevant premium by the Obligor (holder) of the insurance, authorise BANKINTER, the mortgagee, to pay the premium amount for the Obligor in order that the premiums are always paid.

BANKINTER shall thereupon perfect the assignment attached to the issue of the Mortgage Certificates of the rights BANKINTER has as the beneficiary of those damage insurance contracts taken out by the Obligors or any other insurance policy providing equivalent cover. As the holder of the Mortgage Certificates, the Fund shall be entitled to all the amounts BANKINTER would have received in this connection.

6. In the event of prepayment of the Mortgage Credits upon a full or partial repayment of the principal, there will be no direct substitution of the affected Mortgage Certificates.
7. The rights of the Fund resulting from the Mortgage Credits shall be linked to the payments made by the Obligors and are therefore directly affected by the evolution, late payments, prepayments or any other incident in connection with the Mortgage Credits.
8. The Fund shall defray any and all expenses or costs resulting for the Originator derived from recovery actions in the event of a breach by the Mortgage Credit Obligors of their obligations, including enforcement proceedings against the same, in the same proportion represented by amounts due to the Fund to the total amounts due by the Obligor, in the event of a claim also being made on subsequent drawdowns.
9. In the event of renegotiation consented to by the Management Company, for and on behalf of the Fund, of the Mortgage Credits, or their due dates, the change in the terms shall affect the Fund.

3.3.3 Mortgage Certificate issue price.

The issue price of the Mortgage Certificates shall be at par. The aggregate price payable by the Fund for subscribing for the Mortgage Certificates shall be an amount equivalent to the sum of (i) the face value of the capital or principal outstanding on the First Drawdown of each Mortgage Credit, and (ii) ordinary interest accrued and not due and overdue interest, if any, on the First Drawdown of each Mortgage Credit on the issue date of the Mortgage Certificates (the “**accrued interest**”).

The Management Company shall pay the total Mortgage Certificate subscription payment amount on behalf of the Fund as follows:

- (i) The part consisting of the face value of the capital of the First Drawdown of all Mortgage Credits, item (i) of paragraph one of this section, shall be paid by the Fund on the Closing Date, for same day value, upon the subscription for the Bond Issue being paid. The Originator shall receive no interest on the deferment of payment until the Closing Date.
- (ii) The part consisting of payment of interest accrued on the First Drawdown of each Mortgage Credit, item (ii) of paragraph one of this section, shall be paid by the Fund on the earlier of the first interest settlement date of each one or the date on which it is paid by the Obligor, after the issue date of the Mortgage Certificates, and will not be subject to the Fund Priority of Payments.

If the establishment of the Fund and consequently the issue of and subscription for the Mortgage Certificates should terminate, (i) the Fund's obligation to pay for the Mortgage Certificates shall terminate, and (ii) the Management Company shall be obliged to restore to BANKINTER any rights whatsoever accrued for the Fund upon the Mortgage Certificates being subscribed for.

3.3.4 Mortgage Certificate representation and custody.

The Mortgage Certificates which shall be issued to be pooled in the Fund upon being established shall be represented by means of a registered multiple certificate which shall contain the minimum data provided in article 64 of Royal Decree 685/1982, along with the registered particulars of the properties mortgaged as security for the Mortgage Credits. The Mortgage Certificates to be issued to be pooled in the Fund upon being established shall be represented by a multiple registered certificate.

Both in the event that any Mortgage Certificate should be substituted, as prescribed in section 2.2.9 of this Building Block, and in the event that the Management Company, acting for and on behalf of the Fund, should proceed to foreclose a Mortgage Credit, as prescribed in section 3.7.2.1.7 of this Building Block, and moreover if there should be an Early Liquidation of the Fund, in the events and on the terms of section 4.4.3 of the Registration Document, and said Mortgage Certificates have to be sold, BANKINTER agrees to split, as the case may be, any multiple certificate into such individual or multiple certificates as may be necessary, or to substitute or exchange the same for the above purposes.

The multiple certificate representing the Mortgage Certificates and the individual certificates, if any, into which they are split shall be kept by BANKINTER and relations between the Fund and BANKINTER shall be governed by the Mortgage Credit Servicing and Mortgage Certificate Custody Agreement to be entered into by BANKINTER and the Management Company for and on behalf of the Fund. That custody shall be established for the benefit of the Fund and BANKINTER shall therefore be custodian for the certificates representing the Mortgage Certificates deposited, as directed by the Management Company.

3.4 Explanation of the flow of funds.

3.4.1 How the cash flow from the assets will meet the issuer's obligations to holders of the securities.

The amounts received by the Fund derived from the securitised assets will be paid by the Servicer into the Fund's Treasury Account on the seventh day, for same day value, after the date on which they are received by the Servicer. Therefore, the Fund shall be receiving almost daily income into the Treasury Account on the amounts received from the assets.

The weighted average interest rate of the mortgage credits (first drawdowns) selected as of November 7, 2005, as detailed in section 2.2.2.g) of this Building Block, is 2.81%, which is above the 2.61% weighted average interest rate of the Bonds that has been presumed for hypothetical purposes in the table contained in section 4.10 of the Securities Note. Nevertheless, the Interest Swap mitigates the interest rate risk occurring in the Fund because the Mortgage Credits are subject to floating interest with different benchmark indices and different review and settlement periods at the floating interest established for the Bonds based on 3-month Euribor and with quarterly accrual and settlement periods and the risk deriving from potential Mortgage Credit interest rate renegotiations.

Quarterly on each Payment Date Bondholders will be paid interest accrued and principal repayment on the Bonds in each Series on the terms set for each of them and in the Priority of Payments given in section 3.4.6.2 of this Building Block.

3.4.2 Information on any credit enhancement.

3.4.2.1 Description of the credit enhancement.

The following credit enhancement transactions are incorporated to the financial structure of the Fund:

- (i) Cash Reserve set up upon the Series E Bonds being paid.
Mitigates the credit risk derived from delinquency and default on the Mortgage Credits.
- (ii) Interest Swap:
Mitigates the interest rate risk occurring in the Fund because the Mortgage Credits have floating interest rates with different benchmark indices and review and settlement periods differing from the floating interest established for the Bonds based on 3-month Euribor with quarterly accrual and settlement periods, and the risk deriving from potential Mortgage Credit interest rate renegotiations which may even result in their novation to a fixed rate.
- (iii) Treasury Account.
Partially mitigates the loss of return on the liquidity of the Fund due to the timing difference between income received daily on the Mortgage Credits and until interest payment and principal repayment on the Bonds occurs on the next succeeding Payment Date.
- (iv) Amortisation Account:
Partially mitigates the loss of return on the amounts of the Available Funds for Amortisation of Series A1, A2, B, C and D not applied to actually amortising the Bonds from the first Payment Date (February 21, 2006) until the Payment Date falling on May 21, 2007, exclusive.
- (v) Subordination and deferment in interest payment and principal repayment between the Bonds in the different Series, derived from their place in the application of the Available Funds as well as the rules for Distribution of Available Funds for Amortisation of Series A1, A2, B, C and D in the Priority of Payments, or in the application of the Liquidation Available Funds in the Liquidation Priority of Payments, are a means for distinctly hedging the different Series.

3.4.2.2 Cash Reserve.

The Management Company shall set up on the Closing Date an Initial Cash Reserve upon the Series E Bonds being paid and shall subsequently, on each Payment Date, keep the Required Cash Reserve amount provisioned in the Fund Priority of Payments.

The characteristics of the Cash Reserve shall be as follows:

Cash Reserve amount.

1. The Cash Reserve shall be set up on the Closing Date in an initial amount equal to EUR twelve million five hundred thousand (12,500,000.00) ("**Initial Cash Reserve**").
2. Subsequently to being set up, on each Payment Date, the Cash Reserve shall be provisioned up to the Required Cash Reserve amount established hereinafter with the Available Funds in the Priority of Payments of the Fund.

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

- (iii) EUR twelve million five hundred thousand (12,500,000.00).
 - (iv) The higher of:
 - b) 2.80% of the sum of the Outstanding Principal Balance of Series A1, A2, B, C and D.
 - b) EUR six million two hundred and twelve thousand five hundred (6,212,500.00).
3. Notwithstanding the above, the Required Cash Reserve shall not be reduced on the relevant Payment Date and shall remain at the Required Cash Reserve amount on the preceding Payment Date whenever any of the following circumstances concur on the Payment Date:

- i) That on the Determination Date preceding the relevant Payment Date the amount of the Outstanding Balance of Delinquent Mortgage Credits is equal to or greater than 1.00% of the Outstanding Balance of Non-Doubtful Mortgage Credits.
- ii) That on the Payment Date preceding the relevant Payment Date the Cash Reserve was not provisioned up to the Required Cash Reserve amount on that Payment Date.
- iii) That three (3) years have not elapsed since the date of establishment of the Fund.

Yield.

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

Application.

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

3.4.3 Details of any subordinated finance.

3.4.3.1 Start-Up Loan.

The Management Company shall, for and on behalf of the Fund, enter with BANKINTER into a commercial loan agreement amounting to EUR one million eight hundred and fifty thousand (1,850,000.00) (the "**Start-Up Loan Agreement**"). The Start-Up Loan amount shall be delivered on the Closing Date and be allocated to financing the expenses of setting up the Fund and issuing the Bonds and financing partially subscription for the Mortgage Certificates at the difference between the total face capital of the subscription and the total face amount of the Series A1, A2, B, C and D Bonds.

The Start-Up Loan will accrue an annual nominal interest, determined quarterly for each interest accrual period (differing from the Interest Accrual Periods established for the Bonds), which shall be the result of adding: (i) the Reference Rate determined for the Bonds, and (ii) a 2.00% margin. Interest shall be settled on the date of expiration of each interest accrual period (on February 21, May 21, August 21 and November 21 until final repayment) and will be payable when due on each of the Payment Dates, and shall be calculated based on: (i) the exact number of days in each interest accrual period and (ii) a three-hundred-and-sixty- (360-) day year. The first interest settlement date shall be February 21, 2006. Interest will be payable on the relevant Payment Date provided that the Fund has sufficient liquidity in the Fund Priority of Payments or in the Liquidation Priority of Payments, as the case may be.

Interest accrued and not paid on a Payment Date will not be accumulated to the Start-Up Loan principal interest and will not accrue late-payment interest.

Start-Up Loan principal will be repaid quarterly on each Payment Date as follows:

- (i) The portion of Start-Up Loan principal actually used to finance the Fund set-up and Bond issue expenses shall be repaid in twenty (20) consecutive quarterly instalments in an equal amount, on each Payment Date, the first of which shall be the first Payment Date, February 21, 2006, and the following until the Payment Date falling on November 21, 2010, inclusive.
- (ii) The portion of Start-Up Loan principal used to finance partially subscription for the Mortgage Certificates and not used, as the case may be, shall be repaid on the first Payment Date, February 21, 2006.

All Start-Up Loan amounts due and not paid because of a shortfall of Available Funds shall be paid on the following Payment Dates on which the Available Funds allow payment in the Priority of Payments of the Fund. Payment of amounts not paid on preceding Payment Dates shall take precedence over amounts falling due under the Start-Up Loan on that Payment Date, satisfying in the first place overdue interest and secondly principal repayment, in the Priority of Payments or Liquidation Priority of Payments of the Fund, as the case may be.

The Start-Up Loan Agreement shall not be terminated upon the establishment of the Fund being terminated in the event that the Rating Agencies should fail to confirm any of the provisional ratings assigned as final by the start of the Subscription Period or in the event of termination of the Bond Issue Management, Underwriting and Placement Agreement. In that event, the Start-Up Loan shall be used to pay the expenses of setting up the Fund and issuing the Bonds and all other obligations undertaken by the Management Company, for and on behalf of the Fund, originated upon the Fund being established and which are due and payable, and the repayment of principal shall be deferred and subordinated to satisfaction of those obligations.

3.4.3.2 Subordination of Series B, C, D and E Bonds.

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

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

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

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

Sections 4.6.1 and 4.6.2 of the Securities Note detail the order numbers of Bond interest payment and principal repayment in each Series in the priority of payments of the Fund.

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

3.4.4.1 Treasury Account.

The Management Company, for and on behalf of the Fund, and BANKINTER shall enter into a Guaranteed Interest Rate Account (Treasury Account) Agreement whereby BANKINTER will guarantee a variable yield on the amounts paid by the Fund through its Management Company into a financial account. The Guaranteed Interest Rate Account (Treasury Account) Agreement shall specifically determine that all amounts received by the Fund will be paid into a financial account in euros (the “**Treasury Account**”) opened at BANKINTER, in the name of the Fund by the Management Company, which amounts shall mostly consist of the following items:

- (i) cash amount received upon subscription for the Bond Issue being paid up;
- (ii) Mortgage Credit principal repaid and interest collected;
- (iii) the Cash Reserve amount;
- (iv) any other amounts relating to the Mortgage Credits and from the sale or utilisation of the properties and assets awarded or under administration or interim possession of the properties in foreclosure proceedings, and all and any rights or indemnities including not only those derived from the damage insurance contracts on the mortgaged properties, but also those derived from any right attached to the Mortgage Credits, excluding the set fees for each of them;
- (v) Start-Up Loan principal drawn down;
- (vi) Interest Swap amounts paid to the Fund;
- (vii) the amounts of the returns obtained on Treasury Account and Amortisation Account balances; and
- (viii) the amounts of interim withholdings on the return on investments to be effected on each relevant Payment Date on the Bond interest paid by the Fund, until due for payment to the Tax Administration.

BANKINTER shall pay an annual nominal interest rate, variable quarterly and settled quarterly, other than for the first interest accrual period, the duration of and the interest settlement for which shall be based on the duration of that period, applicable for each interest accrual period (differing from the Interest Accrual Period established for the Bonds) to the positive daily balances if any on the Treasury Account, equal to the Reference Rate determined for each Interest Accrual Period substantially matching each Treasury Account interest accrual period, translated to an interest rate based on calendar years (i.e. multiplied by 365, or 366 in leap years, and divided by 360). Interest shall be settled on the date of expiration of each interest accrual period on each of the Fund Determination Dates (the fourth (4th) Business Day preceding each Payment Date), and shall be calculated based on: (i) the exact number of days in each interest accrual period, and (ii) a three-hundred-and-sixty-five (365-) day year or a three-hundred-and-sixty-six (366-) day year if it is a leap year. The first interest accrual period shall comprise the days elapsed between the date of establishment of the Fund and the first Determination Date, February 15, 2006.

1. In the event that the rating of the short-term, unsecured and unsubordinated debt of BANKINTER should, at any time during the life of the Bonds, fall below P-1 or A-1 respectively in Moody's and S&P's rating scales, the Management Company shall within not more than thirty (30) days from the time of the occurrence of any such circumstances put in place, after notifying the Rating Agencies, any of the options described hereinafter allowing a suitable level of guarantee to be maintained with respect to the commitments derived from this Agreement in order for the rating given to the Bonds by the Rating Agencies not to be adversely affected:
 - a) Obtaining from an institution having a credit rating for its short-term, unsecured and unsubordinated debt of at least P-1 and A-1 respectively in Moody's and S&P's rating scales, and subject at all times to the prior communication to the Rating Agencies, a first demand guarantee securing for the Fund, merely upon the Management Company so requesting, prompt payment by BANKINTER of its obligation to repay the amounts deposited in the Treasury Account, during the time over which the loss of the P-1 or A-1 ratings is maintained by BANKINTER.
 - b) Transferring the Fund's Treasury Account to an institution whose short-term, unsecured and unsubordinated debt has a rating of at least P-1 and A-1 respectively in Moody's and S&P's rating scales, arranging the highest possible yield for its balances, which may differ from that arranged with BANKINTER under this Agreement.
 - c) If options a) and b) above are not possible, obtaining from BANKINTER or a third party collateral security in favour of the Fund on financial assets with a credit quality of not less than that of Spanish State Government Debt (*Deuda Pública del Estado Español*), in an amount sufficient to guarantee the commitments established in this Agreement.
 - d) Moreover, if any of the above options should not be possible on the above terms, the Management Company may invest the balances for periods not extending beyond the following Payment Date, in short-term fixed-income assets in euros issued by institutions having ratings of at least P-1 and A-1 (for periods of less than 30 days and provided that the balance invested is less than or equal to twenty percent (20.00%) of the Outstanding Principal Balance of the Bond Issue, or A-1+ for longer periods or invested amounts in excess of the aforementioned twenty percent (20.00%)) for short-term, unsecured and unsubordinated debt respectively in Moody's and S&P's rating scales, including short-term securities issued by the Spanish State, in which case the yield obtained could also differ from that obtained initially with BANKINTER under this Agreement.
 - e) In events b) or d), the Management shall subsequently transfer the balances back to BANKINTER under the Guaranteed Interest Rate Account (Treasury Account) Agreement in the event that BANKINTER's short-term, unsecured and unsubordinated debt should again attain the P-1 and A-1 ratings respectively in Moody's and S&P's rating scales.
2. Moreover, notwithstanding the provisions of paragraph one above, should at any time during the term of this Agreement the sum of the Treasury Account and Amortisation Account balance exceed twenty percent (20.00%) of the Outstanding Principal Balance of the Bond Issue and in that event the credit quality of BANKINTER could result in the ratings given by S&P to each Bond Series falling, the Management Company shall, upon a request by S&P, put in place any of the options described hereinafter for the time during which the position of BANKINTER which may result in the ratings given

by S&P to each Bond Series falling is maintained, and subject to notice being first given to the Rating Agencies in order for the rating given to the Bonds by the Rating Agencies not to be adversely affected:

- a) Obtaining from an institution having a credit rating for its short-term, unsecured and unsubordinated debt of at least P-1 and A-1+ respectively in Moody's and S&P's rating scales, a first demand guarantee securing for the Fund, merely upon the Management Company so requesting, prompt payment by BANKINTER of the amount by which the sum of the Treasury Account and Amortisation Account balance exceeds the amount equivalent to twenty percent (20.00%) of the Outstanding Principal Balance of the Bond Issue.
- b) Transferring and crediting the amount of the excess of the sum of the Treasury Account and Amortisation Account balance of the amount equivalent to twenty percent (20.00%) of the Outstanding Principal Balance of the Bond Issue to a financial account (the "**Surplus Account**") opened by the Management Company in an institution whose short-term, unsecured and unsubordinated debt has a rating of at least P-1 and A-1+ respectively in Moody's and S&P's rating scales, and arranging the highest possible yield for its balances, which shall at least match that arranged with BANKINTER under the Treasury Account and Amortisation Account, and subject to the same settlement terms as the Treasury Account.
- c) In either of events a) or b), in the event that the rating of the short-term, unsecured and unsubordinated debt of the guarantor institution or institution where the Surplus Account shall have been opened should fall below A-1 in S&P's rating scale, the Management Company shall within not more than thirty (30) days from the time of the occurrence of any such circumstance, once again put in place either of options a) or b) described above.

3.4.4.2 Amortisation Account.

The Management Company, for and on behalf of the Fund, and BANKINTER shall enter into a Guaranteed Interest Rate Account (Amortisation Account) Agreement whereby BANKINTER will guarantee a variable yield on the amounts paid by the Fund through its Management Company into a financial account. The Guaranteed Interest Rate Account (Amortisation Account) Agreement shall specifically determine that the amounts of the Available Funds for Amortisation of Series A1, A2, B, C and D from the first Payment Date (February 21, 2006) until the Payment Date falling on May 21, 2007, exclusive, will be paid into a financial account in euros (the "**Amortisation Account**") opened at BANKINTER in the name of the Fund by the Management Company.

BANKINTER shall pay an annual nominal interest rate, variable quarterly and settled quarterly, other than for the first interest accrual period, the duration of and the interest settlement for which shall be based on the duration of that period, applicable for each interest accrual period (equivalent to the Interest Accrual Period established for the Bonds) to the positive daily balances if any on the Amortisation Account, equal to the sum of (i) the Reference Rate determined for each Interest Accrual Period and (ii) the average margin applicable for determining the Nominal Interest Rate of Series A1, A2, B, C and D of the Bond Issue weighted by the Outstanding Principal Balance of each of those Series during the then-current Interest Accrual Period, all of which shall be translated to an interest rate based on calendar years (i.e. multiplied by 365, or 366 in leap years, and divided by 360). Interest shall be settled on the date of expiration of each Interest Accrual Period on each Payment Date), and shall be calculated based on: (i) the exact number of days in each interest accrual period, and (ii) a three-hundred-and-sixty-five (365-) day year or a three-hundred-and-sixty-six (366-) day year if it is a leap year. The first interest settlement date shall be February 21, 2006, the first Payment Date.

1. In the event that the rating of the short-term, unsecured and unsubordinated debt of BANKINTER should, at any time during the term of this Agreement, fall below P-1 or A-1 respectively in Moody's and S&P's rating scales, the Management Company shall within not more than thirty (30) days from the time of the occurrence of any such circumstances put in place, after notifying the Rating Agencies, any of the options described hereinafter allowing a suitable level of guarantee to be maintained with respect to the commitments derived from this Agreement in order for the rating given to the Bonds by the Rating Agencies not to be adversely affected:

- a) Obtaining from an institution having a credit rating for its short-term, unsecured and unsubordinated debt of at least P-1 and A-1 respectively in Moody's and S&P's rating scales, and subject at all times to the prior communication to the Rating Agencies, a first demand guarantee securing for the Fund, merely upon the Management Company so requesting, prompt payment by BANKINTER of its obligation to repay the amounts deposited in the Amortisation Account, during the time over which the loss of the P-1 or A-1 ratings is maintained by BANKINTER.
 - b) Transferring the Fund's Amortisation Account to an institution whose short-term, unsecured and unsubordinated debt has a rating of at least P-1 and A-1 respectively in Moody's and S&P's rating scales, arranging the highest possible yield for its balances, which may differ from that arranged with BANKINTER under this Agreement.
 - c) If options a) and b) above are not possible, obtaining from BANKINTER or a third party collateral security in favour of the Fund on financial assets with a credit quality of not less than that of Spanish State Government Debt (*Deuda Pública del Estado Español*), in an amount sufficient to guarantee the commitments established in this Agreement.
 - d) Moreover, if any of the above options should not be possible on the above terms, the Management Company may invest the balances for periods not extending beyond the following Payment Date, in short-term fixed-income assets in euros issued by institutions having ratings of at least P-1 and A-1 (for periods of less than 30 days and provided that the balance invested is less than or equal to twenty percent (20.00%) of the Outstanding Principal Balance of the Bond Issue, or A-1+ for longer periods or invested amounts in excess of the aforementioned twenty percent (20.00%)) for short-term, unsecured and unsubordinated debt respectively in Moody's and S&P's rating scales, including short-term securities issued by the Spanish State, in which case the yield obtained could also differ from that obtained initially with BANKINTER under this Agreement.
 - e) In events b) or d), the Management shall subsequently transfer the balances back to BANKINTER under the Guaranteed Interest Rate Account (Amortisation Account) Agreement in the event that BANKINTER's short-term, unsecured and unsubordinated debt should again attain the P-1 and A-1 ratings respectively in Moody's and S&P's rating scales.
2. Moreover, notwithstanding the provisions of paragraph one above, should at any time during the term of this Agreement the sum of the Treasury Account and Amortisation Account balance exceed twenty percent (20.00%) of the Outstanding Principal Balance of the Bond Issue and in that event the credit quality of BANKINTER could result in the ratings given by S&P to each Bond Series falling, the Management Company shall, upon a request by S&P, put in place any of the options described hereinafter for the time during which the position of BANKINTER which may result in the ratings given by S&P to each Bond Series falling is maintained, and subject to notice being first given to the Rating Agencies in order for the rating given to the Bonds by the Rating Agencies not to be adversely affected:
- a) Obtaining from an institution having a credit rating for its short-term, unsecured and unsubordinated debt of at least P-1 and A-1+ respectively in Moody's and S&P's rating scales, a first demand guarantee securing for the Fund, merely upon the Management Company so requesting, prompt payment by BANKINTER of the amount by which the sum of the Treasury Account and Amortisation Account balance exceeds the amount equivalent to twenty percent (20.00%) of the Outstanding Principal Balance of the Bond Issue.
 - b) Transferring and crediting the amount of the excess of the sum of the Treasury Account and Amortisation Account balance of the amount equivalent to twenty percent (20.00%) of the Outstanding Principal Balance of the Bond Issue to a financial account (the "**Surplus Account**") opened by the Management Company in an institution whose short-term, unsecured and unsubordinated debt has a rating of at least P-1 and A-1+ respectively in Moody's and S&P's rating scales, and arranging the highest possible yield for its balances, which shall at least match that arranged with BANKINTER under the Treasury Account and Amortisation Account, and subject to the same settlement terms as the Treasury Account.

- c) In either of events a) or b), in the event that the rating of the short-term, unsecured and unsubordinated debt of the guarantor institution or institution where the Surplus Account shall have been opened should fall below A-1 in S&P's rating scale, the Management Company shall within not more than thirty (30) days from the time of the occurrence of any such circumstance, once again put in place either of options a) or b) described above.

The Guaranteed Interest Rate Account (Amortisation Account) Agreement shall be fully terminated in the event that the Rating Agencies should not confirm the provisional ratings assigned to each Series as final ratings by the start of the Subscription Period or in the event of termination of the Bond Issue Management, Underwriting and Placement Agreement.

Moreover, the Amortisation Account shall be closed from the Payment Date falling on May 21, 2007, once it is settled by the Management Company.

3.4.5 Collection by the Fund of payments in respect of the assets.

The Servicer shall manage collection of all amounts payable by the Obligors under the Mortgage Credits, and any other item including under the damage insurance contracts of the mortgaged properties securing the Mortgage Credits. The Servicer shall use every effort in order for payments to be made by the Obligors to be collected in accordance with the contractual terms and conditions of the Mortgage Credits.

The Mortgage Credit amounts received by the Servicer shall be paid by the Servicer in full into the Fund's Treasury Account on the seventh business day, for same day value, after the day on which they were received by the Servicer. In this connection, Saturdays, Sundays and public holidays in the city of Madrid shall not be considered business days.

Nevertheless, in the event that the rating of the Servicer's short-term unsecured and unsubordinated debt should fall below P-1 or A-2 respectively in Moody's and S&P's rating scales or that the Servicer's credit quality could result in the ratings given by the Rating Agencies to each of the Bond Series falling, the Management Company shall, in a written notice to the Servicer, issue instructions for those amounts to be previously paid into the Treasury Account which may indeed be on the same day on which they were received by the Servicer.

The Servicer may at no event pay any amount whatsoever to the Fund not previously received from the Obligors as payment for the Mortgage Credits.

3.4.6 Order of priority of payments made by the issuer.

3.4.6.1 Source and application of funds on the Bond Closing Date and until the first Payment Date, exclusive.

The source and application of the amounts available for the Fund on the Bond Issue Closing Date shall be as follows:

1. **Source:** the Fund shall have the following funds:
 - a) Bond subscription payment.
 - b) Drawdown of Start-Up Loan principal.
2. **Application:** in turn, the Fund will apply the funds described above to the following payments:
 - a) Payment of the price for subscribing for the Mortgage Certificates.
 - b) Payment of the Fund set-up and Bond issue expenses.
 - c) Setting up the Initial Cash Reserve.

3.4.6.2 Source and application of funds from the first Payment Date until the last Payment Date or liquidation of the Fund, exclusive. Priority of Payments.

On each Payment Date, other than the Final Maturity Date or the date on which the Early Liquidation of the Fund occurs, the Management Company shall proceed successively to apply the Available Funds and the Available Funds for Amortisation of Series A1, A2, B, C and D in accordance with the order of priority of payments given hereinafter for each of them (the “**Priority of Payments**”).

3.4.6.2.1 Available Funds: source and application.

1. Source.

The available funds on each Payment Date (the “**Available Funds**”) to meet the payment or withholding obligations listed in section 2 below shall be the following amounts credited to the Treasury Account and, as the case may be, the Surplus Account transferred from the Treasury Account:

- a) Mortgage Credit principal repayment income received during the Determination Period preceding the relevant Payment Date.
- b) Mortgage Credit ordinary and late-payment interest income received during the Determination Period preceding the relevant Payment Date.
- c) The return received on amounts credited to the Treasury Account, the Amortisation Account and the Surplus Account, as the case may be.
- d) The Cash Reserve amount on the Determination Date preceding the relevant Payment Date.
- e) Net amounts, if any, received by the Fund under the Interest Swap Agreement and settlement payment amounts received by the Fund in the event of termination of that Agreement.
- f) Any other amounts received by the Fund during the Determination Period preceding the relevant Payment Date, including those resulting from the sale or utilisation of properties or assets awarded to the Fund.

Income under items a), b) and f) above received by the Fund and credited to the Treasury Account from the Determination Date, exclusive, preceding the Payment Date for the latter, shall not be included in the Available Funds on the relevant Payment Date, and that amount shall remain credited to the Treasury Account and, as the case may be, to the Surplus Account upon being transferred from the Treasury Account, to be included in the Available Funds on the following Payment Date.

2. Application.

The Available Funds shall be applied on each Payment Date to meeting payment or withholding obligations falling due on each Payment Date in the following priority of payments, irrespective of the time of accrual, other than the application established in the 1st place, which may be made at any time as and when due:

1. Payment of the Fund’s properly supported taxes and ordinary⁽¹⁾ and extraordinary⁽²⁾ expenses, whether or not they were disbursed by the Management Company, including the management fee due to the latter, and all other expenses and service fees, including those derived from the Paying Agent Agreement. Only expenses prepaid or disbursed on the Fund’s behalf by and amounts reimbursable to the Servicer, provided they are all properly supported, and the servicing fee in the event that BANKINTER should be substituted as Servicer, shall be made to the Servicer under the Servicing Agreement in this priority.
2. Payment, as the case may be, of the net amounts payable by the Fund under the Interest Swap Agreement and, only in the event of termination of that Agreement following a breach by the Fund or because the latter is the party affected by objective circumstances subsequently occurring, payment of the settlement payment amounts to be settled by the Fund.
3. Payment of interest due on the Series A1 and A2 Bonds.

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

If the Class A (Series A1 and A2) Bonds have not been or are not to be fully amortised on the relevant Payment Date, this payment shall be deferred to 8th place below if on the relevant Payment Date, upon calculating the application in 7th place below, this application to be taken into account in that connection, there is to be an Amortisation Deficiency in an amount in excess of ninety-eight percent (98.00%) of the sum of the Outstanding Principal Balance of Series B, C and D.

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

If the Class A (Series A1 and A2) and the Series B Bonds have not been or are not to be fully amortised on the relevant Payment Date, this payment shall be deferred to 9th place below if on the relevant Payment Date, upon calculating the application in 7th place below, this application to be taken into account in that connection, there is to be an Amortisation Deficiency in an amount in excess of eighty-one percent (81.00%) of the sum of the Outstanding Principal Balance of Series C and D.

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

If the Class A (Series A1 and A2) and the Series B and C Bonds have not been or are not to be fully amortised on the relevant Payment Date, this payment shall be deferred to 10th place below if on the relevant Payment Date, upon calculating the application in 7th place below, this application to be taken into account in that connection, there is to be an Amortisation Deficiency in an amount in excess of sixty-nine percent (69.00%) of the Outstanding Principal Balance of Series D.

7. Withholding for amortisation of Series A1, A2, B, C and D Bond principal ("**Series A1, A2, B, C and D Amortisation Withholding**") in an amount equivalent to the positive difference existing on the Determination Date preceding the relevant Payment Date between (i) the sum of the Outstanding Principal Balance of Series A1, A2, B, C and D minus, until the Payment Date falling on May 21, 2007, inclusive, the Amortisation Account balance and, as the case may be, the Surplus Account balance transferred from the Amortisation Account, on the Determination Date preceding the relevant Payment Date and (ii) the Outstanding Balance of Non-Doubtful Mortgage Credits.

Depending on the liquidity existing on each Payment Date, the amount actually applied to the Series A1, A2, B, C and D Amortisation Withholding shall be added to the Available Funds for Amortisation of Series A1, A2, B, C and D which shall be applied in accordance with the rules for Distribution of Available Funds for Amortisation of Series A1, A2, B, C and D established in section 4.9.3.6 of the Securities Note.

8. Payment of interest due on the Series B Bonds when deferred from 4th place in the priority of payments as established therein.
9. Payment of interest due on the Series C Bonds when deferred from 5th place in the priority of payments as established therein.
10. Payment of interest due on the Series D Bonds when deferred from 6th place in the priority of payments as established therein.
11. Payment of interest due on the Series E Bonds.
12. Withholding of an amount sufficient for the Required Cash Reserve to be kept duly provisioned.
13. Amortisation of Series E Bonds.

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

Determination Date preceding the relevant Payment Date and the Required Cash Reserve amount on the relevant Payment Date in accordance with the provisions of section 3.4.2.2 of this Building Block.

14. Payment of settlement payment amounts payable by the Fund, as the case may be, under the Interest Swap Agreement other than in the events provided for in 2nd place above.
15. Payment of interest due on the Start-Up Loan.
16. Repayment of Start-Up Loan principal in the amortised amount.
17. Payment to the Servicer of the fee established under the Servicing Agreement.

In the event that any other institution should replace BANKINTER as Servicer of the Mortgage Credits, payment of the servicing fee accrued by the other institution, to wit the new servicer, shall take the place of paragraph 1 above, along with the other payments included therein.

18. Payment of the Financial Intermediation Margin.

When accounts for different items exist in a same priority of payments and the remaining Available Funds are not sufficient to settle the amounts due under all of them, the application of the remaining Available Funds shall be prorated among the amounts payable under each such item, and the amount applied to each item shall be distributed in the priority in which the accounts payable fall due.

- (1) The following shall be considered ordinary expenses of the Fund:
 - a) Any expenses deriving from mandatory administrative verifications, registrations and authorisations.
 - b) Rating Agency fees for monitoring and maintaining the rating of the Bonds.
 - c) Expenses relating to keeping the Bond accounting record representing the Bonds by means of book entries, admission to trading in organised secondary markets and maintaining all of the foregoing.
 - d) Expenses of auditing the annual accounts.
 - e) Bond amortisation expenses.
 - f) Expenses deriving from announcements and notices relating to the Fund and/or the Bonds.
- (2) The following shall be considered extraordinary expenses of the Fund:
 - a) Expenses, if any, deriving from preparing and perfecting an amendment of the Deed of Constitution and of the agreements, and from entering into additional agreements.
 - b) Expenses required to foreclose Mortgage Credits and deriving from any recovery actions required.
 - c) Extraordinary expenses of audits and legal advice.
 - d) The remaining amount, if any, of the initial expenses of setting up the Fund and issuing the Bonds in excess of the Start-Up Loan principal.
 - e) In general, any other extraordinary expenses required borne by the Fund or by the Management Company for and on behalf of the Fund.

3.4.6.2.2 Available Funds for Amortisation of Series A1, A2, B, C and D.

1. Source.

On each Payment Date, the Available Funds for Amortisation of Series A1, A2, B, C and D shall be the following:

- (i) Series A1, A2, B, C and D Amortisation Withholding amount applied in 7th place of the Available Funds on the relevant Payment Date.
- (ii) Exclusively on the Payment Date falling on May 21, 2007, the Amortisation Account balance and, as the case may be, the Surplus Account balance transferred from the Amortisation Account, on the preceding Determination Date.

2. Distribution of Available Funds for Amortisation of Series A1, A2, B, C and D.

The rules for Distribution of Available Funds for Amortisation of Series A1, A2, B, C and D are given in section 4.9.3.6 of the Securities Note.

3.4.6.3 Fund Liquidation Priority of Payments.

The Management Company shall proceed to liquidate the Fund upon the Fund being liquidated on the Final Maturity Date or on the Payment Date on which there is an Early Liquidation in accordance with the provisions of sections 4.4.3 and 4.4.4 of the Registration Document, by applying the available funds to the following items (the "**Liquidation Available Funds**"): (i) the Available Funds, (ii) the amounts obtained by the Fund from time to time upon disposing of the Mortgage Certificates and the remaining assets and, as the case may be, (iii) the amount drawn under a credit facility to be arranged for amortisation of the Series A1, A2, B, C and D Bonds, in accordance with the provisions of sections 4.4.3.3.(iii) of the Registration Document, in the following order of priority of payments (the "**Liquidation Priority of Payments**"):

1. Reserve to meet the tax, administrative or advertising expenses deriving from termination and liquidation of the Fund.
2. Payment of the Fund's properly supported taxes and ordinary and extraordinary expenses, whether or not they were disbursed by the Management Company, including the management fee due to the latter, and all other expenses and service fees, including those derived from the Paying Agent Agreement. Only expenses prepaid or disbursed on the Fund's behalf by and amounts reimbursable to the Servicer in relation to the Mortgage Credits, provided they are all properly supported, and the servicing fee if BANKINTER shall have been replaced as Servicer shall be made to the Servicer under the Servicing Agreement in this priority.
3. Payment of amounts, if any, due upon termination of the Interest Swap and, only in the event of termination of that Agreement following a breach by the Fund or because the Fund is the party affected by objective circumstances subsequently occurring, payment of the settlement payment amounts payable by the Fund.
4. Payment of interest due on the Series A1 and A2 Bonds.
5. Repayment of Series A1 and A2 Bond principal.
6. Payment of interest due on the Series B Bonds.
7. Repayment of Series B Bond principal.
8. Payment of interest due on the Series C Bonds.
9. Repayment of Series C Bond principal.
10. Payment of interest due on the Series D Bonds.
11. Repayment of Series D Bond principal.
12. In the event of the credit facility being arranged for early amortisation of the Series A1, A2, B, C and D Bonds as provided for in section 4.4.3.3.(iii) of the Registration Document, payment of financial costs accrued and repayment of principal of the credit facility arranged.
13. Payment of interest due on the Series E Bonds.
14. Repayment of Series E Bond principal.
15. Payment of the settlement payment amounts payable by the Fund under the Interest Swap Agreement other than in the events provided for in 3rd place above.

16. Payment of interest due and repayment of principal on the Start-Up Loan.
17. Payment to BANKINTER of the fee established under the Servicing Agreement.

In the event that any other institution should replace BANKINTER as Servicer of the Loans, payment of the servicing fee accrued by the other institution, to wit the new Servicer, shall take the place of paragraph 1 above, along with the other payments included therein.

18. Payment of the Financial Intermediation Margin.

Where receivables for different items exist in a same priority order number on the Final Maturity Date or on the Payment Date on which there is an Early Liquidation and the Liquidation Available Funds are not sufficient to settle the amounts due under all of them, the application of the remaining Liquidation Available Funds shall be prorated among the amounts payable under each such item, and the amount applied to each item shall be distributed in the priority in which the accounts payable fall due.

3.4.6.4 Financial Intermediation Margin.

The Management Company shall, for and on behalf of the Fund, enter with the Originator into a Financial Intermediation Agreement designed to remunerate the Originator for the financial intermediation process carried out, enabling the financial transformation defining the Fund's activity, the subscription by the Fund for the Mortgage Certificates and the rating assigned to each Bond Series.

The Originator shall be entitled to receive from the Fund a variable subordinated remuneration (the "**Financial Intermediation Margin**") which shall be determined and shall accrue upon the expiration of every quarterly accrual period, comprising, other than for the first period, the three calendar months preceding each Payment Date, in an amount equal to the positive difference, if any, between the income and expenditure accrued by the Fund, including losses, if any, brought forward from previous years, with reference to its accounts and before the close of the months of January, April, July and October, which are the last month in each quarterly period. Exceptionally, the first period shall be comprised between the date on which the Fund is established and January 31, 2006, inclusive, this being the last day of the month preceding the first Payment Date, February 21, 2006.

The variable remuneration accrued at the close of the months of January, April, July and October shall be settled on the Payment Date next succeeding the last day of each of said months, provided that the Fund has sufficient liquidity in the Priority of Payments or in the Liquidation Priority of Payments, as the case may be.

If the Fund should not have sufficient liquidity on a Payment Date in the Priority of Payments to pay the full remuneration, the variable remuneration amount accrued and not paid shall accumulate without any penalty whatsoever on the variable remuneration accrued, as the case may be, in the following quarterly period in the Priority of Payments.

The Financial Intermediation Agreement shall be fully terminated in the event that the Rating Agencies should not confirm any of the provisional ratings assigned to each Bond Series as final by the start of the Subscription Period or in the event of termination of the Bond Issue Management, Underwriting and Placement Agreement.

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

3.4.7.1 Interest Swap.

The Management Company shall, for and on behalf of the Fund, enter with BANKINTER, into an interest swap agreement (the “**Interest Swap Agreement**” or the “**Interest Swap**”) based on the standard ISDA Master Agreement (1991 Definitions), the most relevant characteristics of which are described below.

Under the Interest Swap Agreement, the Fund will make payments to BANKINTER calculated on the Mortgage Credit interest rate, and in consideration BANKINTER will make payments to the Fund calculated on the Reference Rate determined for the Bonds, the foregoing as described hereinafter.

Party A : The Fund, represented by the Management Company.

Party B : BANKINTER.

1. Settlement dates.

The settlement dates shall fall on the Bond Payment Dates, i.e. on February 21, May 21, August 21 and November 21 in every year, or the following Business Day if any of these dates is not a Business Day. The first settlement date shall be February 21, 2006.

The variable amounts payable by Party A and by Party B for each respective settlement period shall be netted and be paid by the paying Party to the receiving Party on each Payment Date.

2. Settlement periods.

Party A:

The settlement periods for Party A shall be the exact number of days elapsed between two consecutive Determination Dates, not including the first but including the last date. Exceptionally, the length of the first settlement period for Party A shall be equivalent to the exact number of days elapsed between the date of establishment of the Fund, inclusive, and February 15, 2006, the first Determination Date, inclusive.

Party B:

The settlement periods for Party B shall be the exact number of days elapsed between two consecutive settlement dates, including the first but not including the last date. Exceptionally, the length of the first settlement period for Party B shall be equivalent to the exact number of days elapsed between the Bond Issue Closing Date, inclusive, and February 21, 2006, exclusive.

3. Swap Notional.

This shall be daily average during the Party A settlement period falling due of the Outstanding Balance of Non-Doubtful Mortgage Credits.

4. Party A amounts payable.

This shall be the result of applying the Party A Interest Rate to the Swap Notional according to the number of days in the Party A settlement period falling due and based on a three-hundred-and-sixty-(360-) day year.

4.1 Party A Interest Rate.

On each settlement date this shall be the annual interest rate resulting from dividing (i) the total interest amount at the reference index of ordinary interest due and not deferred on Non-Doubtful Mortgage Credits on the then-current settlement date, whether or not they were paid by the Obligors, during the Party A settlement period, by (ii) the Swap Notional, multiplied by the result of dividing 360 by the number of days in the settlement period.

In this connection:

- (i) Ordinary interest will be reduced in the interest accrued payable by the Fund in connection with the subscription for the Mortgage Certificates.
- (ii) As the case may be, the due date of Mortgage Credit repayment exclusion period instalment ordinary interest shall be deemed to be the due date of the first instalment after that period.
- (iii) As the case may be, ordinary interest due will also be deemed to comprise the accrued interest received by the Fund both on the sale of Mortgage Certificates and on their early amortisation by BANKINTER in accordance with the rules laid down for substituting the Mortgage Certificates.
- (iv) In the case of renegotiated novated fixed-rate Mortgage Credits, the Mortgage Credit reference rate shall be deemed to be the EURIBOR BASIS fixed rate on Reuters' ISDAFIX2 screen, or any other replacement page, at 11:00AM CET on the effective date of that novation for the term of the average life of the Mortgage Credit based on its new repayment schedule. The fixed reference rate shall be adjusted by a straight-line interpolation between the EURIBOR BASIS fixed rates on Reuters' ISDAFIX2 screen for the term above and below the average life of the loan.

Calculation of the average life of a novated fixed-rate Mortgage Credit: average of the time periods from the effective date of the novation until each of the Mortgage Credit settlement dates, using for weighting purposes the weights the principal to be repaid on each settlement date has, in accordance with the applicable repayment system, on the outstanding principal amount, in accordance with the following expression:

$$V = \frac{\sum (P \times d)}{T} \times \frac{1}{365}$$

Where:

V = Average life of the novated fixed-rate Mortgage Credit expressed in years.

P = Principal to be repaid on each settlement date in accordance with the applicable repayment system.

d = Number of days elapsed between the effective date of the novation and the relevant settlement date.

T = Outstanding principal on the effective date of the novation.

5. Party B amounts payable.

This shall be the result of applying the Party B Interest Rate to the Swap Notional according to the number of days in the Party B settlement period falling due, and based on a three-hundred-and-sixty-(360-) day year.

5.1 Party B Interest Rate.

For each Party B settlement period this shall be the Reference Rate determined for the Bonds in the Interest Accrual Period coinciding with each Party B settlement period falling due.

6. Maturity Date.

This shall be the earlier of the following dates: (i) the Final Maturity Date or (ii) the date on which the Fund terminates in accordance with the provisions of section 4.4.4 of the Registration Document.

If on a settlement date the Fund (Party A) should not have sufficient liquidity to make payment of the aggregate amount payable to Party B, the portion of this amount not paid shall be settled on the following Payment Date provided that the Fund has sufficient liquidity in the Priority of Payments. Should such event of non-payment occur on two consecutive Payment Dates, the Swap Agreement shall be terminated. In this event, the Fund shall take over the obligation to pay the settlement amount established on the terms of the Swap Agreement, the foregoing in the Priority of Payments. Without prejudice to the foregoing, other

than in an extreme event of permanent financial imbalance of the Fund, the Management Company shall endeavour, for and on behalf of the Fund, to enter into a new swap agreement.

6. Actions in the event of change in the rating of Party B.

(i) Moody's Criteria

In the event that:

- (1) (aa) the long-term, unsecured and unsubordinated debt obligations of Party B (or its successor) cease to be rated at least as high as A1 (or its equivalent) by Moody's; or

(bb) the short-term, unsecured and unsubordinated debt obligations of Party B (or its successor) cease to be rated at least as high as P-1 (or its equivalent) by Moody's, and
- (2) if relevant, the long-term, unsecured and unsubordinated debt obligations of any Credit Support Provider of Party B cease to be rated as high as A1 (or its equivalent) by Moody's or its short-term, unsecured and unsubordinated debt obligations cease to be rated as high as P-1 (or its equivalent) by Moody's,

each of the above being an "**Initial Rating Event**", then Party B will within 30 days and at its own cost, do one of the following:

- (A) transfer all of its rights and obligations with respect to the Interest Swap Agreement (i) to a replacement third party having Moody's Required Ratings or (ii) to a third party which Moody's has confirmed would not be in an Initial Rating Event; or
- (B) procure a third party to become co-obligor in respect of the obligations of Party B under the Interest Swap Agreement provided that such third party (i) has Moody's Required Ratings or (ii) Moody's has confirmed that the same is not in an Initial Rating Event; or
- (C) put in place any other action which Moody's shall confirm to Party B may remedy Moody's Initial Rating Event.

While any of (A), (B) and (C) above are outstanding, then Party B will at its own cost

- (D) within 30 days after the occurrence of the Initial Rating Event post collateral in the form of cash or securities to Party A in an amount calculated, among other factors, based on the Swap Agreement market value, in accordance with Moody's criteria (which shall be based on the credit support documentation published by ISDA, or otherwise, and relates to collateral in the form of cash or securities or both) in support of its obligations under the Interest Swap Agreements.

(ii) Moody's Criteria (continued) ("Subsequent Rating Event")

In the event that:

- (aa) the long-term, unsecured and unsubordinated debt obligations of Party B (or its successor) and, if relevant, any Credit Support Provider of Party B, cease to be rated at least as high as A3 (or its equivalent) by Moody's; or
- (bb) the short-term, unsecured and unsubordinated debt obligations of Party B (or its successor) and, if relevant, any Credit Support Provider of Party B, cease to be rated at least as high as P-2 (or its equivalent) by Moody's, or
- (cc) all the ratings granted to Party B by Moody's are completely retired

the above being a "**Second Rating Event**", then Party B will, as soon as reasonably practicable, on a best efforts basis, in any case within 10 days of the Subsequent Rating Event and at its own cost, do one of (A), (B) or (C) below:

- (A) transfer all of its rights and obligations with respect to the Interest Swap Agreement (i) to a replacement third party having Moody's Required Ratings or (ii) to a third party which Moody's has confirmed would not be in a Subsequent Rating Event; or
- (B) procure a third party to become co-obligor in respect of the obligations of Party B under the Interest Swap Agreement provided that such third party (i) has Moody's Required Ratings or (ii) Moody's has confirmed that the same is not in a Subsequent Rating Event; or
- (C) put in place any other action which Moody's shall confirm to Party B may remedy Moody's Subsequent Rating Event.

While any of (A), (B) and (C) above are outstanding, then Party B will at its own cost

- (D) within 10 days after the occurrence of the Subsequent Rating Event post collateral in the form of cash or securities to Party A in an amount calculated, among other factors, based on the Swap Agreement market value, in accordance with Moody's criteria (which shall be based on the credit support documentation published by ISDA, or otherwise, and relates to collateral in the form of cash or securities or both) in support of its obligations under the Interest Swap Agreements.

For the purposes of (i) and (ii) above, "**Required Rating**" means in respect of the relevant entity, that its long-term, unsecured and unsubordinated debt obligations are rated at least as high as A1 and its short-term unsecured and unsubordinated debt obligations are rated at least as high as P-1 by Moody's or such other ratings as may be agreed with Moody's from time to time.

(iii) S&P's Criteria

In the event that:

- (1) the short-term, unsecured and unsubordinated debt obligations of Party B (or its successor) cease to be rated at least as high as A-1 (or its equivalent) by S&P, and
- (2) if relevant, the short-term, unsecured and unsubordinated debt obligations of any Credit Support Provider of Party B cease to be rated as high as A-1 (or its equivalent) by S&P,

each of the above being an "**Initial Rating Event**", then Party B will within 30 days and at its own cost, do one of the following:

- (A) transfer all of its rights and obligations with respect to the Interest Swap Agreement (i) to a replacement third party having S&P's Required Ratings or (ii) to a third party which S&P has confirmed would not be in an Initial Rating Event; or
- (B) procure a third party to become co-obligor in respect of the obligations of Party B under the Interest Swap Agreement provided that such third party (i) has S&P's Required Ratings or (ii) S&P has confirmed that the same is not in an Initial Rating Event; or
- (C) put in place any other action which S&P shall confirm to Party B may remedy S&P's Initial Rating Event.

While any of (A), (B) and (C) above are outstanding, then Party B will at its own cost

- (D) within 30 days after the occurrence of the Initial Rating Event post collateral in the form of cash or securities to Party A in an amount calculated, among other factors, based on the Swap Agreement market value, in accordance with S&P's criteria published in articles respectively of December 2003 and February 2004 (which shall be based on the credit support documentation published by ISDA, or otherwise, and relates to collateral in the form of cash or securities or both) in support of its obligations under the Interest Swap Agreements.

(iv) S&P's Criteria (continued) ("Subsequent Rating Event")

In the event that:

(aa) the short-term, unsecured and unsubordinated debt obligations of Party B (or its successor) and, if relevant, any Credit Support Provider of Party B, cease to be rated at least as high as A-2 (or its equivalent) by S&P, or

(bb) all the ratings granted to Party B by S&P are completely retired

the above being a "**Second Rating Event**", then Party B will, as soon as reasonably practicable, on a best efforts basis, in any case within 30 days of the Subsequent Rating Event and at its own cost, do one of (A), (B) or (C) below:

(A) transfer all of its rights and obligations with respect to the Interest Swap Agreement (i) to a replacement third party having S&P's Required Ratings or (ii) to a third party which S&P has confirmed would not be in a Subsequent Rating Event; or

(B) procure a third party to become co-obligor in respect of the obligations of Party B under the Interest Swap Agreement provided that such third party (i) has S&P's Required Ratings or (ii) S&P has confirmed that the same is not in a Subsequent Rating Event; or

(C) put in place any other action which S&P shall confirm to Party B may remedy S&P's Subsequent Rating Event.

While any of (A), (B) and (C) above are outstanding, then Party B will at its own cost

(D) within 10 days after the occurrence of the Subsequent Rating Event post collateral in the form of cash or securities to Party A in an amount calculated, among other factors, based on the Swap Agreement market value, in accordance with S&P's criteria (which shall be based on the credit support documentation published by ISDA, or otherwise, and relates to collateral in the form of cash or securities or both) in support of its obligations under the Interest Swap Agreements.

For the purposes of (i) and (ii) above, "**Required Rating**" means in respect of the relevant entity, that its short-term unsecured and unsubordinated debt obligations are rated at least as high as A-1 by S&P or such other ratings as may be agreed with S&P from time to time.

(v) If upon the occurrence of an Initial Rating Event Party B does not take any of the measures described in either (i), (ii), (iii) and (iv) (except for (ii)(D) and (iv)(D)) above such failure shall not be or give rise to an Event of Default but shall constitute an Additional Termination Event with respect to Party B and shall be deemed to have occurred on the thirtieth day following the occurrence of such Initial Rating Event with Party B as the sole Affected Party and the Interest Swap Agreement shall be an Affected Transaction.

If Party B does not take the measures described in (ii)(D) and (iv)(D) above, such failure shall constitute an Event of Default with respect to Party B which shall be taken to have occurred on the tenth day following the occurrence of the Subsequent Rating Event, and Party B shall be the defaulting party.

("Additional Termination Event" is a concept defined in the Master Agreement for the Interest Swap Agreements which shall result in the relevant Interest Swap Agreement being terminated if the Management Company, for and on behalf of the Fund (Party A), should decide this.)

("Event of Default" (Event of Default) is a concept defined in the Master Agreement for the Interest Swap Agreements which shall result in the relevant Interest Swap Agreement being automatically terminated early.)

In both Termination events, Party B shall accept the obligation to pay the settlement amount provided for in the relevant Interest Swap Agreement. Should the settlement amount under the relevant Interest Swap Agreement be due by the Fund (Party A) and not by Party B, payment thereof by the Fund (Party A) shall be made in the Priority of Payments.

The occurrence, as the case may be, of an early termination of the Interest Swap Agreement will not in itself be an Early Amortisation event of the Bond Issue and an Early Liquidation event of the Fund referred to in sections 4.4.3 and 4.4.4 of the Registration Document of this Prospectus, unless in conjunction with other events or circumstances related to the net asset value of the Fund, its financial balance should be materially or permanently altered.

All matters, discrepancies, lawsuits and claims deriving from the Interest Swap Agreement shall be referred for arbitration to the Chamber of Commerce of Madrid.

The Interest Swap Agreement shall be fully terminated in the event that the Rating Agencies should not confirm the provisional ratings assigned to each Series as final by the start of the Subscription Period or in the event of termination of the Bond Issue Management, Underwriting and Placement Agreement.

3.5 Name, address and significant business activities of the originator of the securitised assets.

The originator and assignor of the Mortgage Credits securitised is BANKINTER S.A.

Registered office: Paseo de la Castellana number 29, Madrid (Spain).

Significant economic activities of BANKINTER.

BANKINTER, a financial Group, is mainly in the Banking business though it has interests in the field of insurance, unit trust and pension fund management, stock broking, global custody, asset management and broking in major treasury, capital and currency markets.

The following is selected financial information for the second quarter of the year 2005 and how it compares to the previous year.

The relevant information as at June 30, 2005 was prepared in accordance with applicable International Financial Reporting Standards under Regulation EC 1606/2002 and Bank of Spain Circular 4/2004. The relevant information as at June 30, 2004 was also prepared for comparative purposes only in accordance with IFRS in order for the comparison between both periods to be consistent.

	30.06.2005	30.06.2004	Δ%
BALANCE SHEET (EUR thousand)			
Total Assets	37,452,100	26,983,471	38.80
Customer credit	22,960,012	18,180,902	26.29
Customer credit exsecuritisation	26,522,131	22,370,533	18.56
Customer resources	22,732,517	18,919,607	20.15
Off-balance sheet funds manager	9,998,261	9,397,522	6.39
PROFIT AND LOSS ACCOUNT (EUR thousand)			
Intermediation margin	210,545	192,194	9.55
Ordinary margin	350,957	300,635	16.74
Operating margin	183,551	154,377	18.90
Pre-tax profit	144,744	139,511	3.75
Net Profit attributed to the Group	100,358	91,496	9.69

	30.06.2005	30.06.2004	Δ%
RATIOS (%)			
Delinquency rate exsecuritisation	0.26%	0.33%	-22.47
Delinquency coverage rate	534.33%	429.40%	24.44
Efficiency ratio	46.78%	47.27%	-1.04
ROE	16.20%	16.29%	-0.55
ROA	0.59%	0.68%	-13.52
Capital ratio	11.23%	12.51%	-10.23
Tier 1	7.92%	8.71%	-9.07
BANKINTER SHARES			
Number of shares	77,916,786	76,850,452	1.39
Latest price	42.30	31.27	35.27
BPA	1.31	1.21	8.26
DPA	0.57	0.51	11.01
BRANCHES & CENTRES			
Branches	311	301	3.32
Commercial management centres			
Corporate	41	39	5.13
SMEs	84	28	200.00
Private Banking	36	32	12.50
Virtual branches	484	455	6.37
Number of Agents	1,019	992	2.72
Telephone and Internet branches	3	3	0.00
STAFF			
Employees (full-time)	3,490	3,139	11.18

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

Not applicable.

3.7 Administrator, calculation agent or equivalent.

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

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

The Management Company shall discharge for the Fund the functions attributed to it in Act 19/1992 and in Royal Decree 926/1998.

It is also the Management Company's duty, as the manager of third-party portfolios, to represent and enforce the interests of the holders of the Bonds issued by the Fund and of all its other ordinary creditors. Consequently, the Management Company shall make its actions conditional on their protection and observe the provisions established for that purpose from time to time. Bondholders and all other ordinary creditors of the Fund shall have no recourse against the Fund Management Company, other than for a breach of its duties or failure to observe the provisions of the Deed of Constitution and the Prospectus.

3.7.1.2 Administration and representation of the Fund.

The Management Company's obligations and actions in fulfilment of its duty to manage and legally represent the Fund are the following, for illustrative purposes only and without prejudice to any other actions provided in this Prospectus:

- (i) Keeping the Fund's accounts duly separate from the Management Company's own, rendering accounts and satisfying tax and any other statutory obligations of the Fund.
- (ii) Making such decisions as may be appropriate in connection with the liquidation of the Fund, including the decision to proceed to an Early Liquidation of the Fund and Early Amortisation of the Bond Issue, in accordance with the provisions of the Deed of Constitution and this Prospectus. Moreover, making all appropriate decisions in the event of the establishment of the Fund terminating.
- (iii) Complying with its formal, documentary and reporting duties to the CNMV, the Rating Agencies and any other supervisory body.
- (iv) Appointing and, as the case may be, replacing and dismissing the auditor who is to review and audit the Fund's annual accounts.
- (v) Providing Bondholders, the CNMV and the Rating Agencies with all such information and notices as may be prescribed by the laws in force for the time being and specifically as established in the Deed of Constitution and in this Prospectus.
- (vi) Complying with the calculation duties provided for and taking the actions laid down in the Deed of Constitution and in this Prospectus and in the various Fund transaction agreements or in such others as the Management Company may enter into in due course for and on behalf of the Fund.
- (vii) The Management Company may extend or amend the agreements entered into on behalf of the Fund, and substitute, as the case may be, each of the Fund service providers, and indeed, if necessary, enter into additional agreements, including a credit facility agreement in the event of Early Liquidation of the Fund, and amend the Deed of Constitution, provided that circumstances preventing the foregoing in accordance with the laws and regulations in force from time to time do not occur. In any event, those actions shall require that the Management Company first notify and secure the prior authorisation, if necessary, of the CNMV or competent administrative body and notify the Rating Agencies, and provided that such actions are not detrimental to the rating assigned to the Bonds by the Rating Agencies. The Deed of Constitution or the agreements may also be corrected upon a request by the CNMV.
- (viii) Exercising the rights attaching to the ownership of the Mortgage Certificates acquired by the Fund and, in general, carrying out all such acts of administration and disposition as may be required for properly managing and legally representing the Fund.
- (ix) Checking that the Mortgage Credit income amount actually received by the Fund matches the amounts that must be received by the Fund, on the terms of issue of the Mortgage Certificates and on the terms of the relevant Mortgage Credits, and that the Mortgage Credit amounts receivable are provided by the Servicer to the Fund within the time-periods and on the terms provided for under the Servicing Agreement.
- (x) Determining on each Interest Rate Fixing Date and for each Interest Accrual Period thereafter, the Nominal Interest Rate to be applied for each Bond Series and calculating and settling the accrued interest amounts payable on each Payment Date.
- (xi) Calculating and determining on each Determination Date the principal to be amortised and repaid on each Bond Series on the relevant Payment Date.
- (xii) Determining the interest rate applicable to each of the relevant borrowing, lending and hedge transactions and calculating and settling the interest and fee amounts receivable and payable by the Fund under the same, and the fees payable for the various financial services arranged for.
- (xiii) Taking the actions for which provision is made in relation to the debt ratings or the financial position of the Fund counterparties in the financial and service provision agreements listed in section 3.2 of this Building Block.

- (xiv) Watching that the amounts credited to the Treasury Account, the Amortisation Account and the Surplus Account, as the case may be, return the yield set in the respective agreements.
- (xv) Calculating the Available Funds, the Available Funds for Amortisation of Series A1, A2, B, C and D, the Liquidation Available Funds and the payment or withholding obligations to be complied with, and applying the same in the Priority of Payments or the Liquidation Priority of Payments, as the case may be.
- (xvi) Instructing transfers of funds between the various borrowing and lending accounts, and issuing all relevant payment instructions, including those allocated to servicing the Bonds.

3.7.1.3 Resignation and substitution of the Management Company.

The Management Company shall be substituted in managing and representing the Fund, in accordance with articles 18 and 19 of Royal Decree 926/1998 set forth hereinafter and with subsequent rules statutorily established in that connection.

Resignation.

- (i) The Management Company may resign its management and legal representation function with respect to all or part of the funds managed whenever it deems this fit, applying to be substituted in a letter addressed to the CNMV, including a designation of the substitute management company. That letter shall enclose a letter from the new management company, declaring its willingness to take over that function and applying for the appropriate authorisation.
- (ii) The CNMV's substitution authorisation shall be subject to meeting of the following requirements:
 - (a) The substituted Management Company's delivery of the accounting records and data files to the new management company. That delivery will only be taken to have been made when the new management company is able to fully take over its function and that circumstance is notified to the CNMV.
 - (b) The rating accorded to the securities should not fall as a result of the proposed substitution.
- (iii) The Management Company may in no event resign its duties until and unless all requirements and formalities have been complied with in order for its substitute to take over its duties.
- (iv) The substitution expenses originated shall be borne by the resigning Management Company and may in no event be passed on to the Fund.
- (v) The substitution shall be published within fifteen days by means of a notice inserted in two nationwide newspapers and in the bulletin of the organised secondary market where the Bonds issued by the Fund are listed. Furthermore, the Management Company shall notify the Rating Agencies of that substitution.

Forced substitution.

- (i) In the event that the Management Company should be adjudged insolvent, it shall find a substitute management company, in accordance with the provisions of the foregoing section.
- (ii) In the event for which provision is made in the preceding section, if four months should have elapsed from the occurrence determining the substitution and no new management company should have been found willing to take over management, there shall be an Early Liquidation of the Fund and an Early Amortisation of the Bond Issue, in accordance with the provisions of sections 4.4.3 and 4.4.4 of the Registration Document of this Prospectus and the Deed of Constitution.

The Management Company agrees to execute such public and private documents as may be necessary for it to be substituted by another management company, in accordance with the system for which provision is made in the preceding paragraphs of this section. The substitute management company shall be substituted in the Management Company's rights and duties under this Prospectus. Furthermore, the

Management Company shall hand to the substitute management company such accounting records and data files as it may have to hand in connection with the Fund.

3.7.1.4 Subcontracting.

The Management Company shall be entitled to subcontract or subdelegate to solvent and reputable third parties the provision of any of the services it has to provide as the manager and authorised representative of the Fund, as established in this Prospectus, provided that the subcontractor or delegated party waives the right to take any action holding the Fund liable. In any event, subcontracting or delegating any service (i) may not result in an additional cost or expense for the Fund, (ii) shall have to be legally possible, (iii) shall not result in the rating accorded to each of the Bond Series being adversely reviewed, and (iv) shall be notified to the CNMV and, where statutorily required, first be authorised by the CNMV. Notwithstanding any subcontracting or subdelegation, the Management Company shall not be exonerated or released, under that subcontract or subdelegation, from any of the liabilities undertaken in this Prospectus which may legally be attributed or ascribed to it.

3.7.1.5 Management Company's remuneration.

In consideration of the functions to be discharged by the Management Company, the Fund will pay it a management fee consisting of:

- (i) An initial fee amounting to EUR eighty thousand (80,000.00) which shall accrue upon the Fund being established and be payable on the Closing Date.
- (ii) Periodic fee: equal to 0.0190% per annum, accruing on the exact number of days elapsed in each Interest Accrual Period, from the date of establishment of the Fund until it terminates, and payable quarterly in arrears on each Payment Date, calculated on the sum of the Outstanding Principal Balance of Series A1, A2, B, C and D on the Determination Date preceding the relevant Payment Date. The periodic fee for the first Payment Date shall accrue from the date of establishment of the Fund and shall be calculated on the face amount of the Bond Issue.

The fee payable on a given Payment Date shall be calculated in accordance with the following formula:

$$C = B \times \frac{0.0190}{100} \times \frac{d}{360}$$

where :

C = Fee payable on a given Payment Date.

B = Sum of the Outstanding Principal Balance of Series A1, A2, B, C and D, on the Determination Date preceding the relevant Payment Date.

d = Number of days elapsed during the relevant Interest Accrual Period.

In any event, the annual amount of this periodic fee on each Payment Date may not be respectively greater or lower than the following maximum and minimum amounts.

- a) Maximum amount of EUR thirty-seven thousand five hundred (37,500.00).

Exceptionally, the maximum periodic fee for the first Payment Date shall accrue from the date on which the Fund is set up and shall be calculated on the exact number of days elapsed based on the following formula:

$$Ic \max = 37,500 \times \frac{d}{90}$$

where :

Icmax= Maximum periodic fee amount payable on the first Payment Date.

d = Number of days elapsed between the date of establishment of the Fund and the first Payment Date.

- b) Minimum amount of EUR seven thousand five hundred (7,500.00). In the event that, during the term of the Fund, the National General Retail Price Index published by the Spanish National Institute of Statistics for each calendar year should experience a positive variation, the minimum amount shall be cumulatively reviewed in the same proportion, from the year 2007, inclusive, and effective as of January 1 of each year.

If on a Payment Date the Fund should not have sufficient liquidity to settle the above-mentioned fee, the amount due shall accrue interest equal to the Bond Reference Rate, payable on the following Payment Date, in the Priority of Payments.

3.7.2 Servicing and custody of the securitised assets.

BANKINTER, Originator of the Mortgage Credits by means of the issue of the Mortgage Certificates to be subscribed for by the Fund, as established in article 61.3 of Royal Decree 685/1982, shall agree to be Mortgage Credit custodian and servicer, and relations between BANKINTER and the Fund, represented by the Management Company, shall be governed by the Mortgage Credit Servicing and Mortgage Certificate Custody Agreement (the "**Servicing Agreement**") in relation to custody and servicing of the Mortgage Credits and custody of the Mortgage Certificates.

BANKINTER (the "**Servicer**" in that Agreement) shall accept the appointment received from the Management Company and thereby agrees as follows:

- (i) To be Mortgage Credit custodian and servicer subject to the system terms and ordinary servicing and custody procedures established in the Servicing Agreement.
- (ii) To continue servicing the Mortgage Credits, devoting the same time and efforts to them as it would devote and use to service its own loans or mortgage credits and in any event on the terms for which provision is made in the Servicing Agreement.
- (iii) That the procedures it applies and will apply to service and custody the Mortgage Credits are and will continue to be in accordance with the laws and statutory regulations in force applicable thereto.
- (iv) To full faithfully observe the instructions issued by the Management Company.
- (v) To pay the Fund damages resulting from a breach of the obligations undertaken, although the Servicer shall not be liable for actions put in place on the Management Company's instructions.

In any event, the Servicer waives the privileges and authorities conferred on it by law as the manager of collections for the Fund and as servicer of the Mortgage Credits, and custodian of the relevant Mortgage Certificates and agreements, and in particular those for which provision is made in articles 1730 and 1780 of the Civil Code and 276 of the Commercial Code.

The most relevant terms of the Servicing Agreement are given hereinafter in the following paragraphs of this section.

3.7.2.1 Ordinary system and procedures for servicing and managing the Mortgage Credits.

1. Custody of deeds, agreements, documents and files.

The Servicer shall keep all deeds, agreements, documents and data files relating to the Mortgage Credits and the damage insurance policies of the mortgage properties under safe custody and shall not give up their possession, custody or control other than with the Management Company's prior written consent for it to do so, unless a document should be required to institute proceedings to claim a Mortgage Credit, or any other competent authority should so require first informing the Management Company.

The Servicer shall allow the Management Company or the auditors of the Fund duly authorised thereby reasonable access at all times to said deeds, documents and records. Furthermore, whenever it is required to do so by the Management Company, it shall provide within two (2) Business Days of that request and clear of expenses, a copy or photocopy of any of such deeds and documents.

2. Collection management.

The Servicer shall continue managing collection of all amounts payable by the Obligors under the Mortgage Credits and any other item including under the insurance contracts of the mortgaged properties securing the Mortgage Credits. The Servicer shall use all reasonable efforts for payments to be made by the Obligors to be collected in accordance with the contractual terms and conditions of the Mortgage Credits.

The Mortgage Credit amounts received by the Servicer shall be paid in full into the Fund's Treasury Account on the seventh business day, for same day value, after the day on which they are received by the Servicer, in accordance with the set terms and conditions. In this connection, Saturdays, Sundays and public holidays in the city of Madrid shall not be considered business days.

Nevertheless, in the event that the rating of the Servicer's short-term, unsecured and unsubordinated debt should fall below P-1 or A-2 respectively in Moody's and S&P's rating scales or that the Servicer's credit quality could result in the ratings given by the Rating Agencies to each Bond Series falling, the Management Company shall, in a written notice to the Servicer, issue instructions for those amounts to be previously paid into the Treasury Account which may indeed be on the same day on which they are received by the Servicer.

The Servicer may at no event pay any amount whatsoever to the Fund not previously received from the Obligors as payment for the Mortgage Credits.

3. Fixing the interest rate.

Because the Mortgage Credits have a floating rate, notwithstanding a possible renegotiation to a fixed rate, the Servicer shall continue fixing the interest rates applicable in each interest period as established in the relevant agreements underlying the Mortgage Credits, submitting such communications and notices as may be established therein.

4. Extended mortgage.

If the Servicer should actually become aware at any time that for any reason the value of a mortgaged property securing a Mortgage Credit shall have fallen in excess of the percentages permitted by law, it shall, in accordance with the provisions of article 29 of Royal Decree 685/1982, request the Obligor at issue to:

- i) extend the mortgage to other assets sufficient to cover the required ratio of the value of the asset to the Mortgage Credit secured thereby, or
- ii) repay all or such portion of the Mortgage Credit as may be in excess of the amount resulting from applying to the current appraisal the percentage used to initially determine its amount.

If within two (2) months of being requested to extend the Obligor should fail to do so or repay the portion of the Mortgage Credit referred to in the preceding paragraph, the Obligor shall be deemed to have chosen to repay the Mortgage Credit fully, which the Servicer shall forthwith require the Obligor to do.

5. Information.

The Servicer shall regularly communicate to the Management Company the information relating to the individual characteristics of each Mortgage Credit, to fulfilment by the Obligors of their obligations under the Mortgage Credits, to Mortgage Credit delinquency status and ensuing changes in the characteristics of the Mortgage Credits, and to actions to demand payment in the event of late payment, court actions and auction of properties, the foregoing using the procedures and timing established in the Servicing Agreement.

Furthermore, the Servicer shall prepare and hand to the Management Company such additional information relating to the Mortgage Credits or the rights attaching thereto as the Management Company may reasonably request, and in particular the documents required for the Management Company, as the case may be, to bring legal actions.

6. Mortgage Credit subrogation.

The Servicer shall be authorised to permit substitutions in the position of the Obligor under the Mortgage Credit documents, exclusively where the characteristics of the new obligor are similar to those of the former Obligor and those characteristics observe the lending policies described in section 2.2.7 of this Building Block, and further provided that the expenses derived from that change are fully borne by the Obligors. The Management Company may fully or partially limit this authority of the Servicer or set conditions therefor, in the event that those substitutions might adversely affect the ratings accorded to the Bonds by the Rating Agencies.

The Obligor may apply for subrogation to the Servicer in connection with the Mortgage Credits pursuant to Mortgage Loan Subrogation and Amendment Act 2/1994. Subrogation of a new creditor under the Mortgage Credit and the ensuing payment of the amount due shall result in prepayment of the Mortgage Credit and early amortisation of the respective Mortgage Certificate.

7. Authorities and actions in relation to Mortgage Credit renegotiation procedures.

The Servicer may not voluntarily cancel the Mortgage Credits or their securities for any reason other than payment of the Mortgage Credit, relinquish or settle in regard thereto, forgive the Mortgage Credits in full or in part or extend the same, or in general do anything that may diminish the ranking of the mortgage, legal effectiveness or economic value of the Mortgage Credits or of the mortgages, without prejudice to its heeding requests by Obligors using the same efforts and procedure as if they were own mortgage credits.

Notwithstanding the above, the Management Company, as manager of third-party portfolios and having regard to Obligors' requests to the Servicer directly or under Act 2/1994, may instruct or previously authorise the Servicer to agree with the Obligor, subject to the terms and conditions for which provision is made in this section, for a novation changing the relevant Mortgage Credit, either by an interest rate renegotiation or by an extension of the maturity period, provided that those novations are not detrimental to their ranking as a senior mortgage.

Without prejudice to the provisions hereinafter, any interest rate renegotiation subscribed by the Servicer shall be made exclusively with the prior consent of the Management Company, on behalf of the Fund, and the Servicer agrees to seek such consent from the Management Company as soon as it is aware that an Obligor has requested a renegotiation. The Management Company may nevertheless initially authorise the Servicer to entertain and accept Mortgage Credit interest rate and term renegotiations, requested by the Obligors, without requiring the prior consent of the Management Company, subject to the following general enabling requirements:

a) Renegotiating the interest rate.

Mortgage Credit interest rate may be renegotiated subject to the following rules and limitations:

1. The Servicer may under no circumstance entertain on its own account and without being so requested by the Obligor, interest rate renegotiations which may result in a decrease in the interest rate applicable to a Mortgage Credit. In any event, any Mortgage Credit interest rate renegotiation shall be taken up bearing in mind the Fund's interests and the Servicer shall, without encouraging the interest rate renegotiation, act in relation to such renegotiation bearing in mind the Fund's interests at all times.

Subject to the provisions of paragraphs 2 and 3 below, the Servicer may renegotiate the interest rate clause of the Mortgage Credits on terms that are deemed to be at arm's length and that do not differ from those applied by the actual Servicer in renegotiating or granting its floating- and fixed-rate mortgage credits and loans. In the event that the percentage Mortgage Credits renegotiated to a fixed rate should be in excess of 1% of the Outstanding Balance of Non-Doubtful Mortgage Credits, the Rating Agencies shall be informed of that circumstance. For these purposes, the arm's length interest rate shall be deemed to be the rate offered by the Servicer in the Spanish market for mortgage loans or credits granted to individuals with real estate mortgage security in finished homes in Spanish territory in an amount and on terms substantially similar to the renegotiated Mortgage Credit.

2. The margin applicable to a Mortgage Credit (including the margin if any resulting from a fixed-rate renegotiation as provided for in section 3 below) shall under no circumstances be decreased in being renegotiated where the average margin weighted by the outstanding Mortgage Credit principal is less than 0.35%. For the purposes prescribed in this section, the provisions of section 3 below shall govern in the case of renegotiated fixed-rate Mortgage Credits in regard to homogenisation in regard to margin over a benchmark index.

Without prejudice to the provisions of the preceding paragraph, if on the effective date of the renegotiation of the interest rate applicable to a Mortgage Credit, the average margin weighted by the principal not yet due of the Mortgage Credits is equal to or less than 0.40 (including the margin if any resulting from a fixed-rate renegotiation as provided for in section 3 below in connection with the fixed-rate renegotiation of Mortgage Credits), the Management Company may accept the renegotiation provided that the Servicer agrees to pay the Fund, for the Mortgage Credit, on each collection date after the effective date of the renegotiation, while the average margin weighted by the outstanding principal of the Mortgage Credits is equal to or less than 0.40%, the amount on each Mortgage Credit interest settlement date of the difference in the interest accrued by the Mortgage Credit during each interest settlement period, calculated, as the case may be, on the margin over the benchmark index or fixed interest rate before being modified and the interest actually accrued calculated at the new applicable interest rate set.

3. For the purposes of paragraph 2 above:
 - (i) The margin or spread of a floating-rate Mortgage Credit with a benchmark index other than Euribor or Mibor rates or indices shall be considered to be the result of increasing or reducing the margin applicable to the Mortgage Credit by the difference between the simple averages of the values of the last three (3) months, published by the Bank of Spain, of (a) the Mortgage Credit benchmark index and (b) one-year EURIBOR index (one-year Interbank reference).
 - (ii) The novated fixed-rate Mortgage Credit margin shall be deemed to be the difference between the fixed rate applicable to the Mortgage Credit and the EURIBOR BASIS fixed rate on Reuters' ISDAFIX2 screen, or any other replacement screen, at 11:00AM CET on the effective date of the new fixed rate for the term of the average life of the Mortgage Credit based on its new repayment schedule. In the absence of a EURIBOR BASIS, the latter shall be calculated by a straight-line interpolation between the EURIBOR BASIS fixed rates for the lower and higher terms closest to the average life of the Mortgage Credit.

Calculation of the average life of a novated fixed-rate Mortgage Credit: average of the time periods from the effective date of the novation until each Mortgage Credit settlement date, using for weighting purposes the weights the principal to be repaid on each settlement date has, in accordance with the applicable repayment system, on the outstanding principal amount, in accordance with the following expression:

$$V = \frac{\sum (P \times d)}{T} \times \frac{1}{365}$$

Where:

V = Average life of the novated fixed-rate Mortgage Credit expressed in years.

P = Principal to be repaid on each settlement date under the applicable repayment system.

d = Number of days elapsed between the effective date of the novation and the relevant settlement date.

T = Outstanding principal on the effective date of the novation.

b) Extending the period of maturity.

The final maturity or final amortisation date of the Mortgage Credits may be extended or deferred ("**extending the term**") subject to the following rules and limitations:

- (i) The Servicer may in no case entertain on its own account, i.e. without it being so requested by the Obligor, a change in the final maturity date of the Mortgage Credit which may result in an extension thereof. The Servicer, without encouraging an extension of the term, shall act in relation to such extension bearing in mind at all times the Fund's interests.
- (ii) The term of a specific Mortgage Credit may be extended on the terms established in the public deeds originating the Mortgage Credits for extending the maturity date of the First Drawdown if the obligor or borrower is in good standing in payment of all instalments due and is not in breach of any of the duties laid down in the public deed, subject to the following limitations:
 - a) The extension may not be agreed before the lapse of a 24-month period after the date of execution of the origination public deed.
 - b) The maturity date may be extended for the shorter of the following periods:
 - i) Up to a period of not more than 40 years from the date of execution of the origination public deed.
 - ii) An extended period of 6 months for every 12 months paid and after the lapse of the first 24 months.
 - c) The mortgage cover shall be equal to or less than 80 percent.

Based on the above terms for extending the maturity date, the last maturity date of the Mortgage Credits may not extend beyond May 31, 2045.

In any event, the term of a Mortgage Credit may be extended provided that the frequency in Mortgage Credit capital or principal repayment instalments is maintained or increased, maintaining the same repayment system.

- (iii) The Management Company may, on the Fund's behalf, at any time during the term of the Servicing Agreement, cancel or suspend or amend the Servicer's power to extend the term.

If there should be any renegotiation of the interest rate of a Mortgage Credit or its due dates, the Servicer shall forthwith notify the Management Company of the terms resulting from each renegotiation. Such notice shall be made through the software or data file provided for the terms of the Mortgage Credits to be updated.

In the event of a renegotiation of the interest rate of the Mortgage Credits or their due dates, consented to by the Management Company, for and on behalf of the Fund, the change in the terms shall affect the Fund.

The contractual documents supporting the novation of the renegotiated Mortgage Credits will be kept by the Servicer, in accordance with the provisions of paragraph 1 of this section.

8. Action against Obligors in the event of default on the Mortgage Credits and powers of the holder of the Mortgage Certificates.

Actions in the event of late payment.

The Servicer shall use the same efforts and procedure for claiming overdue amounts on the Mortgage Credits as it uses with the rest of its portfolio mortgage credits and loans.

In the event of default by the Obligor of the payment obligations, the Servicer shall put in place the actions described in the Servicing Agreement, taking for that purpose the steps it would ordinarily take if they were its own portfolio mortgage credits and in accordance with standard banking usage and practice for collecting overdue amounts, and shall be bound to advance such expenses as may be necessary for those actions to be taken, without prejudice to its right to be reimbursed by the Fund. Needless to say, these actions include all such legal and other actions as the Servicer may deem necessary to claim and collect the amounts due by the Obligors.

Legal actions.

The Servicer, using its fiduciary title to the Mortgage Credits or using the power referred to in the following paragraph, shall take all relevant actions against Obligors failing to meet their payment obligations derived from the Mortgage Credits. Such an action shall be brought using the appropriate court enforcement procedures prescribed in articles 517 et seq. of the Civil Procedure Act.

In the above connection and for the purposes prescribed in articles 581.2 and 686.2 of the Civil Procedure Act, and in the event that this should be necessary, the Management Company confers in the Deed of Constitution as full and extensive a power of attorney as may be required at Law on BANKINTER in order that the latter may, acting through any of its attorneys properly empowered for those purposes, on the Management Company's instructions, for and on behalf of the latter, or in its own name but for the Management Company as the authorised representative of the Fund, demand by any judicial or other means the Obligor of any of the Mortgage Credits to pay the debt and take legal action against the same, in addition to other authorities required to discharge its duties as Servicer.

The Servicer shall as a general rule apply for foreclosure, advancing all necessary expenses to do so, if, for a period of six (6) months, a Mortgage Credit Obligor having failed to honour his payment obligations should not resume payments and the Servicer, with the Management Company's consent, should not obtain a payment commitment satisfactory to the Fund's interests. The Servicer shall in any event forthwith proceed to apply for such foreclosure if the Management Company, acting for the Fund, and after analysing the specific circumstances of the case, should deem this necessary.

In the event of default by any Obligor, the Management Company, acting for and on behalf of the Fund, shall have the following remedies provided for Mortgage Certificates in article 66 of Royal Decree 685/1982:

- (i) To demand the Servicer to apply for foreclosure.
- (ii) To take part on an equal standing with the Originator, as issuer of the Mortgage Certificates, in the foreclosure the latter shall have instituted against the Obligor, intervening to that end in any foreclosure proceedings commenced by the former and to share in the proceeds of the know-down pro rata to its respective percentage in the foreclosed mortgage credit.
- (iii) If the Servicer should fail to take that action within sixty (60) calendar days of a notice served through a Notary demanding payment of the debt, the Management Company, for and on behalf of the Fund, shall be secondarily entitled to bring the foreclosure action on the Mortgage Credit in the amount of its percentage share, for both principal and interest.

In this event, the part of the mortgage credit not participated in and shares not foreclosed shall remain as subsequent preferred encumbrances, the understanding being that the successful bidder accepts them and shall remain subrogated in respect of the liability therein, and the knock-down price shall not be used for paying and extinguishing the same.

- (iv) In the event that the proceedings instituted by the Servicer should come to a standstill, the Fund, duly represented by the Management Company, may be subrogated in the position of the former and continue the foreclosure proceedings.

In the events provided in paragraphs (iii) and (iv), the Management Company, for and on behalf of the Fund, may apply to the Judge or Notary with jurisdiction to commence or continue with the respective foreclosure proceedings, attaching to the application the original Mortgage Certificate, the notice served through a Notary Public provided for in section (iii) above and an office certificate as to the registration and subsistence of the mortgage. The Servicer shall be bound to issue a certification of the balance outstanding on the Mortgage Credit.

If this should be required by law, and for the purposes of the provisions of the Civil Procedure Act, BANKINTER shall confer in the Deed of Constitution an irrevocable and as extensive and sufficient a power of attorney as may be required by Law in order for the Management Company, acting for and on behalf of BANKINTER, to demand through a Notary Public payment of the debt by the Obligor under any of the Mortgage Credits.

The Management Company, for and on behalf of the Fund as holder of the Mortgage Certificates, may also take part with equal rights with BANKINTER in the foreclosure proceedings and may in this sense, on the terms for which provision is made in the Civil Procedure Act, request the award of the mortgaged property as payment of the Mortgage Credit. The Management Company shall proceed, directly or through the Servicer, to sell the property awarded within the shortest possible space of time and at arm's length.

The Servicer agrees to promptly advise of payment demands, legal actions and all and any other circumstances affecting collection of overdue amounts on the Mortgage Credits. Furthermore, the Servicer will provide the Management Company with all such documents as the latter may request in relation to said Mortgage Credits and in particular the documents required for the Management Company to take legal actions, as the case may be.

9. Damage insurance for properties mortgaged under the Mortgage Credits.

The Servicer shall not take or fail to take any action resulting in cancellation of any property damage insurance policy covering the properties mortgaged under the Mortgage Credits or reducing the amount payable in any claim thereunder. The Servicer shall use all reasonable efforts and in any event use the rights conferred under the insurance policies or the Mortgage Credits in order to keep those policies (or any other policy granting equivalent cover) in full force and effect in relation to each Mortgage Credit and the respective mortgaged property.

The Servicer shall be bound to advance payment of policy premiums not paid by the Obligors whenever it is fully acquainted with this circumstance, without prejudice to its right to be reimbursed by the Fund for amounts so paid.

In the event of a claim, each Servicer shall coordinate actions for collecting compensations derived from the property damage insurance policies on the terms and conditions of the Mortgage Credits and the actual policies, paying the amounts received to the Fund.

10. Set-off.

In the exceptional event that any of the Obligors under the Mortgage Credits should have a liquid credit right, due and payable vis-à-vis the Servicer, and because the assignment is made without the Obligor being aware, any of the Mortgage Credits should be fully or partially set-off against that credit right, the Servicer shall remedy that circumstance or, if it cannot be remedied, the Servicer shall proceed to pay to the Fund the amount set off plus accrued interest which would have been payable to the Fund until the date on which the payment is made, calculated on the terms applicable to the relevant Mortgage Credit.

11. Subcontracting.

The Servicer may subcontract any of the services it may have agreed to provide under the Servicing Agreement other than those that may not be so delegated in accordance with the laws in force for the time being. That subcontracting may in no event result in an additional cost or expense for the Fund or the Management Company, and may not result in the rating assigned to each Bond Series by the Rating Agencies being adversely reviewed. Notwithstanding any subcontracting or subdelegation, the Servicer shall not be excused or released under that subcontract or subdelegation from any of the liabilities undertaken in the Servicing Agreement which may legally be attributed or ascribed to it.

3.7.2.2 Term and substitution.

The services shall be provided by the Servicer until all the obligations undertaken by the Servicer as Originator of the Mortgage Credits terminate, once all the Mortgage Credits acquired by the Fund have been repaid, or when the liquidation of the Fund concludes after it terminates, without prejudice to the possible early revocation of its appointment under the Servicing Agreement.

In the event of a breach by the Servicer of the obligations imposed on the Servicer under the Servicing Agreement or in the event of the Servicer's credit rating falling or being lost or its financial circumstances should change to an extent that may be detrimental to or place the financial structure of the Fund or Bondholders' rights and interests at risk, the Management Company shall, in addition to demanding the Servicer to fulfil the obligations laid down in the Servicing Agreement, proceed to put in place, where this is legally possible, inter alia and after notifying the Rating Agencies, any of the following actions in order for the rating assigned to the Bonds by the Rating Agencies not to be adversely affected: (i) demanding the Servicer to subcontract or subdelegate to another institution the performance of the obligations and undertakings made in the Servicing Agreement; (ii) having another institution with a sufficient credit rating and quality secure all or part of the Servicer's obligations; (iii) terminating the Servicing Agreement, in which case the Management Company shall previously designate a new Servicer having a sufficient credit quality that is not detrimental to the rating given to the Bonds by the Rating Agencies and accepting the obligations contained in the Servicing Agreement or, as the case may be, in a new servicing agreement. Any additional expense or cost derived from those previous actions shall be covered by the Servicer and at no event by the Fund or the Management Company.

Furthermore, in the event of insolvency, or indications thereof, administration by the Bank of Spain, liquidation or substitution of the Servicer or because the Management Company deems this reasonably justified, the Management Company may demand the Servicer to notify Obligors of the transfer to the Fund of the outstanding Mortgage Credits, and that the payments derived therefrom will only be effective as a discharge if made into the Treasury Account opened in the name of the Fund. However, both in the event of the Servicer failing to notify Obligors within five (5) Business Days of receiving the request and in the event of insolvency or liquidation of the Servicer, the Management Company itself shall notify Obligors directly or, as the case may be, through a new Servicer it shall have designated observing, as the case may be, bankruptcy rules.

Upon the early termination of the Servicing Agreement, the outgoing Servicer shall provide the new Servicer, on demand by the Management Company and as determined thereby, with the necessary documents and data files it may have in order for the new Servicer to carry on the relevant activities.

The Servicing Agreement shall be fully terminated in the event that the Rating Agencies should not confirm the provisional ratings assigned to each Series as final ratings by the start of the Subscription Period, or in the event of termination of the Bond Issue Management, Underwriting and Placement Agreement.

3.7.2.3 Liability of the Servicer and indemnity.

The Servicer shall at no time have any liability whatsoever in relation to the obligations of the Management Company as manager of the Fund and manager of Bondholders' interests, nor in relation to the obligations of the Obligors derived from the Mortgage Credits, without prejudice to the liabilities undertaken thereby in the Deed of Constitution as Originator of the Mortgage Credits acquired by the Fund by subscribing for the Mortgage Certificates.

The Servicer takes on the obligation to indemnify the Fund or its Management Company for any damage, loss or expense resulting for the same on account of any breach by the Servicer of its obligations to custody, service and report on the Mortgage Credits and custody the Mortgage Certificates, established under the Servicing Agreement or in the event of breach of the provisions of paragraph 3 of section 2.2.9 of this Building Block.

The Management Company shall, for and on behalf of the Fund, have an executive action against the Servicer to enforce the principal and interest due on the Mortgage Certificates where the breach of the obligation to pay those items does not result from default by the Obligors.

Upon the Mortgage Credits terminating, the Fund shall, through its Management Company, retain a right of action against the Servicer until fulfilment of its obligations.

Neither Bondholders nor any other creditor of the Fund shall have any direct right of action whatsoever against the Servicer; that action shall lie with the Management Company, as the representative of the Fund, who shall have that action on the terms described in this section.

3.7.2.4 Servicer's remuneration.

In consideration of the custody, servicing and management of the Mortgage Credits and custody of the documents representing the Mortgage Certificates, the Servicer shall be entitled to receive in arrears on each Payment Date during the term of the Servicing Agreement, a servicing fee equal to 0.01% per annum, inclusive of VAT if there is no exemption, which shall accrue on the exact number of days elapsed and on the mean daily Outstanding Balance of the Mortgage Credits serviced during each Determination Period. If BANKINTER should be replaced in that servicing task, the Management Company will be entitled to change the above percentage fee for the new Servicer, which may be in excess of that agreed with BANKINTER under the Servicing Agreement. The servicing fee will be paid on the relevant Payment Date provided that the Fund has sufficient liquidity in the Priority of Payments or, as the case may be, in the Liquidation Priority of Payments.

If the Fund should, through its Management Company, due to a shortage of liquidity in the Fund Priority of Payments, fail to pay on a Payment Date the full fee due to the Servicer, the overdue amounts shall accumulate without any penalty whatsoever on the fee payable on the following Payment Dates, until fully paid.

Furthermore, on each Payment Date, the Servicer shall be entitled to reimbursement of all Mortgage Credit servicing and management expenses of an exceptional nature incurred, such as in connection with legal and/or recovery actions, including procedural expenses and costs, or managing and overseeing the sale of properties and assets awarded to the Fund, after first justifying the same. Those expenses will be paid whenever the Fund has sufficient liquidity and in the Priority of Payments or, as the case may be, in the Liquidation Priority of Payments.

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

BANKINTER is the Fund's counterparty in the transactions listed below. The details relating to BANKINTER and its activities are given in section 3.5 of this Building Block.

- (i) Treasury Account:
Guaranteed Interest Rate Account (Treasury Account) Agreement
Description in section 3.4.4.1 of this Building Block.
- (ii) Amortisation Account:
Guaranteed Interest Rate Account (Amortisation Account) Agreement
Description in section 3.4.4.2 of this Building Block.
- (iii) Start-Up Loan:
Start-Up Loan Agreement
Description in section 3.4.3.1 of this Building Block.
- (iv) Interest Swap:
Interest Swap Agreement
Description in section 3.4.7.1 of this Building Block.

4. POST-ISSUANCE REPORTING

4.1 Obligations and deadlines set to publicise and submit to the CNMV the periodic information on the economic and financial status of the Fund.

As part of its Fund management and administration duty, the Management Company agrees to submit as promptly as possible or by the deadlines given, the information described hereinafter and such additional information as may be reasonably required of it.

4.1.1 Ordinary information.

The Management Company agrees to give the notices detailed below, observing the recurrence provided in each case.

a) Notices to Bondholders referred to each Payment Date.

1. Within the period comprised between the Interest Rate Fixing Date and not more than two (2) Business Days after each Payment Date, it shall proceed to notify Bondholders of the Nominal Interest Rate resulting for each Bond Series, and for the Interest Accrual Period after that Payment Date.
2. Quarterly, at least one (1) calendar day in advance of each Payment Date, it shall proceed to notify Bondholders of the following information:
 - i) Interest resulting from the Bonds in each Series, along with the amortisation of the Bonds.
 - ii) Furthermore, and if appropriate, interest and amortisation amounts accrued thereby and not settled due to a shortfall of Available Funds, in accordance with the rules of the Fund Priority of Payments.
 - iii) The Outstanding Principal Balances of the Bonds in each Series, after the amortisation to be settled on each Payment Date, and the percentages such Outstanding Principal Balances represent on the initial face amount of each Bond.
 - iv) Obligors' Mortgage Credit principal prepayment rate during the calendar quarter preceding the Payment Date.
 - v) The average residual life of the Bonds in each Series estimated assuming that Mortgage Credit principal prepayment rates shall be maintained and making all other assumptions as provided in section 4.10 of the Securities Note.

The foregoing notices shall be made in accordance with the provisions of section 4.1.3 below and will also be notified to the CNMV, the Paying Agent, AIAF and Iberclear, within not more than one (1) Business Day before each Payment Date.

b) Information referred to each Payment Date:

In relation to the Mortgage Credits:

1. Outstanding Balance.
2. Interest and principal amount of instalments in arrears.
3. Interest rate and, if the interest floats, benchmark indices of the Mortgage Credits.
4. Dates of maturity of the Mortgage Credits.

In relation to the economic and financial position of the Fund:

- Report on the source and subsequent application of the Available Funds and the Available Funds for Amortisation of Series A1, A2, B, C and D in accordance with the Priority of Payments of the Fund.

This information shall be submitted to the CNMV.

c) Annually, in relation to the Fund's Annual Accounts:

Annual Accounts (balance sheet, profit & loss account and management report) and audit report within four (4) months of the close of each fiscal year, which shall also be filed with the CNMV.

4.1.2 Extraordinary notices.

The following shall be the subject of an extraordinary notice:

1. The final margins applicable for determining the Nominal Interest Rate for each Series and the Nominal Interest Rate determined for each Bond Series for the first Interest Accrual Period.

2. Other:

Any relevant event occurring in relation to the Mortgage Credits or Mortgage Certificates, the Bonds, the Fund and the Management Company proper, which may materially influence trading of the Bonds and, in general, any relevant change in the Fund's assets or liabilities, change in the Deed of Constitution, or in the event of termination of the establishment of the Fund or a decision in due course to proceed to an Early Liquidation of the Fund and an Early Amortisation of the Bond Issue in any of the events provided in this Prospectus. In the latter event, the Management Company shall send to the CNMV the notarial certificate of termination of the Fund and the liquidation procedure followed will be as referred to in section 4.4.4 of the Registration Document.

4.1.3 Procedure to notify Bondholders.

Notices to Bondholders to be made by the Management Company in accordance with the above, in regard to the Fund, shall be given as follows:

1. Ordinary notices.

Ordinary notices shall be given by a publication in the daily bulletin of AIAF Mercado de Renta Fija or any other replacement or similarly characterised bulletin, or by a publication in an extensively circulated business and financial or general newspaper in Spain. The Management Company or the Paying Agent may additionally disseminate that information or other information of interest to Bondholders through dissemination channels and systems typical of financial markets, such as Reuters, Bridge Telerate, Bloomberg or any other similarly characterised means.

2. Extraordinary notices.

Extraordinary notices shall be given by publication in an extensively circulated business and financial or general newspaper in Spain, and those notices shall be deemed to be given on the date of that publication, any Business or other calendar day (as established in this Prospectus) being valid for such notices.

Exceptionally, the final margins applicable for determining the Nominal Interest Rate for each Series shall be notified in writing by the Management Company by the start of the Subscription Period to the Underwriters and Placement Agents in order to be reported to investors interested in subscribing for the Bonds. The Management Company will also notify this to the CNMV, the Paying Agent, AIAF and Iberclear. The Nominal Interest Rate determined for the Bonds in each Series for the first Interest Accrual Period shall be notified in writing by the Management Company by 1pm (CET time) on the Closing Date to the Underwriters and Placement Agents, the CNMV, the Paying Agent, AIAF and Iberclear.

3. Notices and other information.

The Management Company may provide Bondholders with notices and other information of interest to them through its own Internet pages or other similarly characterised teletransmission means.

4.1.4 Information to the CNMV and the Rating Agencies.

The Management Company shall proceed to advise the CNMV of the periodic and extraordinary notices and information given in accordance with the provisions of the preceding sections, and of such other information as the CNMV may require of it or by the laws in force from time to time, irrespective of the above.

4.1.5 Information to the Rating Agencies.

The Management Company shall provide the Rating Agencies with periodic information as to the position of the Fund and the performance of the Mortgage Credits in order that they may monitor the rating of the Bonds and extraordinary notices. The Management Company shall also provide that information when it is reasonably required to do so and, in any event, whenever there is a significant change in the conditions of the Fund, in the agreements entered into by the Fund through its Management Company or in the interested parties.

Mario Masiá Vicente, for and on behalf of EUROPEA DE TITULIZACIÓN, S.A., SOCIEDAD GESTORA DE FONDOS DE TITULIZACIÓN and as General Manager signs this Prospectus at Madrid, on November 23, 2005.

GLOSSARY OF DEFINITIONS

“Act 19/1992” shall mean Investment Trusts and Companies System and Mortgage Securitisation Funds Act 19/1992, July 7.

“Act 2/1981” shall mean Mortgage Market Regulation Act 2/1981, March 25.

“Act 2/1994” shall mean Mortgage Loan Subrogation and Amendment Act 2/1994, March 30.

“Act 3/1994” shall mean Act 3/1994, April 14, adapting Spanish laws in the matter of credit institutions to the Second Banking Coordination Directive and introducing other changes in relation to the financial system.

“AIAF” shall mean AIAF Fixed-Income Market (*AIAF Mercado de Renta Fija*).

“Amortisation Account” shall mean the financial account opened in the name of the Fund at BANKINTER under the Guaranteed Interest Rate Account (Amortisation Account) Agreement into which the Management Company shall, for and on behalf of the Fund, pay the amounts of the Available Funds for Amortisation of Series A1, A2, B, C and D not applied to Bond amortisation from the first Payment Date (February 21, 2006) until the Payment Date falling on May 21, 2007, exclusive.

“Amortisation Deficiency” shall mean, on a Payment Date, the positive difference, if any, between (i) the Series A1, A2, B, C and D Amortisation Withholding amount, and (ii) the amount of the Available Funds actually applied to Series A1, A2, B, C and D Amortisation Withholding.

“Available Funds for Amortisation of Series A1, A2, B, C and D” shall mean the amount to be allocated to Series A1, A2, B, C and D Bond amortisation on each Payment Date and shall be the Series A1, A2, B, C and D Amortisation Withholding amount applied in seventh (7th) place of the Available Funds on the relevant Payment Date and exclusively on the Payment Date falling on May 21, 2007, inclusive, the Amortisation Account balance and the Surplus Account balance, if any, transferred from the Amortisation Account, on the Determination Date preceding the Payment Date.

“Available Funds” shall mean (i) on each Payment Date, the amounts to be allocated to meeting the Fund’s payment or withholding obligations, which shall have been paid into the Treasury Account, as established in section 3.4.6.2.1 of the Building Block and (ii) as the case may be and where appropriate, the Fund asset liquidation amount.

“BANKINTER” shall mean BANKINTER S.A.

“Bond Issue Management, Underwriting and Placement Agreement” shall mean the Bond Issue management, underwriting and placement agreement entered into between the Management Company, for and on behalf of the Fund, and BANKINTER, IXIS CIB, FORTIS BANK and MERRILL LYNCH as Lead Managers and Underwriters and Placement Agents.

“Bond Issue” shall mean the issue of mortgage-backed bonds issued by the Fund having a face value of EUR nine hundred million (900,000,000.00), consisting of nine thousand (9,000) Bonds comprised of six Series (Series A1, Series A2, Series B, Series C, Series D and Series E).

“Bond Paying Agent Agreement” shall mean the Bond paying agent agreement entered into by the Management Company, for and on behalf of the Fund, and BANKINTER, as Paying Agent.

“Bonds” shall mean the Class A Bonds (consisting of Series A1 and A2), the Series B Bonds, the Series C Bonds, the Series D Bonds and the Series E Bonds issued by the Fund.

“Business Day” shall mean any day other than a public holiday in the city of Madrid or non-business day in the TARGET (Trans European Automated Real-Time Gross Settlement Express Transfer System).

“Cash Reserve” shall mean the Initial Cash Reserve set up on the Closing Date and subsequently provisioned up to the Required Cash Reserve amount.

“**CET**” shall mean “Central European Time”.

“**Class A Bonds**” shall mean the Series A1 and A2 Bonds issued by the Fund having a face amount of EUR eight hundred and forty-six million eight hundred thousand (846,800,000.00).

“**Class A**” shall mean the Class A Bonds issued by the Fund.

“**Closing Date**” shall mean December 2, 2005, the date on which the cash amount of the subscription for the Bonds shall be paid up and the face value of the Mortgage Certificates subscribed for by the Fund shall be paid.

“**CNMV**” shall mean National Securities Market Commission (*Comisión Nacional del Mercado de Valores*).

“**Conditions for Pro Rata Amortisation**” shall mean the conditions set down in section 4.9.3.6 of the Securities Note for amortisation of Series A1 and/or A2 and/or B and/or C and/or D.

“**CPR**” shall mean the effective constant annual early amortisation or prepayment rate at which average lives and durations of the Bonds are estimated in this Prospectus.

“**Deed of Constitution**” shall mean the public deed recording the establishment of the Fund, issue by BANKINTER and subscription by the Fund of Mortgage Certificates, and issue by the Fund of the Mortgage-Backed Bonds.

“**Delinquent Mortgage Credits**” shall mean Mortgage Credits that are delinquent on a given date with an arrears in excess of three (3) months in payment of overdue amounts, excluding Doubtful Mortgage Credits.

“**Determination Dates**” shall mean the dates falling on the fourth (4th) Business Day preceding each Payment Date.

“**Determination Period**” shall mean the exact number of days elapsed between every two consecutive Determination Dates, each Determination Period excluding the beginning Determination Date and including the ending Determination Date. The duration of the first Determination Period shall be equal to the days elapsed between the date of establishment of the Fund, inclusive, and the first Determination Date, February 15, 2006, inclusive.

“**Distribution of Available Funds for Amortisation of Series A1, A2, B, C and D**” shall mean the rules for applying the Available Funds for Amortisation of Series A1, A2, B, C and D on each Payment Date established in section 4.9.3.6 of the Securities Note.

“**Doubtful Mortgage Credits**” shall mean Mortgage Credits that are delinquent on a given date with a period of arrears equal to or greater than eighteen (18) months in payment of overdue amounts or classified as bad debts by the Management Company because there are reasonable doubts as to their full repayment.

“**Early Amortisation**” shall mean Bond amortisation on a date preceding the Final Maturity Date in the Early Liquidation Events of the Fund and subject to the requirements established in section 4.4.3 of the Registration Document.

“**Early Liquidation Events**” shall mean the events contained in section 4.4.3 of the Registration Document where the Management Company, following notice duly served on the CNMV, is entitled to proceed to an Early Liquidation of the Fund on a Payment Date.

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

“**Euribor**” shall mean the Euro Interbank Offered Rate which is the term interbank deposit offered rate in euros calculated as the daily average of the quotations supplied for fifteen maturity terms by a panel consisting of 57 Banks, from among the most active banks in the Euro zone. The rate is quoted based on a count of the actual days to maturity and a 360-day year, and is fixed at 11am (CET time), accurate to three decimal places.

“Final Maturity Date” shall mean the final Bond amortisation date, i.e. August 21, 2048 or the following Business Day if that is not a Business Day.

“Financial Intermediation Agreement” shall mean the financial intermediation agreement entered into between the Management Company, for and on behalf of the Fund, and BANKINTER.

“Financial Intermediation Margin” shall mean, with respect to the Financial Intermediation Agreement, the Originator’s right to receive from the Fund a variable subordinated remuneration which shall be determined and shall accrue upon the expiration of every quarterly period, comprising, other than for the first period, the three calendar months preceding each Payment Date, in an amount equal to the positive difference, if any, between the income and expenditure, including losses, if any, brought forward from previous years, accrued by the Fund with reference to its accounts and before the close of the months of January, April, July and October, which are the last month in each quarterly period.

“FORTIS BANK” shall mean FORTIS BANK NV-SA.

“Fund” shall mean BANKINTER 11 FONDO DE TITULIZACIÓN HIPOTECARIA.

“Guaranteed Interest Rate Account (Amortisation Account) Agreement” shall mean the guaranteed interest rate account (Amortisation Account) agreement entered into by the Management Company, for and on behalf of the Fund, and BANKINTER.

“Guaranteed Interest Rate Account (Treasury Account) Agreement” shall mean the guaranteed interest rate account (Treasury Account) agreement entered into by the Management Company, for and on behalf of the Fund, and BANKINTER.

“Iberclear” shall mean Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.

“Initial Cash Reserve” shall mean the Cash Reserve set up on the Closing Date upon the Series E Bonds being paid at a sum of EUR twelve million five hundred thousand (12,500,000.00).

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

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

“Interest Swap Agreement” shall mean the floating interest swap agreement based on the standard ISDA Master Agreement (2000 Definitions) entered into between the Management Company, for and on behalf of the Fund, and BANKINTER.

“IRR” shall mean internal rate of return as defined in section 4.10.1 of the Securities Note.

“IXIS CIB” shall mean IXIS CORPORATE & INVESTMENT BANK.

“Lead Managers” shall mean BANKINTER, IXIS CIB, FORTIS BANK and MERRILL LYNCH.

“Liquidation Available Funds” shall mean, in relation to the Liquidation Priority of Payments, on the Final Maturity Date or when there is an early liquidation of the Fund, the amounts to be allocated to meeting the Fund’s payment or withholding obligations, as follows: (i) the Available Funds, (ii) the amounts obtained by the Fund from time to time upon disposing of the Mortgage Certificates and of the assets remaining and, as the case may be, (iii) the amount drawn under the credit facility arranged for amortisation of the Series A1, A2, B, C and D Bonds, in accordance with the provisions of section 4.4.3 of the Registration Document.

“Liquidation Priority of Payments” shall mean the priority of the Fund’s payment or withholding obligations for applying the Liquidation Available Funds on the Final Maturity Date or when there is an Early Liquidation of the Fund.

“Management Company” shall mean EUROPEA DE TITULIZACIÓN, S.A., SOCIEDAD GESTORA DE FONDOS DE TITULIZACIÓN.

“MERRILL LYNCH” shall mean MERRILL LYNCH INTERNATIONAL.

“Moody's” shall mean both Moody's Investors Service España, S.A. and Moody's Investors Service Ltd., the holding company to which Moody's Investors Service España, S.A. is affiliated.

“Mortgage Certificates” shall mean the mortgage certificates issued by BANKINTER on the Mortgage Credits subject to the provisions of Act 2/1981, and subscribed for by the Fund.

“Mortgage Credit Servicing and Mortgage Certificate Custody Agreement” shall mean the Mortgage Credit servicing and custody and Mortgage Certificate custody agreement entered into between the Management Company, acting for and on behalf of the Fund, and BANKINTER, as Servicer.

“Mortgage Credits” shall mean the first drawdowns under credit facilities granted by BANKINTER to individuals with senior real estate mortgage security on finished homes located in Spain, assigned by BANKINTER to the Fund by means of the issue by BANKINTER and subscription by the Fund of Mortgage Certificates.

“Nominal Interest Rate” shall mean the nominal interest rate, variable quarterly and payable quarterly, applicable to each Series and determined for each Interest Accrual Period, which shall be the result of adding (i) the Reference Rate and (ii) a margin for each Series as detailed in section 4.8.1.2 of the Securities Note.

“Non-Delinquent Mortgage Credits” shall mean Mortgage Credits that are not deemed to be Delinquent Mortgage Credits on a given date.

“Non-Doubtful Mortgage Credits” shall mean Mortgage Credits that are not deemed to be Doubtful Mortgage Credits on a given date.

“Obligors” shall mean the borrowers (individuals) of the Mortgage Credits.

“Originator” shall mean BANKINTER, originator of the Mortgage Credits by means of the issue of the Mortgage Certificates.

“Outstanding Balance of the Mortgage Credits” shall mean the sum of outstanding capital or principal and overdue capital or principal not paid into the Fund for each and every one of the Mortgage Credits.

“Outstanding Principal Balance of Class A” shall mean the sum of the outstanding principal to be repaid (outstanding balance) on a given date of all the Bonds in Series A1 and Series A2 making up Class A.

“Outstanding Principal Balance of the Series” shall mean the sum of the outstanding principal to be repaid (outstanding balance) on a given date on all the Bonds making up the Series.

“Paying Agent” shall mean the firm servicing the Bonds. The Paying Agent shall be BANKINTER.

“Payment Date” shall mean February 21, May 21, August 21 and November 21 in each year or the following Business Day if any of those is not a Business Day. The first Payment Date shall be February 21, 2006.

“PRICEWATERHOUSECOOPERS” shall mean PricewaterhouseCoopers Auditores S.L.

“Priority of Payments” shall mean the priority for applying the Fund's payment or withholding obligations both for applying the Available Funds and for distribution of Available Funds for Amortisation of Series A1, A2, B, C and D.

“Rating Agencies” shall mean Moody's Investors Service España, S.A., and Standard & Poor's España, S.A.

“Reference Rate” shall mean, other than for the first Interest Accrual Period, three- (3-) month Euribor fixed at 11am (CET time) on the Interest Rate Fixing Date, or, if this Euribor rate should not be available or be impossible to obtain, the substitute rates for which provision is made in section 4.8.1.3 of the Securities Note. The Reference Rate for the first Interest Accrual Period shall mean the rate resulting from a straight-line interpolation, taking into account the number of days in the first Interest Accrual Period, between two- (2-) month Euribor and three- (3-) month Euribor, fixed at 11am (CET time) on the Closing Date, or, upon the failure or impossibility to obtain these Euribor rates, the substitute rates for which provision is made in section 4.8.1.3 of the Securities Note.

“Required Cash Reserve” shall mean, on each Payment Date, the lower of the following amounts: (i) EUR twelve million five hundred thousand (12,500,000.00) and (ii) the higher of a) 3.40% of the sum of the Outstanding Principal Balance of Series A1, A2, B, C and D and b) a sum of EUR six million two hundred and twelve thousand five hundred (6,212,500.00).

“Royal Decree 116/1992” shall mean Book Entries and Stock Exchange Transaction Clearing and Settlement Royal Decree 116/1992, February 14.

“Royal Decree 685/1982” shall mean Royal Decree 685/1982, March 17, implementing certain aspects of Mortgage Market Regulation Act 2/1981, and Royal Decree 1289/1991, August 2, amending certain of the previous Royal Decree’s articles.

“Royal Decree 926/1998” shall mean Royal Decree 926/1998, May 14, regulating asset securitisation funds and securitisation fund management companies.

“Royal Decree 1310/2005” shall mean Royal Decree 1310/2005, November 4, partly implementing Securities Market Act 24/1988, July 28, in regard to admission to trading of securities in official secondary markets, public offerings for sale or subscription and the prospectus required for that purpose.

“Royal Decree Law 5/2005” shall mean Royal Decree-Law 5/2005, March 11, on urgent measures for boosting productivity and improving public contracting.

“S&P” shall mean both Standard & Poor’s España, S.A. and Standard & Poor’s Rating Services, the holding company to which Standard & Poor’s España, S.A. is affiliated.

“Securities Market Act” shall mean Securities Market Act 24/1988, July 28, amended by Act 37/1998, November 16, and Act 44/2002, November 22, and Royal Decree Law 5/2005, March 11, among other amendments.

“Series A1 Bonds” shall mean the Series A1 Bonds issued by the Fund having a total face amount of EUR thirty million (30,000,000.00) comprising three hundred (300) Bonds having a unit face value of EUR one hundred thousand (100,000).

“Series A1, A2, B, C and D Amortisation Withholding” shall mean, on each Payment Date, the positive difference if any on the Determination Date preceding the relevant Payment Date between (i) the sum of the Outstanding Principal Balance of Series A1, A2, B, C and D, minus, until the Payment Date falling on May 21, 2007, inclusive, the Amortisation Account balance and the Surplus Account balance, if any, transferred from the Amortisation Account, and (ii) the Outstanding Balance of Non-Doubtful Mortgage Credits

“Series A1” shall mean the Series A1 Bonds issued by the Fund.

“Series A2 Bonds” shall mean the Series A2 Bonds issued by the Fund having a total face amount of EUR eight hundred and sixteen million eight hundred thousand (816,800,000.00) comprising eight thousand one hundred and sixty-eight (8,168) Bonds having a unit face value of EUR one hundred thousand (100,000).

“Series A2” shall mean the Series A2 Bonds issued by the Fund.

“Series B Bonds” shall mean the Series B Bonds issued by the Fund having a total face amount of EUR fifteen million six hundred thousand (15,600,000.00) comprising one hundred and fifty-six (156) Bonds having a unit face value of EUR one hundred thousand (100,000).

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

“Series C Bonds” shall mean the Series C Bonds issued by the Fund having a total face amount of EUR fifteen million three hundred thousand (15,300,000.00) comprising (one hundred and fifty-three) (153) Bonds having a unit face value of EUR one hundred thousand (100,000).

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

“Series D Bonds” shall mean the Series D Bonds issued by the Fund having a total face amount of EUR nine million eight hundred thousand (9,800,000.00) comprising (ninety-eight) (98) Bonds having a unit face value of EUR one hundred thousand (100,000).

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

“Series E Bonds” shall mean the Series E Bonds issued by the Fund having a total face amount of EUR twelve million five hundred thousand (12,500,000.00) comprising one hundred and twenty-five (125) Bonds having a unit face value of EUR one hundred thousand (100,000).

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

“Servicer” shall mean the institution in charge of custody and servicing of the Mortgage Credits and custody of the certificates representing the Mortgage Certificates under the Mortgage Credit Servicing and Mortgage Certificate Custody Agreement, i.e. BANKINTER.

“Servicing Agreement” shall mean the Mortgage Credit Servicing and Mortgage Certificate Custody Agreement.

“Start-Up Loan Agreement” shall mean the commercial subordinated loan agreement entered into by the Management Company, for and on behalf of the Fund, and BANKINTER, for a sum of EUR one million eight hundred and fifty thousand (1,850,000.00).

“Start-Up Loan” shall mean the loan granted by BANKINTER to the Fund, in accordance with the provisions of the Start-Up Loan Agreement.

“Subscription Period” shall mean the Bond subscription period comprised between 1pm (CET time) and 2pm (CET time) on November 29, 2005.

“Surplus Account” shall mean the financial account opened in an institution whose unsubordinated and unsecured short-term debt has a rating of at least P-1 and A-1+ respectively in Moody's and S&P's rating scales, which shall be transferred and credited with the amount by which the sum of the Treasury Account and the Amortisation Account balance exceeds the amount equivalent to 20 percent of the Outstanding Principal Balance of the Bond Issue.

“Systems Company” shall mean Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.

“Treasury Account” shall mean the financial account in euros opened at BANKINTER in the Fund's name, in accordance with the provisions of the Guaranteed Interest Rate Account (Treasury Account) Agreement, through which the Fund will make and receive payments.

“Underwriters and Placement Agents” shall mean BANKINTER, IXIS CIB, FORTIS BANK and MERRILL LYNCH.