

PROSPECTUS

June 22, 2006

CONSUMO BANCAJA 1 FONDO DE TITULIZACIÓN DE ACTIVOS

ISSUE OF ASSET-BACKED BONDS EUR 612,800,000/613,500,000

Series A	EUR 566,100,000	AAA/ Aaa
Series B	EUR 14,700,000	AA/ Aa2
Series C	EUR 19,200,000	A-/ A2
Series D	EUR 12,800,000/ 13,500,000	CCC/ Caa2

Backed by credit rights assigned and serviced by



Lead Managers



Underwriters and Placement Agents

Bancaja

JPMorgan

BNP Paribas

Paying Agent

Bancaja

Fund established and managed by



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

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.

**Material Event
concerning**

CONSUMO BANCAJA 1 Fondo de Titulización de Activos

In accordance with the provisions of the Prospectus for **CONSUMO BANCAJA 1 Fondo de Titulización de Activos** (the “Fund”) notice is given to the COMISIÓN NACIONAL DEL MERCADO DE VALORES of the following material event:

- As a result of the downgrade of the rating of the unsecured and unsubordinated debt obligations of BANKIA, S.A. (“**BANKIA**”) and as provided for in the Interest Swap (Fixed/Floating) Agreement, BANKIA has, with the consent of the Management Company, on behalf of the Fund, agreed with THE ROYAL BANK OF SCOTLAND PLC (“**RBS**”) that this bank will take over as Party B under the Interest Swap (Fixed/Floating) Agreement on the following terms:
 - On April 10, 2013, RBS, BANKIA and the Management Company, for and on behalf of the Fund, entered into the subrogation agreement in respect of the Interest Swap (Fixed/Floating) Agreement whereby RBS took over as Party B under that agreement.
 - On that same date, RBS and the Management Company, for and on behalf of the Fund, entered into an amendment agreement in respect of the Interest Swap (Fixed/Floating) Agreement, updating the Rating Agencies’ criteria.
 - On March 21, 2013, RBS, BARCLAYS BANK PLC, Sucursal en España (“**BARCLAYS**”) and the Management Company, for and on behalf of the Fund, entered into the Swap Collateral Account Agreement whereby the Management Company opened a guaranteed floating rate Euro current account in the name of the Fund at BARCLAYS, into which the RBS is to pay the collateral, if any, required as security for its obligations as counterparty under the Interest Swap Agreement, in terms of Annex III. The collateral amount is determined on a weekly basis having regard to the Swap valuation and the Rating Agencies’ criteria applicable for the purposes hereof.
- The ratings for RBS’ short- and long-term unsecured and unsubordinated debt obligations assigned by the Rating Agencies are currently as follows:

	Moody’s	Fitch
Short-term rating	P-2	F1
Long-term rating	A3	A

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

	Moody’s	Fitch
Short-term rating	P-1	F1
Long-term rating	A2	A

- Following execution of the aforementioned agreement amending the Interest Swap (Fixed/Floating) Agreement with RBS, the following sections of the Fund Prospectus shall read as follows:

Section	Description
3.4.7.1.2 Interest Swap (Fixed/Floating) Agreement Section 7	7. Downgrade of Party B's credit rating. (i) Fitch Criteria. A. (i) In relation to each uncured Fitch Level 1 Required Rating Loss Event (unless a previous Fitch Level 1 Required Rating Loss Event remains uncured), Party B shall use its best efforts, at its cost, to Cure the Fitch Level 1 Required Rating Loss within the relevant Fitch Level 1 Rating Loss Cure Period, although if a Fitch Level 2 Required Rating Loss Event should occur on the same date as the Fitch Level 1 Required Rating Loss Event or during the Fitch Level 1 Rating Loss Cure Period, that Fitch Level 1 Required Rating Loss Event shall be taken not to have occurred. (ii) In relation to each uncured Fitch Level 2 Required Rating Loss Event (unless a previous Fitch Level 2 Required Rating Loss Event remains uncured), Party B shall use its best efforts, at its cost, to Cure the Fitch Level 2 Required Rating Loss within the relevant Fitch Level 2 Rating Loss Cure Period, although until the Curing of Fitch Level 2 Required Rating Loss occurs during the Fitch Level 2 Rating Loss Cure Period, Party B shall do whatever is necessary in order for Delivery of Credit Support on Loss of Fitch Rating to occur. B. Additional definitions In this section: "Fitch" shall mean Fitch Ratings Limited or any other replacement entity. "Entity with Minimum Fitch Level 1 Rating" shall mean any entity with long- and short-term unsecured and unsubordinated debt obligations respectively rated A and F1 by Fitch. "Delivery of Credit Support on Loss of Fitch Rating" shall mean the fulfilment by Party B of its obligation to deliver credit support to Party A with a given value in terms of Appendix A to Annex III in support of the obligations it acquired under the Interest Swap Agreement although such credit support shall be valued each week. "Curing of Fitch Level 1 Required Rating Loss" shall mean, in relation to a Fitch Level 1 Required Rating Loss Event the date after the Fitch Level 1 Required Rating Loss Event on which any of the following occurs: (i) Credit Support: Delivery of Credit Support on Loss of Fitch Rating; or (ii) Without delivery of credit support: Curing of Loss of Fitch Required Rating without credit support (and, for the avoidance of doubt, if Curing of Loss of Fitch Required Rating without credit support should occur, Party B shall not be bound to assign or keep in place any additional credit support with respect to a Fitch Level 1 Required Rating Loss Event, but will be bound to assign or keep in place any credit support in accordance with the Delivery of Credit Support on Loss of Fitch Rating while the Curing of Loss of Fitch Required Rating without credit support is pending). "Fitch Level 1 Rating Loss Cure Period" shall mean, in relation to a Fitch Level 1 Required Rating Loss Event and the relevant Cure, the period of 14 calendar days starting from (but not including) the date of the occurrence of that Fitch Level 1 Required Rating Loss Event. "Fitch Level 1 Required Rating Loss Event" shall mean the first date on which neither Party B (or its successor), nor any credit support provider or co-obligor of Party B, is an Entity with Minimum Fitch Level 1 Rating. "Curing of Fitch Level 2 Required Rating Loss" shall mean, in relation to a Fitch Level 2 Required Rating Loss Event, the date after such Fitch Level 2 Required Rating Loss Event on which any of the following occurs: (i) Credit Support: Delivery of Credit Support on Loss of Fitch Rating; and

Section	Description
	(ii) Without delivery of credit support: the Curing of Loss of Fitch Required Rating without credit support (and, for the avoidance of doubt, if a Curing of Loss of Fitch Required Rating without credit support should occur, Party B shall not be bound to assign or keep in place any additional credit support with respect to a Fitch Level 2 Required Rating Loss Event, but will be bound to assign or keep in place any credit support in accordance with the Delivery of Credit Support on Loss of Fitch Rating while the Curing of Loss of Fitch Required Rating without credit support is pending). “Fitch Level 2 Rating Loss Cure Period” shall mean, in relation to a Fitch Level 2 Required Rating Loss Event and the relevant Cure, the period of 30 calendar days starting from (but not including) the date of the occurrence of that Fitch Level 2 Required Rating Loss Event. “Fitch Level 2 Required Rating Loss Event” shall mean the first date on which neither Party B (or its successor), nor any credit support provider or co-obligor of Party B, is an Entity with Minimum Fitch Level 2 Rating. “Entity with Minimum Fitch Level 2 Rating” shall mean any entity with long- and short-term unsecured and unsubordinated debt obligations respectively rated BBB- and F3 by Fitch. “Entity for Cure without credit support” shall mean, at any time, any third party (who may also be an Affiliate of Party B) who is (or in respect of which the credit support provider for its obligations is) an Entity with Minimum Fitch Level 1 Rating at that time. “Curing of Loss of Fitch Required Rating without credit support” shall mean the first date on which any of the following occurs: (i) Assignment: Subject to any other provision relating to assignments of the Interest Swap (Fixed/Floating) Agreement, Party B transfers all of its rights and obligations originated by that Master Agreement to a replacement third party which is an Entity for Cure without credit support. (ii) Co-obligor or credit support provider: Party B does whatever may be necessary in order for a third party who is an Entity for Cure without credit support to become co-obligor or credit support provider with respect to the obligations acquired by Party B under the Interest Swap (Fixed/Floating) Agreement. (iii) Alternative action: Party B takes any other action (x) which Fitch confirms in writing will trigger no negative rating decision with respect to the current rating of the Bonds and (y) which Party A, acting reasonably, confirms to Party B will not be materially detrimental to bondholders’ interests. (ii) Moody’s Criteria. Party B irrevocably agrees as follows under the Interest Swap (Fixed/Floating) Agreement: (1) If, at any time during the life of the Bond Issue, neither Party B nor any of its Credit Support Providers has the First Required Rating Threshold (“First Rating Default”), then Party B shall do one of the following within thirty (30) Business Days of the occurrence of that circumstance: a) Obtain a Replacement with the First Required Rating Threshold (or else a Replacement having a Credit Support Provider with the First Required Rating Threshold). b) Obtain a Credit Support Provider with the First Required Rating Threshold. c) Post or assign cash or securities collateral as security for Party A with an institution with short-term unsecured and unsubordinated debt obligations rated P-1 by Moody’s in the required First Rating Default amount in terms of Credit Support Annex III according to Moody’s Criteria. The collateral amount posted to Party A by Party B under this section (1) shall be returned to Party B when the causes triggering the First Rating Default cease. (2) If, at any time during the life of the Bond Issue, neither Party B nor any of its Credit Support Providers has the Second Required Rating Threshold (“Second Rating Default”), then Party B shall, on a best efforts basis and as soon as possible, (A) obtain a Credit Support Provider with at least the Second Required Rating Threshold;

Section	Description
	(B) obtain an Eligible Replacement with at least the Second Required Rating Threshold (or else a Replacement having a Credit Support Provider with the Second Required Rating Threshold); or (C) take any other action (x) which Moody's confirms in writing will not trigger a downgrade or withdrawal of the rating currently assigned by Moody's to the Bonds and (y) which Party A, acting reasonably, confirms to Party B will not be materially detrimental to bondholders' interests. While none of the above is done, Party B shall, within thirty (30) Business Days from the occurrence of the Second Rating Default, post or assign cash or securities collateral as security for Party A with an institution with short-term unsecured and unsubordinated debt obligations rated P-1 by Moody's in the required Second Rating Default amount in terms of Credit Support Annex III according to Moody's Criteria. The collateral amount posted to Party A by Party B under this section (2) shall be returned to Party B: a) fully, when the causes for the First Rating Default cease., or, b) partially, when the causes for the Second Rating Default cease but not so the causes for the First Rating Default, in which case the collateral shall be posted in the required First Rating Default amount. Party B's obligations under (1) and (2) above, and the Early Termination events deriving under the same, shall only apply during such time as the events respectively triggering the First Rating Default or the Second Rating Default are in place. All costs, expenses and taxes incurred in connection with complying with the preceding actions and obligations shall be borne by Party B. In Moody's Criteria: "Eligible Guarantee" shall mean an unconditional, irrevocable guarantee given by a Credit Support Provider jointly and severally (as principal debtor) directly enforceable by Party A with respect to which (A) a law firm provides a legal opinion confirming that no payments by that entity to Party A under the Guarantee results in any requirement for deduction or withholding for or on account of any tax; or (B) that Guarantee determines that, if any such payments by the Credit Support Provider to Party A are subject to any requirement for deduction or withholding for or on account of any tax, that Credit Support Provider shall be bound to make such additional payment as may be necessary in order for the net payment ultimately received by Party A (clear of any tax) to be equal to the total amount Party A would have received had there been no such deduction or withholding, or (C) where any payment under that guarantee is made net of deductions or withholdings for or on account of any tax, Party B shall be bound to make such additional payment as may be necessary in order for the net payment received by Party A on the part of the credit support provider to be equal to the total amount Party A would have received had there been no such deduction or withholding. "Credit Support Provider" shall mean an entity providing an unconditional, irrevocable, first demand guarantee with respect to all present and future obligations of Party B with respect to the Interest Swap Agreement (the "Eligible Guarantee"). "Relevant Entity" or "Relevant Entities" shall mean Party B and any credit support provider under an Eligible Guarantee in relation to all present and future obligations of Party B under that Agreement. "Moody's Short-Term Rating" shall mean a credit rating assigned by Moody's under its short-term scale with respect to an entity's short-term unsecured and unsubordinated debt obligations. "Replacement" shall mean an entity taking over as Party B under the Interest Swap (Fixed/Floating) Agreement or entering into a new interest swap agreement with Party A, on terms substantially matching those of the Interest Swap Agreement (which shall be confirmed by Party A, on a best efforts basis), and provided that (A) a law firm provides a legal opinion

Section	Description
	confirming that no payments by that entity to Party A results in any requirement for deduction or withholding for or on account of any tax; or (B) if any such requirement for deduction or withholding exists, the payment made by that entity shall be increased by such amount as may be necessary in order for the net payment received by Party A to be equal to the amount Party A would have received had there been no such deduction or withholding. That institution shall thereafter be considered in every respect to be Party B under the Interest Swap Agreement or the new protection agreement to be entered into. "Eligible Replacement" shall mean a Replacement (A) with the Second Required Rating Threshold, or (B) whose present and future obligations to Party A under this Agreement (or its replacement as applicable) are secured by a Guarantee provided by a Credit Support Provider with the Second Required Rating Threshold. An entity shall have the "First Required Rating Threshold" (A) in the event that such entity has a Moody's Short-Term Rating, if that rating is P-1 and Moody's rating for its long-term unsecured and unsubordinated debt obligations is at least as high as A2 and (B) in the event that such entity does not have a Moody's Short-Term Rating, where its long-term unsecured and unsubordinated debt obligations (or its obligations as counterparty) are rated at least as high as A1 by Moody's. An entity shall have the "Second Required Rating Threshold" (A) in the event that such entity has a Moody's Short-Term Rating, if that rating is at least as high as P-2 and Moody's rating for its long-term unsecured and unsubordinated debt obligations is at least as high as A3, and (B) in the event that such entity does not have a Moody's Short-Term Rating, where its long-term unsecured and unsubordinated debt obligations (or its obligations as counterparty) are rated at least as high as A3 by Moody's.

Madrid, April 19, 2013

Mario Masiá Vicente
General Manager

**Material Event
concerning**

CONSUMO BANCAJA 1 Fondo de Titulización de Activos

Pursuant to section 4.1.4 of the Securities Note Building Block of the Prospectus for **CONSUMO BANCAJA 1 Fondo de Titulización de Activos** (the “Fund”) notice is given to the COMISIÓN NACIONAL DEL MERCADO DE VALORES of the following material event:

- As set out in the material event dated August 10, 2009, Banco Cooperativo Español S.A. was designated Bond Paying Agent on August 7, 2009 by entering into an Agreement to be subrogated to and novating and amending but not terminating the Bond Paying Agent Agreement.
- Accordingly, the following section of the Fund’s Prospectus should read as follows:

Section	Description
5.2.1 Securities Note	Bond Issue Paying Agent. A further paragraph is added to paragraph three section (iv), setting out the obligations accepted by the Paying Agent, with the following wording: “(iv) (...) The Management Company shall, on the Business Day preceding each Payment Date, pay out of the Treasury Account, into an account opened in the name of the Fund at the Paying Agent, the total Bond interest payment and principal repayment amount for each Series. The return on investments interim tax amounts to be withheld on each Payment Date on Bond interest in accordance with the applicable statutory provisions, shall remain credited to the Fund’s account at the Paying Agent until the date on which the Management Company has to actually pay the same to the Tax Administration.” In paragraph four of this section, containing references to the actions to be taken in the event of the Paying Agent’s credit ratings being downgraded, the term “F1” with reference to Fitch’s short-term debt ratings is replaced with “F2”. A new paragraph is added after this last paragraph, with the following wording: “BANCAJA shall agree, upon the Management Company’s request and provided that its short-term unsecured and unsubordinated debt obligations are rated at least as high as F2 and P-1 respectively by Fitch and Moody’s, to be subrogated to this Paying Agent Agreement as Paying Agent.” Paragraph five of this section, concerning the Paying Agent’s compensation, is replaced with the following wording: “In consideration of the services to be provided by the Paying Agent, the Fund shall pay it on each Payment Date during the term of this Agreement, a fixed fee which shall be payable provided that the Fund has sufficient liquidity and in the Priority of Payments or, as the case may be, the Liquidation Priority of Payments.”

Issued to serve and avail as required by law, at Madrid, on December 29, 2009.

Mario Masiá Vicente
General Manager

Material Event concerning

CONSUMO BANCAJA 1 Fondo de Titulización de Activos

Pursuant to section 4.1.4 of the Securities Note Building Block of the Prospectus for **CONSUMO BANCAJA 1 Fondo de Titulización de Activos** (the "Fund") notice is given to the COMISIÓN NACIONAL DEL MERCADO DE VALORES of the following material event:

- As set out in the material event dated October 16, 2008, an amendment was made to the Interest Swap Agreement (Fixed/Floating), entered into by the Fund.
- Accordingly, the following sections of the Fund's Prospectus should read as follows:

Section	Description
3.4.7.1.2 Building Block	Interest Swap Agreement (Fixed/Floating) Subsection 6 of this section is replaced with the following wording: "6. If on a Payment Date the Fund (Party A) should not have sufficient liquidity to pay the full net amount, if any, payable to Party B, the portion of this net amount not paid shall be settled on the following Payment Date provided that the Fund has sufficient liquidity in the Priority of Payments. Should such event of default occur on two consecutive Payment Dates, Party B may choose to terminate the Interest Swap Agreement. In this event, the Fund (Party A) shall accept the obligation to pay the settlement amount established to which it is bound on the terms of the Interest Swap Agreement, the foregoing in the Priority of Payments. Should the settlement amount payable under the Interest Swap Agreement be a payment obligation for Party B and not for the Fund (Party A), Party B shall take over the obligation to pay the settlement amount provided for in the Interest Swap Agreement. Subject to the above, other than in an event of permanent financial imbalance of the Fund, the Management Company shall endeavour, for and on behalf of the Fund, to enter into a new swap agreement on terms substantially identical with this Agreement." Subsection 7 of this section is replaced with the following wording: "7. Ratings Downgrade of Party B (i) Fitch Criteria. In accordance with Fitch's report "Counterparty Risk in Structured Finance Transactions: Hedge Criteria" published on August 1, 2007 (the "Fitch Criteria"), Party B shall irrevocably agree as follows under the Interest Swap Agreement (Fixed/Floating): (1) If at any time during the life of the Bond Issue the unsecured and unsubordinated debt obligations of Party B should cease to have a short-term rating at least as high as F1 by Fitch and a long-term rating at least as high as A by Fitch ("Initial Fitch Rating Event"), both the "Required Ratings", then Party B shall, within thirty (30) calendar days of the occurrence of that Initial Fitch Rating Event, do any of the following: (A) transfer all of its rights and obligations with respect to the Interest Swap Agreement (Fixed/Floating) to a Replacement having the Required Ratings by Fitch; (B) obtain an unconditional guarantee from a third party having the Required Ratings by Fitch, in support of its obligations under the Interest Swap Agreement (Fixed/Floating); (C) post or assign collateral in the form of cash or securities to Party A at an institution with short-term unsecured and unsubordinated debt obligations rated at least as high as F1 by Fitch, in terms of Collateral Assignment Schedule III based on the Fitch

Section	Description
	Criteria. If either of (1)(A) or (1)(B) above are satisfied at any time, all collateral (or the equivalent thereof, as appropriate) transferred to Party A by Party B pursuant to (1)(C) will be retransferred to Party B and Party B will not be required to transfer any additional collateral. (2) Fitch Criteria (continued): If at any time during the life of the Bond Issue the unsecured and unsubordinated debt obligations of Party B should cease to have a short-term rating at least as high as F2 or a long-term rating at least as high as BBB+ by Fitch ("First Subsequent Fitch Rating Event"), then (1)(A) and (1)(B) above shall be preferred by Fitch. If Party B should choose (1)(C) above, then an independent third party shall calculate the amount of the cash or securities collateral in terms of Collateral Assignment Schedule III based on the Fitch Criteria. (3) Fitch Criteria (continued): If at any time during the life of the Bond Issue the unsecured and unsubordinated debt obligations of Party B should cease to have a short-term rating at least as high as F3 or a long-term rating at least as high as BBB- by Fitch ("Second Subsequent Fitch Rating Event"), then Party B shall, within thirty (30) calendar days of the occurrence of that Second Subsequent Fitch Rating Event, do either of the following: (A) transfer all of its rights and obligations with respect to the Interest Swap Agreement (Fixed/Floating) to a Replacement having the Required Ratings by Fitch; or (B) obtain an unconditional guarantee from a third party having the Required Ratings by Fitch, in support of its obligations under the Interest Swap Agreement (Fixed/Floating). Pending compliance with either of the alternatives described above, Party B shall, from the occurrence of the Second Subsequent Fitch Rating Event, post or assign collaterals in the form of cash or securities to Party A at an institution with short-term unsecured and unsubordinated debt obligations rated at least as high as F1 by Fitch, in terms of Collateral Assignment Schedule III based on the Fitch Criteria. If (B) should be chosen for (1), (2) and (3) above, both the guarantee referred to therein and the legal opinion attached thereto shall be reviewed by Fitch or its legal advisers. The guarantee shall be verified by Fitch or its legal advisers as to its enforceability. All costs, expenses and taxes incurred upon complying with the foregoing actions and obligations shall be borne by Party B. The alternative actions described in this section, and the deadlines and ratings, based on Fitch's current criteria, may be updated, changed or replaced by Fitch. Any replacement, substitution, guarantee, collateral or assignment shall be made on such terms as the Management Company and Fitch shall deem appropriate in order to ensure maintenance of the ratings assigned to each Bond Series by Fitch, based on the Fitch Criteria in force at the time. (ii) Moody's Criteria. Party B shall irrevocably agree as follows under the Interest Swap Agreement (Fixed/Floating): (1) If at any time during the life of the Bond Issue neither Party B nor any of its Credit Support

Section	Description
	Providers has the First Required Rating Threshold ("First Rating Default"), then Party B shall, within thirty (30) Business Days of the occurrence of that circumstance, do any of the following: a) Obtain a Replacement having the First Required Rating Threshold (or a Replacement with a Credit Support Provider having the First Required Rating Threshold). b) Obtain a Credit Support Provider having the First Required Rating Threshold. c) Post or assign collateral in the form of cash or securities to Party A at an institution with short-term unsecured and unsubordinated debt obligations rated P-1 by Moody's, in the required First Rating Default amount in terms of Collateral Assignment Schedule III based on Moody's Criteria. The collateral amount posted to Party A by Party B under this section (1) shall be retransferred to Party B when the events triggering the First Rating Default cease. (2) If at any time during the life of the Bond Issue neither Party B nor any of its Credit Support Providers has the Second Required Rating Threshold ("Second Rating Default"), then Party B shall, on a best efforts basis and as soon as possible, (A) obtain a Credit Support Provider having at least the Second Required Rating Threshold; or (B) obtain an Eligible Replacement having at least the Second Required Rating Threshold (or a Replacement with a Credit Support Provider having the Second Required Rating Threshold). Pending compliance with either alternative described above, Party B shall, within thirty (30) Business Days of the occurrence of the Second Rating Default, post or assign collaterals in the form of cash or securities to Party A, at an institution with short-term unsecured and unsubordinated debt obligations rated P-1 by Moody's, in the required Second Rating Default amount in terms of Collateral Assignment Schedule III based on Moody's Criteria. The collateral amount posted to Party A by Party B under this section (2) shall be retransferred to Party B: a) in full, when the events triggering the First Rating Default cease, or, b) in part, when the events triggering the Second Rating Default cease but the events triggering the First Rating Default do not, in which case the collateral shall be posted in the required First Rating Default amount. Party B's obligations under (1) and (2) above, and the Termination events deriving therefrom, shall only apply during such time as the events respectively triggering the First Rating Default or the Second Rating Default are in place. All costs, expenses and taxes incurred upon complying with the foregoing actions and obligations shall be borne by Party B. In connection with Moody's Criteria: "Eligible Guarantee" shall mean an unconditional and irrevocable guarantee provided by a Credit Support Provider jointly and severally (as principal obligor) directly enforceable by Party A with respect to which (A) a law firm provides a legal opinion confirming that none of the payments made by that institution to Party A under the Guarantee results in any requirement for deduction or withholding for or on account of any tax; or (B) the Guarantee determines that, if any such payments made by the Credit Support Provider to Party A results

Section	Description
	in any requirement for deduction or withholding for or on account of any tax, that Credit Support Provider shall be bound to pay that additional amount in order for the net payment ultimately received by Party A (clear of any tax) to be equal to the total amount which Party A would have received had there been no such deduction or withholding; or (C) if any payment under that guarantee is made net of deductions or withholdings for or on account of any tax, then Party B shall make an additional payment in order to ensure that the net amount received by Party A from the credit support provider shall be equal to the total amount which Party A would have received had there been no such deduction or withholding. “Credit Support Provider” shall mean an institution providing an unconditional, irrevocable and first demand guarantee with respect to all present and future obligations of Party B under the Interest Swap Agreement (Fixed/Floating) (the “Eligible Guarantee”). “Relevant Entity” or “Relevant Entities” shall mean Party B and any credit support provider under an Eligible Guarantee with respect to all present and future obligations of Party B under this Agreement. “Moody’s Short-Term Rating” shall mean a credit rating assigned by Moody’s under its short-term scale with respect to an entity’s short-term unsecured and unsubordinated debt obligations. “Replacement” shall mean any institution taking over as Party B under the Interest Swap Agreement (Fixed/Floating) or entering into a new Interest Swap Agreement with Party A, on terms substantially identical with the Interest Swap Agreement (Fixed/Floating) (which shall be confirmed by Party A, on a best efforts basis), and provided that (A) a law firm provides a legal opinion confirming that none of the payments made by that institution to Party A results in any requirement for deduction or withholding for or on account of any tax; or (B) if there is any such deduction or withholding, the payment made by that institution shall be increased by whatever amount is necessary in order for the net payment received by Party A to be equal to such other amount as Party A would have received had there been no such deduction or withholding. That institution shall thereafter, to all intents and purposes, be considered Party B under the Interest Swap Agreement (Fixed/Floating) or in the new protection agreement to be entered into. “Eligible Replacement” shall mean a Replacement (A) with the Second Required Rating Threshold, or (B) whose present and future obligations due to Party A under this Agreement (or its successor as applicable) are supported by a Guarantee provided by a Credit Support Provider having the Second Required Rating Threshold. An entity shall have the “First Required Rating Threshold” (A) in the event that such entity has a Moody’s Short-Term Rating, if that rating is P-1 and its long-term unsecured and unsubordinated debt obligations are rated at least as high as A2 by Moody’s, and (B) in the event that such entity does not have a Moody’s Short-Term Rating, if its long-term unsecured and unsubordinated debt obligations (or its counterparty obligations) are rated at least as high as A1 by Moody’s. An entity shall have the “Second Required Rating Threshold” (A) in the event that such entity has a Moody’s Short-Term Rating, if that rating is at least as high as P-2 and its long-term unsecured and unsubordinated debt obligations are rated at least as high as A3 by Moody’s, and (B) in the event that such entity does not have a Moody’s Short-Term Rating, if its long-term unsecured and unsubordinated debt obligations (or its counterparty obligations) are rated at least as high as A3 by Moody’s.”

- In relation to the material event notified on December 26, 2008, concerning the downgrade by Fitch Ratings of Bancaja’s short-term credit rating to F2 from F1, and specifically to the Bond Paying Agent

Agreement to which Bancaja is a counterparty as Paying Agent, for the record because Bancaja's continuity as Paying Agent with the aforesaid F2 credit rating does not adversely affect the ratings assigned to each Bond Series by Fitch Ratings, the actions provided for in the event of the short-term debt obligations being downgraded below F1 were not taken and the terms of that Agreement shall be amended to include F2 as the minimum short-term rating required for the Paying Agent to continue in accordance with Fitch Ratings' current criteria.

Issued to serve and avail as required by law, at Madrid, on May 29, 2009.

Mario Masiá Vicente
General Manager

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

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

RISK FACTORS

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

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

The Fund is a separate closed-end fund devoid of legal personality and is managed by a management company, in accordance with Royal Decree 926/1998. The Fund shall be liable only for its obligations to its creditors with its assets.

The Fund shall have open-end revolving assets and closed-end liabilities. Its assets shall comprise the Initial Credit Rights to be acquired upon being constituted, and, as replacement upon repayment of the Credit Rights, such Additional Credit Rights as may be acquired on each Payment Date during the Revolving Period, which shall end on the Payment Date falling on May 26, 2008, unless that period is terminated sooner in accordance with the provisions of section 2.2.2.2.1 of the Building Block.

The Management Company shall discharge for the Fund the functions attributed to it in Royal Decree 926/1998, and enforce Bondholders' interests as the manager of third-party portfolios. There shall be no syndicate of bondholders.

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.

c) Limitation of actions against the Management Company.

Bondholders and all other ordinary creditors of the Fund shall have no recourse whatsoever against the Fund Management Company other than as derived from breaches of its duties or inobservance of the provisions of the Deed of Constitution and of this Prospectus.

d) Applicability of the Bankruptcy Act.

In the event of bankruptcy of BANCAJA as Originator of the Credit Rights, the assets owned by the Fund, saving money, because it is by nature a fungible asset, existing in the bankruptcy estate of BANCAJA would belong to the Fund and should be made available to it on the terms of articles 80 and 81 of Bankruptcy Act 22/2003, July 9 (the "**Bankruptcy Act**").

Notwithstanding the above, both this Prospectus and the Deed of Constitution make provision for certain mechanisms in order to mitigate the aforesaid effects in relation to money because it is by nature a fungible asset.

In this sense, in order to mitigate the consequences of the Originator being decreed in bankruptcy on the rights of the Fund, in particular in connection with article 1527 of the Civil Code and because the assignment by BANCAJA to the Fund of the Credit Rights shall not be notified to the Obligors, provision has been made in section 3.3.1.3 of the Building Block that, 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 it reasonably justified, the Management Company may demand the Servicer to notify Obligors and guarantors, if any, of the transfer to the Fund of the outstanding Credit Rights, 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 and guarantors, if any.

Moreover, and for the same purposes of mitigating the aforesaid risk, provision has been made for certain means which are described in sections 3.4.4.1 (Treasury Account), 3.4.4.2 (Principal 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.

The structure of the asset securitisation transaction contemplated does not, failing a breach by the parties, allow for the existence of cash amounts which may be included in the Management Company's estate, because Fund income amounts shall be paid, on the terms provided for in this Prospectus, into the accounts opened in the Fund's name by the Management Company (which is involved in opening those accounts, not only as a simple attorney for the Fund, but as its authorised representative), and the Fund would therefore have a right of separation in that connection, on the terms provided for in articles 80 and 81 of the Bankruptcy Act.

Notwithstanding the above, bankruptcy of any of the parties involved (whether BANCAJA, the Management Company or any other counterparty institution of the Fund) could affect their contractual relationships with the Fund.

e) Third-party relations.

The Fund, represented by the Management Company, has entered into agreements with third parties for the provision of certain services and financial transactions in relation to the Credit Rights and the Bonds. These include the Loan Servicing Agreement, the Start-Up Loan Agreement, the Subordinated Loan Agreement, the Interest Swap Agreements, the Bond Issue Paying Agent Agreement, the Guaranteed Interest Rate Account (Treasury Account) Agreement, the Guaranteed Interest Rate Account (Principal Account) Agreement, the Financial Intermediation Agreement and the Bond Issue Management, Underwriting and Placement and Subscription Agreement.

Bondholders may be aggrieved in the event of any of the Fund's counterparties under those agreements being in breach of the obligations they shall accept under any of them.

2 Risks derived from the securities.

a) Liquidity.

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

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

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

b) Yield.

Calculation of the yield (internal rate of return) of the Bonds in each Series contained in section 4.10 of the Securities Note is subject to future market interest rates, given the floating nature of the Nominal Interest Rate of each Series.

c) Duration.

Calculation of the average life and duration of the Bonds in each Series contained in section 4.10 of the Securities Note is subject to fulfilment of Credit Right repayment and to assumed Credit Right prepayment rates that may not be fulfilled. Credit Right 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) Subordination of the Bonds.

Interest payment and principal repayment on Series B Bonds is deferred with respect to Series A Bonds, whereas interest payment and principal repayment on Series C Bonds is deferred with respect to Series A and Series B Bonds. For their part, interest payment and principal repayment on Series D Bonds is deferred with respect to Series A, Series B and Series C Bonds. Nevertheless, there is no certainty that these subordination rules shall protect Series A, B and C Bondholders from the risk of loss.

The subordination rules for the various Series are laid down in the Priority of Payments and in the Liquidation Priority of Payments of the Fund, in accordance with section 3.4.6 of the Building Block.

f) Deferment of interest.

This Prospectus and all other supplementary Bond-related documents provide for Series B and C Bond interest payment to be deferred in the event of the occurrence of the circumstances provided for in section 3.4.6.2.1.2 of the Building Block.

Series A and Series D Bond interest is not subject to these deferment rules.

g) Rating of the Bonds.

The credit risk of the Bonds issued by the Fund has been rated by the rating agencies Fitch Ratings España S.A. and Moody's Investors Service España S.A.

The said rating agencies may review, suspend or withdraw the final ratings assigned at any time, based on any information that may come to their notice.

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

3 Risks derived from the assets backing the issue.

a) Risk of default on the Credit Rights.

Bondholders shall bear the risk of default on the Credit Rights pooled in the Fund.

BANCAJA, as Originator, shall have no liability whatsoever for the Obligors' default of principal, interest or any other amount they may owe under the Credit Rights. Under article 348 of the Commercial Code and 1529 of the Civil Code, BANCAJA is liable to the Fund for the existence and lawfulness of the Loans, and for the personality with which the assignment is made. BANCAJA 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 Credit Rights, other than the undertakings contained in section 2.2.9 of the Building Block regarding substitution or redemption of Credit Rights failing to conform, on the date of assignment to the Fund, 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 BANCAJA or the Management Company. No other guarantees have been granted by any public or private organisation whatsoever, including BANCAJA, the Management Company and any of their affiliated or associated companies.

b) Limited Hedging.

A high level of delinquency of the Credit Rights might reduce or indeed exhaust the limited hedging against Credit Right losses that the Bonds in each Series distinctly have as a result of the existence of the credit enhancement transactions described in section 3.4.2 of the Building Block.

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

c) Credit Right prepayment risk.

There will be a prepayment of the Credit Rights pooled in the Fund when the Obligors prepay the portion of principal pending repayment on the Credit Rights.

Once the Credit Right Revolving Period is over, 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 Principal Available Funds contained in section 4.9.3.1.5 of the Securities Note.

d) Geographical concentration.

The number of selected loans to be assigned to the Fund upon being established with obligors who are residents of the Valencian Community is 72,637 (82.97% of the total loans), and their outstanding principal amounts to EUR 548,662,285.82 (79.21% of the total), as detailed in section 2.2.2.1.f) of the Building Block.

Given this concentration level, any circumstance whatsoever having a substantial negative effect on the Valencian Community could affect payments of the Credit Rights backing the Fund's Issue of Asset-Backed Bonds.

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 CONSUMO BANCAJA 1 FONDO DE TITULIZACIÓN DE ACTIVOS (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 April 24, 2006.

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, in accordance with the statutory provisions in force on the subject.

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 Comisión Nacional del Mercado de Valores (*National Securities Market Commission*) (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 February 28, 2011, inclusive.

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

3. RISK FACTORS

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

4. INFORMATION ABOUT THE ISSUER

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

The Issuer is an asset securitisation fund to be established in accordance with Spanish laws.

The Fund shall have open-end revolving assets and closed-end liabilities. Its assets shall comprise the Initial Credit Rights to be acquired upon being constituted, and, as replacement upon repayment of the Credit Rights, such Additional Credit Rights as may be acquired on each Payment Date during the Revolving Period, which shall end on the Payment Date falling on May 26, 2008, unless terminated sooner in accordance with the provisions of section 2.2.2.2.1 of the Building Block.

4.2 Legal and commercial name of the issuer.

The issuer's name is "CONSUMO BANCAJA 1 FONDO DE TITULIZACIÓN DE ACTIVOS" and the following short names may also be used without distinction to identify the Fund:

- CONSUMO BANCAJA 1 FTA
- CONSUMO BANCAJA 1 F.T.A.

4.3 Place of registration of the issuer and registration number.

The place of registration of the Fund is in Spain at the CNMV. The Fund was entered in the Official Registers of the CNMV on June 22, 2006.

Companies Register

For the record, neither the establishment of the Fund nor the Bonds issued backed by its assets shall be entered in the Companies Register, in pursuance of the facultative authority for which provision is made in article 5.4 of Royal Decree 926/1998.

4.4 Date of establishment and existence of the issuer.

4.4.1 Date of establishment of the Fund.

The Management Company shall with CAJA DE AHORROS DE VALENCIA, CASTELLÓN Y ALICANTE, BANCAJA ("BANCAJA"), originator of the Credit Rights (the "Originator"), proceed to execute on June 26, 2006 a public deed whereby CONSUMO BANCAJA 1 FONDO DE TITULIZACIÓN DE ACTIVOS will be established, BANCAJA will assign to the Fund the Initial Credit Rights, and the Fund will issue the Asset-Backed Bonds (the "Deed of Constitution"), on the terms provided in article 6 of Royal Decree 926/1998.

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

The Deed of Constitution may not be changed 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 changes shall require that the Management Company first notify and secure the prior authorisation, if necessary, of the CNMV or competent administrative body and the Rating Agencies, and provided that such changes are not detrimental to the rating assigned to the Bonds by the Rating Agencies or to Bondholders. 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 May 26, 2020 or the following Business Day if that is not a Business Day, the Final Maturity Date of the Bond Issue, unless there should previously have been an Early Liquidation as set forth in section 4.4.3 of this Registration Document or any of the events laid down in section 4.4.4 of this Registration Document should occur.

4.4.3 Early Liquidation of the Fund.

4.4.3.1 Following notice served on the CNMV, the Management Company shall be entitled to proceed to 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 Credit Rights yet to be repaid is less than ten (10) percent of the Outstanding Balance of the Initial Credit Rights upon the Fund being established, and provided that the payment obligations derived from the 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) 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.
- (iv) When a default occurs indicating a major permanent imbalance in relation to any of the Bonds issued or that it is about to occur.
- (v) Upon the lapse of eighteen (18) months from the date of the last maturity of the Credit Rights, even if amounts are still due and payable.

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

- (i) That Bondholders be given not less than fifteen (15) Business Days' notice, as prescribed in section 4.1.3.2 of the Building Block, of the Management Company's resolution to proceed to an early liquidation of the Fund.
- (ii) That the Management Company first notify or secure the prior authorisation, if necessary, of the CNMV or competent administrative body and the Rating Agencies.
- (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.

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 Credit Rights remaining in the Fund for a price of not less than the sum of the principal still outstanding plus interest accrued and not paid on the remaining Credit Rights.
- (ii) Shall proceed to terminate such agreements as are not necessary for the Fund liquidation procedure.
- (iii) Shall be entitled to arrange for a credit facility which shall be fully allocated to the Early Amortisation of the Series A, B and C 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 A, B and C yet to be repaid, weighted by the Outstanding Principal Balance of each of those Series. Payment of interest accrued and principal repayment on that credit facility shall be made in accordance with the Liquidation Priority of Payments.
- (iv) Finally, both due to an insufficiency of the preceding actions and the existence of Credit Rights or other remaining assets of the Fund, the Management Company shall proceed to sell them and shall therefore invite a bid from at least five (5) entities who may, in its view, give a market value. The Management Company shall be bound to accept the best bid received for the Credit Rights and assets on offer. 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, the Originator shall have a pre-emptive right and will therefore have priority over third parties to acquire the Credit Rights or other assets remaining on the assets of the Fund, or to grant to the Fund the credit facility designed for the Early Amortisation of the Series A, B and C Bonds. The Management Company shall therefore send the Originator a list of the assets and of third-party bids received, and the latter may use that right for all of the Credit Rights or other remaining assets offered by the Management Company and/or the credit facility within five (5) Business Days of receiving said notice, and provided that its bid is at least equal to the best of the third-party bids, as provided for in (iv) above.

- 4.4.3.4 The Management Company shall forthwith apply all the proceeds from the sale of the Fund's assets to paying the various items, in such manner, amount and order as shall be requisite in the Liquidation Priority of Payments, other than the amounts, if any, drawn under the credit facility arranged for Early Amortisation of the outstanding Series A, B and C Bonds, which shall be fully allocated to amortisation of those Series.

4.4.4 Termination of the Fund.

The Fund shall terminate in any of the following events:

- (i) Upon the Credit Rights pooled therein being fully repaid.
- (ii) Upon the Bonds issued being fully amortised.
- (iii) When the Early Liquidation procedure established in section 4.4.3 above is over.
- (iv) Upon the final liquidation of the Fund on the Final Maturity Date on May 26, 2020 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, the assignment to the Fund of the Initial Credit Rights 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. If that remainder is not a liquid amount, since relating to Credit Rights that are pending the outcome of legal or notarial proceedings as a result of default by the Credit Right Obligor, both continuation thereof and the proceeds of their resolution shall be for the Originator.

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 Credit Rights and 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 Liquidation Available Funds, the Management Company shall execute a statutory declaration before a notary public declaring (i) that the Fund has terminated, and the events prompting its termination, (ii) how Bondholders and the CNMV were notified, and (iii) how the Fund's Liquidation Available Funds were distributed in the Liquidation Priority of Payments; notice of this shall be given in a nation-wide newspaper and all other appropriate administrative procedures will be observed. The Management Company will submit that statutory declaration to the CNMV.

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

In accordance with the provisions of article 1.1 of Royal Decree 926/1998, the Fund has no own legal personality, and Securitisation Fund Management Companies are entrusted with establishing, managing and 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 Securitisation 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) Royal Decree 926/1998, May 14, regulating asset securitisation funds and securitisation fund management companies ("**Royal Decree 926/1998**") and implementing regulations, (ii) Investment Trusts and Companies System and Mortgage Securitisation Funds Act 19/1992, July 7 ("**Act 19/1992**"), failing a provision in Royal Decree 926/1998 and to the extent applicable, (iii) Act 3/1994, April 14, adapting Spanish law in regard to credit institutions to the Second Banking Co-ordination Directive and introducing other changes relating to the financial system ("**Act 3/1994**"), (iv) Securities Market Act 24/1988, July 28, as currently worded, in regard to their supervision, inspection and sanctions, (v) Commission Regulation (EC) no. 809/2004, April 29, 2004, and (vi) all other legal and statutory provisions in force and applicable from time to time.

4.5.1 Tax system of the Fund.

In accordance with the provisions of article 1.2 of Royal Decree 926/1998; article 5.10 of Act 19/1992; article 7.1.h) of the 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 the Consolidation of the Capital Transfer and Documents Under Seal Tax approved by Legislative Royal Decree 1/1993, September 24; Act 23/2005, November 18, on tax reforms for boosting productivity, and Act 13/1985, May 25, on investment ratios, equity and reporting obligations of financial intermediaries; and additional provision five of Act 3/1994, the following are the characteristics of the tax system of the Fund:

- (i) The establishment of the Fund is exempt from the “corporate transactions” item of Capital Transfer and Documents Under Seal Tax.
- (ii) Bond issue, subscription, transfer and amortisation are 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, at the general rate in force from time to time, which currently stands at 35%.
- (iv) Management and custody of the Fund are exempt from Value Added Tax.
- (v) As for returns on Loans or other credit rights constituting Fund income, there shall be no Corporation Tax withholding or interim payment obligation.
- (vi) The assignment of the Credit Rights to the Fund is a transaction subject to and exempt from Value Added 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 (i) to acquire a set of credit rights owned by BANCAJA derived from loans granted to Spanish individuals or individuals resident in Spain (the “**Obligors**”) to finance the purchase of goods or services (the “**Loans**”), assigned by BANCAJA to the Fund (the “**Credit Rights**”), comprising the Credit Rights acquired by the Fund upon being established (the “**Initial Credit Rights**”) and the Credits Rights later acquired during the Revolving Period (the “**Additional Credit Rights**”), and (ii) to issue asset-backed bonds (either the “**Asset-Backed Bonds**” or the “**Bonds**”) designed to finance the acquisition of the Credit Rights and set up the Initial Cash Reserve, the underwritten placement of which is targeted at qualified investors.

Credit Right interest and repayment income received by the Fund shall be allocated quarterly on each Payment Date to payment of Bond interest and other expenses and acquisition of Additional Credit Rights during the Revolving Period and, upon the same ending, to principal repayment on the Asset-Backed Bonds issued on the specific terms of each of the Series making up the issue of Asset-Backed 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 Credit Rights and the Bonds, and, generally, enable the financial transformation carried out in respect of the Fund’s assets between the financial characteristics of the Credit Rights and the financial characteristics of each of the 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 takes responsibility for the contents of this Prospectus.

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).

- CAJA DE AHORROS DE VALENCIA, CASTELLÓN Y ALICANTE, BANCAJA (“**BANCAJA**”) is the originator of the Credit Rights to be acquired by the Fund, shall be a Lead Manager of the Bond Issue, a Series A, B and C Bond Underwriter and Placement Agent, shall fully subscribe for Series D Bonds, and also takes responsibility for the contents of the Securities Note.

Out of the functions and activities that Lead Managers may discharge in accordance with article 35.1 of Royal Decree 1310/2005, BANCAJA has 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 offering for Bond Issue subscription, (ii) liaising with potential investors and being a Series A, B and C Bond subscription book runner, (iii) liaising with all other Underwriters and Placement Agents, and (iv) all other actions and activities provided for in respect of the Lead Managers in the Securities Note.

Moreover, BANCAJA shall be counterparty to the Fund in the Guaranteed Interest Rate Account (Treasury Account), Guaranteed Interest Rate Account (Principal Account), Start-Up Loan, Credit Right Servicing, Bond Paying Agent, Financial Intermediation and Interest Swap (Fixed/Floating) Agreements and Series D Bond subscriber.

BANCAJA is a savings bank incorporated in Spain and entered in the Companies Register of Castellón at volume 532, book 99 of the General Section, sheet CS-2749, folio 1, entry 1, and in the Bank of Spain's Special Register of Savings Banks under number 49, its code number being 2077.

VAT REG. No.: G-46/002804 Business Activity Code No.: 65122

Registered office: Caballeros number 2, 12001 Castellón (Spain).

Principal place of business: Pintor Sorolla number 8, 46002 Valencia.

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

	Fitch Ratings	Moody's Ratings
Short-term	F1 (July 2005)	P-1 (July 9, 1997)
Long-term	A+ (July 2005)	A1 (July 9, 1997)

- J.P. MORGAN SECURITIES LTD. (“**JPMORGAN**”) shall be a Lead Manager of the Bond Issue and a Series A, B and C Bond 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, JPMORGAN will, together with the other Lead Managers, do the following: (i) temporary and marketing actions and activities in connection with the offering for Bond Issue subscription, (ii) liaising with potential investors and being a Series A, B and C Bond subscription book runner, (iii) liaising with all other Underwriters and Placement Agents, and (iv) all other actions and activities provided for in respect of the Lead Managers in the Securities Note.

JPMORGAN is a limited liability company incorporated in the United Kingdom and entered in the companies register of England and Wales under number 2711006. Moreover, JPMORGAN is registered with the CNMV as a European Economic Area Investment Services Company in Free Provision of Services under registration number 107 dated 05.01.1996.

VAT REG. No.: GB 397 2498 93

Registered office: 125 London Wall, EC2Y 5AJ London (United Kingdom)

- BNP PARIBAS Sucursal en España (“**BNP PARIBAS**”) shall be a Lead Manager of the Bond Issue and a Series A, B and C Bond 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, BNP PARIBAS will, together with the other Lead Managers, do the following: (i) temporary and marketing actions and activities in connection with the offering for Bond Issue subscription, (ii) liaising with potential investors and being a Series A, B and C Bond subscription book

runner, (iii) liaising with all other Underwriters and Placement Agents, and (iv) all other actions and activities provided for in respect of the Lead Managers in the Securities Note.

BNP PARIBAS is a bank incorporated in France acting through its Branch in Spain which is registered with the Bank of Spain as a branch of a Community foreign credit institution under code number 0149.

VAT REG. No.: 0011117-I

Registered Office: Calle Ribera del Loira number 28, 28042 Madrid (Spain)

- BNP PARIBAS SOCIÉTÉ ANONYME ("**BNP PARIBAS SA**") shall be the Fund's counterparty in the Interest Swap Agreement (Floating/Floating).

BNP PARIBAS SA is a bank incorporated and registered in France, with place of business in Paris, 016 Boulevard des Italiens 75009, entered in the trade and companies register of Paris under number R.C.S. Paris B662 042 449 (1966B04244).

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

	Fitch Ratings	Moody's Ratings	S&P Ratings
Short-term	F1	P-1	A-1
Long-term	AA	Aa2	AA

- Fitch Ratings España, S.A. is one of the two rating agencies (collectively, the "**Rating Agencies**") of each Series in the Bond Issue.

Fitch Ratings España, S.A. is a Spanish company licensed as a rating agency by the CNMV, which is part of and operates in accordance with the methodology, standards and quality control of Fitch Ratings Limited (each of them "**Fitch**" without distinction).

VAT REG. No.: A-58090655

Registered Office: Paseo de Gracia number 85, 7th floor, 08008 Barcelona (Spain)

- Moody's Investors Service España, S.A. is one of the two Rating Agencies of each Series in the Bond Issue.

Moody's Investors Service España, S.A. is a Spanish company licensed as a rating agency by the CNMV, which is part of and operates in accordance with the methodology, standards and quality control of Moody's Investors Service Limited (each of them "**Moody's**" without distinction).

VAT REG. No.: A-80448475

Registered Office: Bárbara de Braganza number 2, 28004 Madrid (Spain)

- The law firm J&A Garrigues S.L. ("**GARRIGUES**"), as independent adviser, has provided legal advice for establishing the Fund and issuing the Bonds and reviewed the tax implications thereof.

VAT Reg. Number: B-81709081

Registered Office: Calle Hermosilla number 3, 28001 Madrid (Spain)

- Ernst & Young S.L. ("**Ernst & Young**") has audited the selected loans of BANCAJA.

Ernst & Young is entered in the Official Register of Auditors (ROAC) of Spain under number S0530.

VAT Reg. Number: B-7890506

Registered Office: Plaza Pablo Ruiz Picasso number 1 28020 Madrid (Spain)

J.P. MORGAN SECURITIES LTD. is part of the same Group as J.P. MORGAN ESPAÑA, S.A., and the latter in turn has a 4.00 percent interest in the Management Company's share capital.

BNP PARIBAS Sucursal en España is part of the same Group as BNP PARIBAS ESPAÑA, S.A., and the latter in turn has a 0.7658 percent interest in the Management Company's share capital.

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. ADMINISTRATION, 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 Royal Decree 926/1998, Act 19/1992, failing a provision in Royal Decree 926/1998 and to the extent applicable, and other applicable laws, and on the terms of the Deed of Constitution and this Prospectus.

6.1 Incorporation and registration at the Companies Register.

EUROPEA DE TITULIZACIÓN, S.A., SOCIEDAD GESTORA DE FONDOS DE TITULIZACIÓN was incorporated in a public deed executed on January 19, 1993 before Madrid Notary Public Mr Roberto Blanquer Uberos, his document number 117, with the prior authorisation of the Economy and Finance Ministry, given on December 17, 1992, and entered in the Companies Register of Madrid at volume 5,461, book 0, folio 49, section 8, sheet M-89355, entry 1, on March 11, 1993; the company was re-registered as a Securitisation Fund Management Company in accordance with the provisions of chapter II and of 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 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, 2005, 2004 and 2003 have been audited by the firm Deloitte S.L., entered in the Official Register of Auditors (ROAC) of Spain under number S0692.

The audit reports on the annual accounts for the years 2005, 2004 and 2003 have no provisos.

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 manages 55 securitisation funds as at the registration date of this Registration Document, 21 being mortgage securitisation funds and 34 being asset securitisation funds.

The following table itemises the 55 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 Initially	Bond Balance 31.05.2006	Issue	Bond Balance 31.12.2005	Issue	Bond Issue Balance 31.12.2004
		EUR	EUR	Δ%	EUR	Δ%	EUR
TOTAL		49,617,846,652.96	36,031,113,157.88	10.9%	32,490,363,122.22	49.44%	21,742,066,167.51
Mortgage (FTH)		12,627,546,652.96	7,227,348,140.76	11.6%	6,475,261,178.18	14.32%	5,664,315,494.43
Bankinter 12 FTH	06.03.2006	1,200,000,000.00	1,200,000,000.00				
Valencia Hipotecario 2 FTH	07.12.2005	950,000,000.00	898,631,258.10	-5.4%	950,000,000.00		
Bankinter 11 FTH	28.11.2005	900,000,000.00	900,000,000.00	0.0%	900,000,000.00		
Bankinter 7 FTH	18.02.2004	490,000,000.00	341,950,245.14	-4.1%	356,717,443.60	-19.5%	443,242,308.18
Bankinter 5 FTH	16.12.2002	710,000,000.00	425,905,310.16	-8.6%	465,770,758.79	-18.1%	568,496,104.12
BZ Hipotecario 4 FTH	27.11.2002	313,400,000.00	149,629,849.60	-12.5%	170,910,609.60	-20.4%	214,702,964.80

Securitisation Fund	Establishment	Bond Issue Initially	Bond Balance 31.05.2006	Issue	Bond Balance 31.12.2005	Issue	Bond Issue Balance 31.12.2004
		EUR	EUR	Δ%	EUR	Δ%	EUR
Rural Hipotecario IV FTH	14.11.2002	520,000,000.00	278,247,495.02	-10.6%	311,312,202.68	-18.7%	383,066,455.30
Bancaja 4 FTH	05.11.2002	1,000,000,000.00	500,464,725.25	-5.6%	530,288,384.35	-21.7%	676,910,165.65
Bankinter 4 FTH	24.09.2002	1,025,000,000.00	637,431,589.04	-8.4%	695,988,565.76	-13.6%	805,537,009.40
Rural Hipotecario III FTH	14.05.2002	325,000,000.00	173,321,792.47	-5.2%	182,884,293.55	-17.5%	221,756,180.86
Bankinter 3 FTH	22.10.2001	1,322,500,000.00	686,576,079.75	-8.7%	752,104,867.20	-14.8%	882,775,463.04
BZ Hipotecario 3 FTH	23.07.2001	310,000,000.00	115,966,914.66	-11.7%	131,343,594.55	-20.2%	164,493,197.56
Rural Hipotecario II FTH	29.05.2001	235,000,000.00	97,410,638.20	-10.4%	108,722,959.00	-19.6%	135,215,972.80
BZ Hipotecario 2 FTH	28.04.2000	285,000,000.00	69,021,372.10	-13.0%	79,335,648.86	-24.0%	104,365,347.64
Rural Hipotecario I FTH	22.02.2000	200,000,000.00	59,958,098.48	-12.7%	68,686,186.28	-20.5%	86,384,087.06
Bankinter 2 FTH	25.10.1999	320,000,000.00	124,456,513.10	-9.1%	136,877,163.99	-16.5%	163,903,710.50
Bankinter 1 FTH	12.05.1999	600,000,000.00	167,091,605.88	-11.3%	188,428,409.46	-19.3%	233,577,234.54
BZ Hipotecario 1 FTH	16.04.1999	350,000,000.00	78,581,050.38	-7.6%	85,068,186.20	-22.9%	110,269,777.88
Hipotecario 2 FTH	04.12.1998	1,051,771,182.67	248,299,767.84	-12.9%	285,097,903.72	-21.5%	363,220,856.66
Bancaja 2 FTH	23.10.1998	240,404,841.75	59,937,667.99	0.0%	59,937,667.99	-22.4%	77,225,834.66
Bancaja 1 FTH	18.07.1997	120,202,420.88	14,466,167.60	-8.4%	15,786,332.60	-25.8%	21,266,914.30
BBV-MBS I FTH	30.11.1995	90,151,815.66	liquidated		0.00	-100.00%	7,905,909.48
Hipotecario 1 FTH	20.09.1993	69,116,392.00	liquidated				
Asset (FTA)		36,990,300,000.00	28,803,765,017.12	10.7%	26,015,101,944.04	61.8%	16,077,750,673.08
Rural Hipotecario VIII FTA	26.05.2006	1,311,700,000.00	1,311,700,000.00				
BBVA Consumo 1 FTA	08.05.2006	1,500,000,000.00	1,500,000,000.00				
MBS Bancaja 3 FTA	03.04.2006	810,000,000.00	810,000,000.00				
Bancaja 9 FTA	02.02.2006	2,022,600,000.00	1,981,238,900.00				
BBVA Autos 2 FTA	12.12.2005	1,000,000,000.00	1,000,000,000.00	0.0%	1,000,000,000.00		
EdT FTPYME Pastor 3 FTA	05.12.2005	520,000,000.00	480,220,047.21	-7.6%	520,000,000.00		
Rural Hipotecario Global I FTA	18.11.2005	1,078,000,000.00	1,008,720,041.27	-6.4%	1,078,000,000.00		
FTPYME Bancaja 4 FTA	07.11.2005	1,524,000,000.00	1,239,686,688.80	-18.7%	1,524,000,000.00		
BBVA 4 PYME FTA	26.09.2005	1,250,000,000.00	1,250,000,000.00	0.0%	1,250,000,000.00		
Bankinter 10 FTA	27.06.2005	1,740,000,000.00	1,740,000,000.00	0.0%	1,740,000,000.00		
MBS Bancaja 2 FTA	27.06.2005	809,200,000.00	653,801,822.96	-12.3%	745,472,663.52		
BBVA Hipotecario 3 FTA	13.06.2005	1,450,000,000.00	1,176,199,795.85	-11.0%	1,321,621,631.30		
Rural Hipotecario VII FTA	29.04.2005	1,100,000,000.00	959,061,473.82	-4.3%	1,002,428,919.05		
Bancaja 8 FTA	22.04.2005	1,680,100,000.00	1,387,725,156.82	-9.9%	1,539,361,229.38		
Bankinter 9 FTA	14.02.2005	1,035,000,000.00	1,035,000,000.00	0.0%	1,035,000,000.00		
BBVA-3 FTPYME FTA	29.11.2004	1,000,000,000.00	703,056,087.48	-29.7%	1,000,000,000.00	0.0%	1,000,000,000.00
Ruralpyme 1 FTPYME FTA	23.11.2004	214,000,000.00	160,225,980.46	-7.4%	173,024,296.72	-19.1%	214,000,000.00
BBVA Autos 1 FTA	25.10.2004	1,000,000,000.00	1,000,000,000.00	0.0%	1,000,000,000.00	0.0%	1,000,000,000.00
FTPYME Bancaja 3 FTA	11.10.2004	900,000,000.00	603,000,000.00	-33.0%	900,000,000.00	0.0%	900,000,000.00
Bancaja 7 FTA	12.07.2004	1,900,000,000.00	1,314,070,952.18	-24.9%	1,750,000,000.00	-7.9%	1,900,000,000.00
Rural Hipotecario VI FTA	07.07.2004	950,000,000.00	713,376,906.52	-8.7%	781,477,860.25	-14.9%	918,039,044.03
MBS Bancaja 1 FTA	17.05.2004	690,000,000.00	416,821,746.78	-39.6%	690,000,000.00	0.0%	690,000,000.00
Valencia H 1 FTA	23.04.2004	472,000,000.00	342,563,660.66	-7.7%	371,107,375.09	-14.9%	436,154,049.09
Bankinter 8 FTA	03.03.2004	1,070,000,000.00	801,021,985.91	-4.4%	837,970,768.01	-14.1%	976,014,308.21
Bancaja 6 FTA	03.12.2003	2,080,000,000.00	1,204,239,206.04	-12.1%	1,369,610,139.04	-34.2%	2,080,000,000.00
Rural Hipotecario V FTA	28.10.2003	695,000,000.00	474,264,387.76	-5.1%	499,528,194.12	-15.5%	591,221,073.84
Bankinter 6 FTA	25.09.2003	1,350,000,000.00	967,010,359.08	-7.3%	1,043,250,162.72	-12.4%	1,191,555,147.63
FTPYME Bancaja 2 FTA	19.09.2003	500,000,000.00	225,469,535.06	-16.6%	270,480,639.80	-44.0%	483,139,909.38
Bancaja 5 FTA	14.04.2003	1,000,000,000.00	533,460,657.25	-11.7%	604,031,954.00	-20.4%	758,585,912.95
Bancaja 3 FTA	29.07.2002	520,900,000.00	520,900,000.00	0.0%	520,900,000.00	0.0%	520,900,000.00
FTPYME Bancaja 1 FTA	04.03.2002	600,000,000.00	258,005,511.90	-1.1%	260,899,034.40	-56.5%	600,000,000.00
BBVA-2 FTPYME ICO	01.12.2000	900,000,000.00	231,400,719.09	-24.5%	306,595,443.42	-39.7%	508,081,398.75
BCL Municipios I FTA	21.06.2000	1,205,000,000.00	522,654,470.00	-12.3%	595,672,530.00	-26.9%	815,121,170.00
BBVA-1 FTA	24.02.2000	1,112,800,000.00	278,868,924.22	-2.0%	284,669,103.22	-42.5%	494,938,659.20

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)	31.12.2005	Δ%	31.12.2004	Δ%	31.12.2003
Equity *	3,095,298.97	0.00%	3,095,298.97	0.03%	3,094,300.50
Capital	1,803,037.50	0.00%	1,803,037.50	0.00%	1,803,037.50
Reserves	1,292,261.47	0.00%	1,292,261.47	0.08%	1,291,263.00
<i>Legal</i>	360,607.50	0.00%	360,607.50	0.28%	359,609.03
<i>Voluntary</i>	931,653.97	0.00%	931,653.97	0.00%	931,653.97
Year's profit	1,789,429.69	0.14%	1,786,915.94	0.84%	1,772,026.40

* 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 resolving to set up 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. 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 Benlloch 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.

** Mr Pertejo tendered his resignation as Vice-Chairman and member of the Board of Directors in a letter dated May 23, 2006. This is yet to be notified to the CNMV and yet to be entered in the Companies Register.

*** This appointment to the Executive Committee by the Board of Directors at a meeting held on March 28, 2006 has been notified to the CNMV and is yet to be entered in the Companies Register.

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.

Pedro M^a. Urresti Laca is currently a member of staff of J.P. MORGAN SECURITIES LTD., the firm involved in the securitisation transaction as Lead Manager and Underwriter and Placement Agent of the Bond Issue.

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

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

6.9 Litigation in the Management Company.

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

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 no financial statement has been prepared 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 the Management Company's and the Originator's corporate resolutions;
- c) this Prospectus;
- d) the agreements to be entered into by the Management Company for and on behalf of the Fund;
- e) the audit report on certain characteristics and attributes of a sample of all the loans selected from which the Initial Credit Rights will be taken to be assigned to the Fund upon being established;

- f) the letters from the Rating Agencies notifying the ratings assigned to each of the Series in the Bond Issue;
- g) the letters from the Lead Managers;
- h) the letter from the Originator;
- i) the letter from BANCAJA whereby this bank takes responsibility, with the Management Company, for the Securities Note;
- j) the notarial certificate of payment of the Bond Issue, once the Bond Issue is paid up;
- k) the Management Company's annual accounts and the relevant audit reports; and
- l) 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 of AIAF at www.aiaf.es, and is available to investors interested in the offer at the Underwriters' and Placement Agents' registered offices.

The Deed of Constitution of the Fund may be physically accessed at the place of business of Iberclear in Madrid, Calle Pedro Teixeira number 8.

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

SECURITIES NOTE

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

1 PERSONS RESPONSIBLE

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

- 1.1.1 Mr Mario Masiá Vicente, acting for and on behalf of EUROPEA DE TITULIZACIÓN S.A. SOCIEDAD GESTORA DE FONDOS DE TITULIZACIÓN, the company sponsoring CONSUMO BANCAJA 1 FONDO DE TITULIZACIÓN DE ACTIVOS, takes responsibility for the contents of this Securities Note.

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 April 24, 2006.

- 1.1.2 Mr Benito Castillo Navarro, duly authorised for these presents, acting for and on behalf of BANCAJA, Lead Manager of the Bond Issue by CONSUMO BANCAJA 1 FONDO DE TITULIZACIÓN DE ACTIVOS, takes responsibility for the contents of this Securities Note.

Mr Benito Castillo Navarro is acting as attorney for BANCAJA using the authorities conferred by BANCAJA in a power of attorney executed as a deed before Valencia Notary Public Mr Antonio Beasus Codes on May 5, 1992, his document number 974, and expressly for establishing the Fund pursuant to authorities conferred by the management body of BANCAJA, in pursuance of a deed publicly recording corporate resolutions on April 26, 2006, executed before Valencia Notary Public Mr José Luis López Rodríguez on May 24, 2006, his document number 1,741.

1.2 Declaration by those responsible for the Securities Note.

- 1.2.1 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.
- 1.2.2 Mr Benito Castillo Navarro 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 or control 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) BANCAJA has structured the financial terms of the Fund and the Bond Issue.

- c) BANCAJA is the Originator of the Credit Rights to be pooled in the Fund.
- d) BANCAJA, JPMORGAN and BNP PARIBAS are involved as Lead Managers of the Bond Issue and Series A, B and C Bond Underwriters and Placement Agents and shall be the placement agents in charge of keeping the Series A, B and C Bond subscription orders book (*joint book runners*).
- e) BANCAJA shall fully subscribe for Series D Bonds.
- f) BANCAJA is involved as Paying Agent of the Bond Issue and shall be counterparty to the Fund in the Guaranteed Interest Rate Account (Treasury Account), Guaranteed Interest Rate Account (Principal Account), Start-Up Loan, Credit Right Servicing, Bond Paying Agent, Interest Swap (Fixed/Floating) and Financial Intermediation Agreements.
- g) BNP PARIBAS SA is involved as the Fund's counterparty in the Interest Swap Agreement (Floating/Floating).

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

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

4.1 Total amount of the securities and underwriting.

4.1.1 Total amount of the securities.

The issue of Asset-Backed Bonds (the "**Bond Issue**" and the "**Bonds**") consists of Bonds denominated in euros and comprised of four Series distributed as follows:

- i) Series A having a total face amount of EUR five hundred and sixty-six million one hundred thousand (566,100,000.00) comprising five thousand six hundred and sixty-one (5,661) Bonds having a unit face value of EUR one hundred thousand (100,000), represented by means of book entries (either "**Series A**" or the "**Series A Bonds**").
- ii) Series B having a total face amount of EUR fourteen million seven hundred thousand (14,700,000.00) comprising one hundred and forty-seven (147) 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**").
- iii) Series C having a total face amount of EUR nineteen million two hundred thousand (19,200,000.00) comprising one hundred and ninety-two (192) 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**").
- iv) Series D having a total face amount comprised between EUR twelve million eight hundred thousand (12,800,000.00) and EUR thirteen million five hundred thousand (13,500,000.00) comprising 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**").

The total face amount of and consequently the number of Bonds in Series D shall be determined by the Management Company by 10am (CET time) on the day of the Subscription Period, based on the margin applicable to the Party B interest rate under the Interest Swap Agreement (Floating/Floating), in accordance with the provisions of section 3.4.7.1 of the Building Block, as established below.

Margin applicable to the Party B interest rate under the Interest Swap Agreement (Floating/Floating)			
Between 2.550% and 2.649%	Between 2.650% and 2.750%	Between 2.751% and 2.850%	Between 2.851% and 2.900%

Total face amount of Series D €13,500,000.00 €13,200,000.00 €12,900,000.00 €12,800,000.00

The total face amount of and consequently the number of Bonds in Series D determined in due course shall be notified by the Management Company by the start of the Subscription Period to the Lead Managers and to the Series A, B and C Underwriters and Placement Agents, to be in turn reported by the latter to investors interested in subscribing for the Bonds in these Series. Moreover, the Management Company will also notify this to the CNMV as information in addition to this Prospectus, and to the Rating Agencies. This shall also be set down in a public deed supplementing the Deed of Constitution to be executed by the Management Company by the start of the Subscription Period.

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

4.1.2 Bond issue price.

The Bonds are issued at 100 percent of their face value. The issue price of the Bonds in each of Series A, B and C shall be EUR one hundred thousand (100,000) per Bond, clear of taxes and subscription costs for the subscriber through the Fund.

The expenses and taxes attaching to the Bond issue shall be borne by the Fund.

4.1.3 Underwriting placement of Series A, B and C Bonds and subscription for Series D Bonds.

The Bond Issue shall be underwritten and placed by CAJA DE AHORROS DE VALENCIA, CASTELLÓN Y ALICANTE, BANCAJA ("BANCAJA"), J.P. MORGAN SECURITIES LTD. ("JPMORGAN") and BNP PARIBAS Sucursal en España ("BNP PARIBAS") as Lead Managers of the Bond Issue and Series A, B and C Bond Underwriters and Placement Agents and by BANCAJA as Series D Bond subscriber under the Bond Issue Management, Underwriting, Placement and Subscription Agreement to be entered into by the Management Company for and on behalf of the Fund.

1. Underwriting and placement of Series A, B and C Bonds.

The Underwriters and Placement Agents of the Series A, B and C Bonds shall take on the obligations laid down in the Management, Underwriting, Placement and Subscription Agreement, which are broadly the following: 1) securing placement by a third-party subscription for Series A, B and C Bonds; 2) an undertaking to subscribe on their own account for 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 JPMORGAN and BNP PARIBAS to the Paying Agent, by 2pm (CET time) on the Closing Date, for same day value, of the face amount of the Series A, B and C Bonds they shall each have placed and subscribed for on their own account, as the case may be, up to their respective underwriting commitments, 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 Series A, B and C 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 agreement in the event of late payment of amounts due; 5) providing subscribers with a document proving subscription; 6) providing the Paying Agent with Series A, B and C Bond 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 Series A, B and C Bonds:

Underwriter and Placement Agent	Face amount underwritten in each Series (EUR)		
	Series A Bonds	Series B Bonds	Series C Bonds
BANCAJA	188,700,000.00	4,900,000.00	6,400,000.00
BNP PARIBAS	188,700,000.00	4,900,000.00	6,400,000.00
JPMORGAN	188,700,000.00	4,900,000.00	6,400,000.00
Total	566,100,000.00	14,700,000.00	19,200,000.00

Notwithstanding the above, the Underwriters and Placement Agents shall be released from their underwriting commitment and BANCAJA shall have to underwrite all of Series A, B and C Bonds in the event that, by 1pm (CET time) on the day before the Closing Date, June 28, 2006, JPMORGAN and BNP PARIBAS should give the Management Company and BANCAJA written notice of the decision made with one accord to terminate the underwriting commitment upon the occurrence of any of the following circumstances for which provision is made in this connection in the Bond Issue Management, Underwriting, Placement and Subscription Agreement: (i) the occurrence of serious military or terrorist disorders or changes in the political, economic or financial or market circumstances at home or abroad, to an extent preventing or considerably hindering the offering or placement of Series A, B and C Bonds; (ii) breach by the Management Company, on behalf of the Fund, or BANCAJA of any of their respective obligations or any representation made by either of them, of significance for placement of Series A, B and C Bonds, should be false; or (iii) the occurrence of a major adverse change in the (financial or other) position of the Fund or of BANCAJA which is significant within the context of the Bond Issue.

The Underwriters and Placement Agents of each Series A, B and C (other than those who shall have been released from their underwriting commitments by applying the preceding paragraph) shall altogether receive from the Fund an underwriting and placement fee on the face amount of the Bonds in the relevant Series ranging between 0.02% and 0.08%, both inclusive.

The underwriting and placement fee applicable on the face amount of the Bonds in each of Series A, B and C 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 of the Subscription Period (June 27, 2006). 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 a 0.05% fee.

The underwriting and placement fee applicable to the Bonds in each of Series A, B and C fixed shall be notified by the Management Company by the start of the Subscription Period to the Underwriters and Placement Agents and to the CNMV.

The Paying Agent shall pay each Series A, B and C Underwriter and Placement Agent on the Closing Date the underwriting and placement fee amount they shall each have accrued, after they have in turn paid to the Fund the face amount of Series A, B and C Bonds they shall each have placed and subscribed for on their own account, as the case may be, up to their respective underwriting commitments.

BANCAJA, JPMORGAN and BNP PARIBAS shall be involved as Lead Managers in the Bond Issue. They shall receive no remuneration for leading the Bond Issue.

2. Series D Bond subscription and payment.

Subscription for all of Series D Bonds shall be carried out exclusively by BANCAJA under the Management, Underwriting, Placement and Subscription Agreement taking on the obligations therein contained in relation to subscription for Series D Bonds, which are broadly the following: 1) an undertaking to subscribe on its own account for Series D Bonds; 2) payment to the Fund by 3pm (CET time) on the Closing Date, for same day value, of the amount for subscribing for Series D Bonds; 3) an undertaking to pay late-payment interest covenanted in the agreement in the event of late payment of the amounts due; and 4) all other aspects governing subscription for Series D Bonds.

BANCAJA shall receive no remuneration whatsoever for subscribing for Series D Bonds.

The Management, Underwriting, Placement and Subscription 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.

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 24/1988, July 28 (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) Royal Decree 926/1998 and implementing regulations, (ii) Act 19/1992 failing a provision in Royal Decree 926/1998 and to the extent applicable, (iii) the Securities Market Act and applicable implementing regulations, (iv) Commission Regulation (EC) No. 809/2004 of April 29, 2004, and (v) all other legal and statutory provisions in force and applicable from time to time.

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

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

Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores S.A. (“**Iberclear**”), with place of business at 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, and represented by book entries, established now or henceforth by Iberclear or AIAF.

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

4.5 Currency of the issue.

The Bonds shall be denominated in Euros.

4.6 Ranking of the securities.

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

Interest payment and principal repayment on Series C Bonds is deferred with respect to Series A and 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 Series A, B and C 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 A 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 seventh (7th), 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 eighth (8th), 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) tenth (10th) 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) 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.

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

The Principal Withholding amount designed for acquiring Additional Credit Rights and, after the Revolving Period ends, for amortising Series A, B and C Bonds as a whole without distinction between those Series is sixth (6th) in the application of Available Funds in the Priority of Payments established in section 3.4.6.2.1.2 of the Building Block.

Series A, B and C Bond principal shall be repaid in accordance with the rules for Distribution of Principal Available Funds contained in section 4.9.3.1.5 of this Securities Note and in section 3.4.6.2.2.2 of the Building Block.

Repayment of Series D Bond principal is eleventh (11th) in the application of Available Funds in the Priority of Payments established in section 3.4.6.2.1.2 of the Building Block.

Repayment of Series A Bond principal is fifth (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 twelfth (12th) 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 the Fund.

Bondholders and all other creditors of the Fund shall have no recourse whatsoever against Credit Right 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 Credit Rights, 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 CONSUMO BANCAJA 1 FONDO DE TITULIZACIÓN DE ACTIVOS 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, June 29, 2006, inclusive, and the first Payment Date, August 28, 2006 because neither August 26 nor August 27 is a Business Day, exclusive.

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

4.8.1.2 **Nominal Interest Rate.**

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

- (i) the Reference Rate, as established in the following section, and
- (ii) a margin for each Series as follows:
 - **Series A:** margin ranging between 0.07% and 0.18%, both inclusive.
 - **Series B:** margin ranging between 0.12% and 0.35%, both inclusive.
 - **Series C:** margin ranging between 0.16% and 0.50%, both inclusive.
 - **Series D:** 4.00% margin.

The margin applicable to each Series A, B and C, 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 (June 27, 2006).

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

- **Series A:** 0.13% margin.
- **Series B:** 0.25% margin.
- **Series C:** 0.35% margin.

The final margins applicable to each Series A, B and C fixed shall be notified by the Management Company by the start of the Subscription Period to the Underwriters and Placement Agents to be reported to investors interested in subscribing for the Bonds. The Management Company will also notify this to the CNMV as information in addition to this Prospectus. The final margin applicable to each Series A, B and C shall be set down by the Management Company on the notarial certificate recording subscription for and payment of the Bond Issue.

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 one- (1-) month Euribor and two- (2-) month Euribor, fixed at 11am (CET time) on the second Business Day preceding the Closing Date, falling on the day of the Subscription Period, 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:

$$IR = [(D-30)/30] \times E2 + [1-((D-30)/30)] \times E1$$

Where:

- IR = Reference Rate for the first Interest Accrual Period.
- D = Number of days in the first Interest Accrual Period.

E1 = One- (1-) month Euribor.
E2 = Two- (2-) 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 one- (1-) 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 two- (2-) 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 second Business Day preceding the Closing Date.

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

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

- iii) If the rates established in paragraphs i) and ii) above should not be available or be impossible to obtain, the last Reference Rate or substitute Reference Rate applied to the next preceding Interest Accrual Period shall apply, and so on for successive Interest Accrual Periods whilst matters remain the same.

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

4.8.1.4 Interest Rate Fixing Date.

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

Exceptionally, the Management Company shall determine the Nominal Interest Rate of the Bonds in each Series for the first Interest Accrual Period as provided for in sections 4.8.1.2 and 4.8.1.3 above, on the second Business Day preceding the Closing Date, falling on the day of the Subscription Period, and shall notify the same in writing on the same day to the Underwriters and Placement Agents in order for them to report this 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 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 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 date, would have been the second Business Day preceding the 26th of each month, this being the Payment Date, on the EURIBOR01 electronic page supplied by Reuters, and the Nominal Interest Rate that would have resulted if applied 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 (0.125% for Series A, 0.235% for Series B, 0.33% for Series C and 4.00% for Series D):

Dates	3-month Euribor	Series A Bonds	Series B Bonds	Series C Bonds	Series D Bonds
9 June 2006	2.953	3.078	3.188	3.283	6.953
24 May 2006	2.905	3.030	3.140	3.235	6.905
24 April 2006	2.783	2.908	3.018	3.113	6.783
23 March 2006	2.739	2.864	2.974	3.069	6.739
23 February 2006	2.628	2.753	2.863	2.958	6.628
24 January 2006	2.527	2.652	2.762	2.857	6.527
22 December 2005	2.494	2.619	2.729	2.824	6.494
24 November 2005	2.450	2.575	2.685	2.780	6.450
24 October 2005	2.185	2.310	2.420	2.515	6.185
22 September 2005	2.135	2.260	2.370	2.465	6.135
24 August 2005	2.132	2.257	2.367	2.462	6.132
22 July 2005	2.124	2.249	2.359	2.454	6.124
23 June 2005	2.102	2.227	2.337	2.432	6.102
24 May 2005	2.126	2.251	2.361	2.456	6.126
22 April 2005	2.133	2.258	2.368	2.463	6.133
24 March 2005	2.143	2.268	2.378	2.473	6.143
24 February 2005	2.136	2.261	2.371	2.466	6.136
24 January 2005	2.143	2.268	2.378	2.473	6.143
23 December 2004	2.178	2.303	2.413	2.508	6.178
24 November 2004	2.176	2.301	2.411	2.506	6.176
22 October 2004	2.145	2.270	2.380	2.475	6.145
23 September 2004	2.116	2.241	2.351	2.446	6.116
24 August 2004	2.115	2.240	2.350	2.445	6.115
22 July 2004	2.120	2.245	2.355	2.450	6.120

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 26, May 26, August 26 and November 26 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 August 28, 2006 because neither August 26 nor August 27 is a Business Day, and interest will accrue at the applicable Nominal Interest Rate between the Closing Date, June 29, 2006, inclusive, and August 28, 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, interest amounts not paid 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.

Unpaid interest amounts due shall not earn additional or late-payment interest and shall not be accumulated to the Outstanding Principal Balance of the Bonds.

The Fund, through its Management Company, may not defer Bond interest payment beyond May 26, 2020, 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 BANCAJA.

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 A Bonds.

Series A Bond principal shall be amortised by partial amortisation on each Payment Date after Bond amortisation begins, in an amount equal to the Principal Available Funds applied on each Payment Date to amortising Series A, in accordance with the rules for Distribution of Principal Available Funds given in sections 4.9.3.1.4 and 4.9.3.1.5 below, pro rated between the Bonds in Series A proper by reducing the face amount of each Series A Bond. The first partial amortisation of the Series A Bonds shall occur on the Payment Date falling on August 26, 2008 or on a previous Payment Date in the event of early termination of the Credit Right Revolving Period.

Notwithstanding partial or total amortisation resulting from partial amortisation as provided for in the preceding paragraph, final amortisation of Series A Bonds shall occur on the Final Maturity Date (May 26, 2020 or the following Business Day if that is not a Business Day), or before the Final Maturity Date, in accordance with the provisions of section 4.9.3.2 of this Securities Note, upon Early Liquidation and Early Amortisation of the Bond Issue, in both cases in the Liquidation Priority of Payments.

4.9.2.2 Amortisation of Series B Bonds.

Series B Bond principal shall be amortised by partial amortisation on each Payment Date after Bond amortisation begins, in an amount equal to the Principal Available Funds applied on each Payment Date to amortising Series B in accordance with the rules for Distribution of Principal Available Funds given in sections 4.9.3.1.4 and 4.9.3.1.5 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 the Series B Bonds shall occur once the Series A Bonds have been fully amortised.

Notwithstanding partial or total amortisation resulting from partial amortisation as provided for in the preceding paragraph, final amortisation of Series B Bonds shall occur on the Final Maturity Date (May 26, 2020 or the following Business Day if that is not a Business Day), or before the Final Maturity Date, in accordance with the provisions of section 4.9.3.2 of this Securities Note, upon Early Liquidation and Early Amortisation of the Bond Issue, in both cases in the Liquidation Priority of Payments.

4.9.2.3 Amortisation of Series C Bonds.

Series C Bond principal shall be amortised by partial amortisation on each Payment Date after Bond amortisation begins, in an amount equal to the Principal Available Funds applied on each Payment Date to amortising Series C in accordance with the rules for Distribution of Principal Available Funds given in sections 4.9.3.1.4 and 4.9.3.1.5 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 the Series C Bonds shall occur once the Series A and the Series B Bonds have been fully amortised.

Notwithstanding partial or total amortisation resulting from partial amortisation as provided for in the preceding paragraph, final amortisation of Series C Bonds shall occur on the Final Maturity Date (May 26, 2020 or the following Business Day if that is not a Business Day), or before the Final Maturity Date, in accordance with the provisions of section 4.9.3.2 of this Securities Note, upon Early Liquidation and Early Amortisation of the Bond Issue, in both cases in the Liquidation Priority of Payments.

4.9.2.4 Amortisation of Series D Bonds.

Series D 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 D, in accordance with the Priority of Payments.

Partial amortisation of Series D Bonds shall occur on each Payment Date in an amount equal to the positive difference existing between the Outstanding Principal Balance of Series D 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. The Initial Cash Reserve and the Required Cash Reserve amount shall be determined by the Management Company by 10am (CET time) on the day of the Subscription Period, based on the margin applicable to the Party B interest rate under the Interest Swap Agreement (Floating/Floating), in accordance with the provisions of section 3.4.7.1 of the Building Block, as established below.

Margin applicable to the Party B interest rate under the Interest Swap Agreement (Floating/Floating)				
	Between 2.550% and 2.649%	Between 2.650% and 2.750%	Between 2.751% and 2.850%	Between 2.851% and 2.900%
Initial Cash Reserve	€13,500,000.00	€13,200,000.00	€12,900,000.00	€12,800,000.00
Required Cash Reserve shall be the lower of the following amounts:				
(i) The Initial Cash Reserve amount	€13,500,000.00	€13,200,000.00	€12,900,000.00	€12,800,000.00
(ii) The higher of:				
a) The amount resulting from applying the percentage specified to the sum of the Outstanding Principal Balance of Series A, B and C	4.50%	4.40%	4.30%	4.26%
b) The following amount	€6,750,000.00	€6,600,000.00	€6,450,000.00	€6,400,000.00

3. Notwithstanding the above, the Required Cash Reserve shall not be reduced on the relevant Payment Date and shall remain at the Required Cash Reserve amount on the preceding Payment Date whenever any of the following circumstances concur on the Payment Date:
- i) That, on the Determination Date preceding the relevant Payment Date, the amount of the Outstanding Balance of Delinquent Credit Rights is equal to or greater than 1.00% of the Outstanding Balance of Non-Doubtful Credit Rights.
 - ii) That the Cash Reserve cannot be provisioned up to the Required Cash Reserve amount on the relevant Payment Date.
 - iii) That two (2) years have not elapsed since the date on which the Fund was established.”

Final amortisation of Series D Bonds shall occur on the Final Maturity Date (May 26, 2020 or the following Business Day if that is not a Business Day), notwithstanding full amortisation before that date due to the partial amortisation for which provision is made, and the fact that the Management Company may, for and on behalf of the Fund, and in accordance with the provisions of section 4.9.3.2 of this Securities Note, proceed to Early Amortisation of the Bond Issue before the Final Maturity Date, in the Liquidation Priority of Payments.

4.9.3 Common characteristics applicable to amortisation of Bonds in each of Series A, B and C.

4.9.3.1 Partial amortisation.

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, the Fund shall, through its Management Company, proceed to a partial amortisation of the Bonds, after the Revolving Period ends, on the Payment Dates in accordance with the specific amortisation terms for each Series established in section 4.9.2 of this Securities Note and on the terms described hereinafter in this section common to Series A, B and C.

4.9.3.1.1 **Determination Dates and Determination Periods.**

The Determination Dates 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 Principal Available Funds which the Fund shall dispose of on the relevant Payment Date, in the Priority of Payments. The first Determination Date shall be August 22, 2006.

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,

- (i) the duration of the first Determination Period shall be equal to the days elapsed between the date of establishment of the Fund, inclusive, and the first Determination Date, August 22, 2006, inclusive, and
- (ii) the duration of the last Determination Period shall be equal to the days elapsed a) until the Final Maturity Date or the date on which the Early Liquidation of the Fund concludes, as provided for in section 4.4.3 of the Registration Document, on which the Credit Rights and the assets remaining in the Fund have been liquidated and all the Liquidation Available Funds have been distributed in the Liquidation Priority of Payments of the Fund, b) from the Determination Date preceding the Payment Date preceding the date referred to in a), not including the first but including the last date.

4.9.3.1.2 **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 the Bond Issue shall be the sum of the Outstanding Principal Balance of each Series.

4.9.3.1.3 **Principal Withholding on each Payment Date.**

On each Payment Date, the Available Funds shall be used in sixth (6th) place in the priority of payments for withholding the amount designed for acquiring Additional Credit Rights and, after the Revolving Period ends, for amortising Series A, B and C Bonds as a whole, without distinguishing between those Series ("**Principal Withholding**"), in an amount equal to the positive difference, if any, on the Determination Date preceding the relevant Payment Date, between (i) the sum of the Outstanding Principal Balance of Series A, B and C, and (ii) the sum of a) the Outstanding Balance of Non-Doubtful Credit Rights and b) the Principal Account balance.

Depending on the liquidity existing on each Payment Date, the amount actually applied of the Available Funds to Principal Withholding shall be included among the Principal Available Funds and be applied in accordance with the rules for Distribution of Principal Available Funds established hereinafter in section 4.9.3.1.5 below.

4.9.3.1.4 **Principal Available Funds and Principal Deficiency on each Payment Date.**

The principal available funds on each Payment Date (the "**Principal Available Funds**") shall be the following:

- a) The Principal Withholding amount actually applied in sixth (6th) place of the Available Funds on the relevant Payment Date, and
- b) until the Payment Date next succeeding the end of the Revolving Period, inclusive, the Principal Account balance on the Determination Date preceding the relevant Payment Date.

The principal deficiency (the "**Principal Deficiency**") on a Payment Date shall be the positive difference, if any, between (i) the Principal Withholding amount, and (ii) the amount actually applied of the Available Funds to Principal Withholding.

4.9.3.1.5 **Distribution of Principal Available Funds.**

The Principal Available Funds shall be applied on each Payment Date in accordance with the following rules ("**Distribution of Principal Available Funds**"):

1. During the Credit Right Revolving Period, payment of the assignment price comprising the face value of the outstanding capital or principal of the Additional Credit Rights acquired by the Fund on the relevant Payment Date.

The remaining Principal Available Funds not used for acquiring Additional Credit Rights shall remain credited to the Principal Account.

2. After the Revolving Period ends, the Principal Available Funds shall be sequentially applied firstly to amortising Series A until fully amortised, secondly to amortising Series B until fully amortised, and thirdly to amortising Series C until fully amortised.

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

Subject to the Fund's obligation, through its Management Company, to proceed to final amortisation of the Bonds on the Final Maturity Date or amortisation of each Series before the Final Maturity Date, the Management Company shall, after first notifying the CNMV, be authorised to proceed, as the case may be, to 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.

4.9.3.3 **Final Maturity Date.**

The Final Maturity Date and consequently the final amortisation of the Bonds is May 26, 2020 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 4.9.3.1 and 4.9.3.2 of this Securities Note, proceeding to amortise all or any Series of 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:

- ii) Acquisition by the Fund of Additional Credit Rights during the Revolving Period in order to replace the decrease in the amounts of the Credit Rights.
- iii) The repayment schedule and system of each Credit Right established in the relevant document.
- iv) The Obligors' capacity to prepay the Credit Rights in whole or in part and the aggregate prepayment pace throughout the life of the Fund. In this sense, Credit Right 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.
- v) Changes in Credit Right interest rates resulting in every instalment repayment amount differing.
- vi) Obligors' delinquency in payment of Credit Right instalments.

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

- Loan interest rate: 6.55% weighted average interest rate as of May 31, 2006 of the portfolio of selected loans which has been used for calculating the repayment instalments and interest of each of the selected loans;

- Credit Right portfolio delinquency: 0.10% of the Outstanding Balance of the Credit Rights, with 100% recoveries within 15 months of becoming delinquent;
- Credit Right doubtfuls rated as bad debts: 0%;
- that the Credit Right prepayment rate remains constant throughout the life of the Bonds;
- that the Bond Closing Date is June 29, 2006;
- that there is no Principal Deficiency;
- that the Credit Right Revolving Period shall end on May 26, 2008, and during the same Additional Credit Rights shall be acquired on each Payment Date and in the aggregate Principal Available Funds on each such dates; and
- that the weighted average final maturity of the additional Credit Rights acquired during the Revolving Period is 5 years.

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 one- (1-) month Euribor (2.845%) and two- (2-) month Euribor (2.909%) on June 9, 2006 and 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 (0.125% for Series A, 0.235% for Series B and 0.33% for Series C) and given the 4.00% margin for Series D:

	Series A Bonds	Series B Bonds	Series C Bonds	Series D Bonds
Nominal interest rate	3.030%	3.140%	3.235%	6.905%

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 (2.953%) on June 9, 2006 and 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 (0.125% for Series A, 0.235% for Series B and 0.33% for Series C) and given the 4.00% margin for Series D:

	Series A Bonds	Series B Bonds	Series C Bonds	Series D Bonds
Nominal interest rate	3.078%	3.188%	3.283%	6.953%

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

Assuming that the Management Company shall exercise the Early Liquidation of the Fund and Early Amortisation of the Bond Issue option provided in section 4.4.3 of the Registration Document when the Outstanding Balance of the Credit Rights is less than 10% of their initial Outstanding Balance upon the Fund being established, the average life, return (Internal Rate of Return IRR) for the Bond subscriber, duration and final maturity of the Bonds for different CPRs, would be as follows:

% CPR:	14.00%	16.00%	18.00%	20.00%	22.00%
	Series A Bonds				
Average life (years)	3.28	3.21	3.16	3.09	3.05
IRR	3.155%	3.155%	3.155%	3.155%	3.155%
Duration (years)	3.02	2.96	2.92	2.86	2.82
Final maturity	26 08 2011	26 05 2011	26 05 2011	28 02 2011	28 02 2011
(in years)	5.16	4.91	4.91	4.67	4.67

% CPR:	14.00%	16.00%	18.00%	20.00%	22.00%
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Series B Bonds					
Average life (years)	5.16	4.91	4.91	4.67	4.67
IRR	3.270%	3.270%	3.270%	3.270%	3.270%
Duration (years)	4.62	4.42	4.42	4.22	4.22
Final maturity	26 08 2011	26 05 2011	26 05 2011	28 02 2011	28 02 2011
(in years)	5.16	4.91	4.91	4.67	4.67

Series C Bonds					
Average life (years)	5.16	4.91	4.91	4.67	4.67
IRR	3.369%	3.369%	3.369%	3.369%	3.369%
Duration (years)	4.61	4.40	4.40	4.20	4.20
Final maturity	26 08 2011	26 05 2011	26 05 2011	28 02 2011	28 02 2011
(in years)	5.16	4.91	4.91	4.67	4.67

Series D Bonds					
Average life (years)	4.38	4.22	4.18	4.02	3.98
IRR	7.237%	7.237%	7.237%	7.237%	7.237%
Duration (years)	3.54	3.42	3.40	3.29	3.26
Final maturity	26 08 2011	26 05 2011	26 05 2011	28 02 2011	28 02 2011
(in years)	5.16	4.91	4.91	4.67	4.67

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 = Estimated principal to be repaid in each Bond Series on each Payment Date.
- 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 = (A₁ A_n). Estimated total principal repayment and interest amounts in each Series on each Payment Date.
- 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 = Estimated present value of each of the amounts comprising principal repayable 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 16.00%, 18.00% and 20.00% 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 Credit Right 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.
- Credit Right portfolio delinquency: 0.10% of the Outstanding Balance of Credit Rights with 100% recoveries within 15 months of becoming delinquent.
- Credit Right doubtfuls rated bad debts: 0%
- 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 Credit Rights is less than 10% of their initial amount upon the Fund being set up, as provided in section 4.4.3 of the Registration Document.

FLows for Every Bond without Withholding for the Holder
(Amounts in EUR)
CPR = 16%

Payment Date	Series A Bonds			Series B Bonds			Series C Bonds			Series D 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
TOTALS:	100,000.00	10,003.75	110,003.75	100,000.00	15,861.15	115,861.15	100,000.00	16,334.06	116,334.06	100,000.00	29,708.69	129,708.69
29-Jun-06												
28-Aug-06	0.00	505.00	505.00	0.00	523.33	523.33	0.00	539.17	539.17	0.00	1,150.83	1,150.83
27-Nov-06	0.00	778.05	778.05	0.00	805.86	805.86	0.00	829.87	829.87	0.00	1,757.56	1,757.56
26-Feb-07	0.00	778.05	778.05	0.00	805.86	805.86	0.00	829.87	829.87	0.00	1,757.56	1,757.56
28-May-07	0.00	778.05	778.05	0.00	805.86	805.86	0.00	829.87	829.87	0.00	1,757.56	1,757.56
27-Aug-07	0.00	778.05	778.05	0.00	805.86	805.86	0.00	829.87	829.87	0.00	1,757.56	1,757.56
26-Nov-07	0.00	778.05	778.05	0.00	805.86	805.86	0.00	829.87	829.87	0.00	1,757.56	1,757.56
26-Feb-08	0.00	786.60	786.60	0.00	814.71	814.71	0.00	838.99	838.99	0.00	1,776.88	1,776.88
26-May-08	0.00	769.50	769.50	0.00	797.00	797.00	0.00	820.75	820.75	0.00	1,738.25	1,738.25
26-Aug-08	15,020.97	786.60	15,807.57	0.00	814.71	814.71	0.00	838.99	838.99	0.00	1,776.88	1,776.88
26-Nov-08	13,298.47	668.45	13,966.92	0.00	814.71	814.71	0.00	838.99	838.99	0.00	1,776.88	1,776.88
26-Feb-09	11,724.00	563.84	12,287.84	0.00	814.71	814.71	0.00	838.99	838.99	0.00	1,776.88	1,776.88
26-May-09	10,245.95	456.24	10,702.19	0.00	788.14	788.14	0.00	811.63	811.63	0.00	1,718.94	1,718.94
26-Aug-09	8,992.47	391.02	9,383.49	0.00	814.71	814.71	0.00	838.99	838.99	11,864.88	1,776.88	13,641.76
26-Nov-09	7,886.28	320.29	8,206.57	0.00	814.71	814.71	0.00	838.99	838.99	14,881.42	1,566.05	16,447.47
26-Feb-10	6,880.49	258.26	7,138.75	0.00	814.71	814.71	0.00	838.99	838.99	12,983.48	1,301.63	14,285.11
26-May-10	5,941.35	197.48	6,138.83	0.00	788.14	788.14	0.00	811.63	811.63	10,270.22	1,036.01	11,306.23
26-Aug-10	5,118.10	157.40	5,275.50	0.00	814.71	814.71	0.00	838.99	838.99	0.00	888.44	888.44
26-Nov-10	4,358.25	117.14	4,475.39	0.00	814.71	814.71	0.00	838.99	838.99	0.00	888.44	888.44
28-Feb-11	3,674.57	84.66	3,759.23	0.00	832.42	832.42	0.00	857.23	857.23	0.00	907.75	907.75
26-May-11	6,859.10	51.02	6,910.12	100,000.00	770.43	100,770.43	100,000.00	793.39	100,793.39	50,000.00	840.15	50,840.15

FLows for Every Bond without Withholding for the Holder
(Amounts in EUR)
CPR = 18%

Payment Date	Series A Bonds			Series B Bonds			Series C Bonds			Series D 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
TOTALS:	100,000.00	9,838.00	109,838.00	100,000.00	15,861.15	115,861.15	100,000.00	16,334.06	116,334.06	100,000.00	29,472.61	129,472.61
29-Jun-06												
28-Aug-06	0.00	505.00	505.00	0.00	523.33	523.33	0.00	539.17	539.17	0.00	1,150.83	1,150.83
27-Nov-06	0.00	778.05	778.05	0.00	805.86	805.86	0.00	829.87	829.87	0.00	1,757.56	1,757.56
26-Feb-07	0.00	778.05	778.05	0.00	805.86	805.86	0.00	829.87	829.87	0.00	1,757.56	1,757.56
28-May-07	0.00	778.05	778.05	0.00	805.86	805.86	0.00	829.87	829.87	0.00	1,757.56	1,757.56
27-Aug-07	0.00	778.05	778.05	0.00	805.86	805.86	0.00	829.87	829.87	0.00	1,757.56	1,757.56
26-Nov-07	0.00	778.05	778.05	0.00	805.86	805.86	0.00	829.87	829.87	0.00	1,757.56	1,757.56
26-Feb-08	0.00	786.60	786.60	0.00	814.71	814.71	0.00	838.99	838.99	0.00	1,776.88	1,776.88
26-May-08	0.00	769.50	769.50	0.00	797.00	797.00	0.00	820.75	820.75	0.00	1,738.25	1,738.25
26-Aug-08	15,973.80	786.60	16,760.40	0.00	814.71	814.71	0.00	838.99	838.99	0.00	1,776.88	1,776.88
26-Nov-08	13,966.11	660.95	14,627.06	0.00	814.71	814.71	0.00	838.99	838.99	0.00	1,776.88	1,776.88
26-Feb-09	12,160.27	551.09	12,711.36	0.00	814.71	814.71	0.00	838.99	838.99	0.00	1,776.88	1,776.88
26-May-09	10,496.49	440.59	10,937.08	0.00	788.14	788.14	0.00	811.63	811.63	0.00	1,718.94	1,718.94
26-Aug-09	9,098.64	372.87	9,471.51	0.00	814.71	814.71	0.00	838.99	838.99	16,419.06	1,776.88	18,195.94
26-Nov-09	7,874.68	301.30	8,175.98	0.00	814.71	814.71	0.00	838.99	838.99	14,859.52	1,485.13	16,344.65
26-Feb-10	6,779.50	239.36	7,018.86	0.00	814.71	814.71	0.00	838.99	838.99	12,792.91	1,221.10	14,014.01
26-May-10	5,775.95	179.97	5,955.92	0.00	788.14	788.14	0.00	811.63	811.63	5,928.51	961.38	6,889.89
26-Aug-10	4,909.50	140.60	5,050.10	0.00	814.71	814.71	0.00	838.99	838.99	0.00	888.44	888.44
26-Nov-10	4,123.14	101.98	4,225.12	0.00	814.71	814.71	0.00	838.99	838.99	0.00	888.44	888.44
28-Feb-11	3,426.96	71.06	3,498.02	0.00	832.42	832.42	0.00	857.23	857.23	0.00	907.75	907.75
26-May-11	5,414.96	40.28	5,455.24	100,000.00	770.43	100,770.43	100,000.00	793.39	100,793.39	50,000.00	840.15	50,840.15

FLows FOR EVERY BOND WITHOUT WITHHOLDING FOR THE HOLDER
(AMOUNTS IN EUR)
CPR = 20%

Payment Date	Series A Bonds			Series B Bonds			Series C Bonds			Series D 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
TOTALS:	100,000.00	9,645.22	109,645.22	100,000.00	15,090.72	115,090.72	100,000.00	15,540.67	115,540.67	100,000.00	28,336.40	128,336.40
29-Jun-06												
28-Aug-06	0.00	505.00	505.00	0.00	523.33	523.33	0.00	539.17	539.17	0.00	1,150.83	1,150.83
27-Nov-06	0.00	778.05	778.05	0.00	805.86	805.86	0.00	829.87	829.87	0.00	1,757.56	1,757.56
26-Feb-07	0.00	778.05	778.05	0.00	805.86	805.86	0.00	829.87	829.87	0.00	1,757.56	1,757.56
28-May-07	0.00	778.05	778.05	0.00	805.86	805.86	0.00	829.87	829.87	0.00	1,757.56	1,757.56
27-Aug-07	0.00	778.05	778.05	0.00	805.86	805.86	0.00	829.87	829.87	0.00	1,757.56	1,757.56
26-Nov-07	0.00	778.05	778.05	0.00	805.86	805.86	0.00	829.87	829.87	0.00	1,757.56	1,757.56
26-Feb-08	0.00	786.60	786.60	0.00	814.71	814.71	0.00	838.99	838.99	0.00	1,776.88	1,776.88
26-May-08	0.00	769.50	769.50	0.00	797.00	797.00	0.00	820.75	820.75	0.00	1,738.25	1,738.25
26-Aug-08	16,965.49	786.60	17,752.09	0.00	814.71	814.71	0.00	838.99	838.99	0.00	1,776.88	1,776.88
26-Nov-08	14,641.29	653.15	15,294.44	0.00	814.71	814.71	0.00	838.99	838.99	0.00	1,776.88	1,776.88
26-Feb-09	12,584.22	537.98	13,122.20	0.00	814.71	814.71	0.00	838.99	838.99	0.00	1,776.88	1,776.88
26-May-09	10,723.79	424.68	11,148.47	0.00	788.14	788.14	0.00	811.63	811.63	3,624.20	1,718.94	5,343.14
26-Aug-09	9,176.41	354.64	9,531.05	0.00	814.71	814.71	0.00	838.99	838.99	17,315.88	1,712.48	19,028.36
26-Nov-09	7,834.74	282.46	8,117.20	0.00	814.71	814.71	0.00	838.99	838.99	14,784.15	1,404.80	16,188.95
26-Feb-10	6,653.45	220.83	6,874.28	0.00	814.71	814.71	0.00	838.99	838.99	12,555.06	1,142.10	13,697.16
26-May-10	5,590.90	163.00	5,753.90	0.00	788.14	788.14	0.00	811.63	811.63	1,720.71	889.05	2,609.76
26-Aug-10	4,687.40	124.52	4,811.92	0.00	814.71	814.71	0.00	838.99	838.99	0.00	888.44	888.44
26-Nov-10	3,881.27	87.65	3,968.92	0.00	814.71	814.71	0.00	838.99	838.99	0.00	888.44	888.44
28-Feb-11	7,261.04	58.36	7,319.40	100,000.00	832.42	100,832.42	100,000.00	857.23	100,857.23	50,000.00	907.75	50,907.75

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 12.1 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 April 24, 2006, the Executive Committee of the Board of Directors of EUROPEA DE TITULIZACIÓN resolved that:

- i) CONSUMO BANCAJA 1 FONDO DE TITULIZACIÓN DE ACTIVOS be set up in accordance with the legal system for which provision is made in Royal Decree 926/1998 and Act 19/1992, failing a provision in Royal Decree 926/1998 and to the extent applicable, and all other legal and statutory provisions in force and applicable from time to time.
- ii) Credit rights assigned by BANCAJA derived from loans granted by BANCAJA to individuals to finance the purchase of goods or services be pooled in the Fund.
- iii) The Bonds be issued by the Fund.

Resolution to assign the credit rights:

The Board of Directors of BANCAJA resolved, at a meeting held on April 26, 2006, that the assignment of loans with personal security granted by BANCAJA to individuals to a closed or an open-end Asset Securitisation Fund, set up ad hoc for pooling those assets therein, for a total maximum amount of EUR eight hundred million (800,000,000.00) be authorised. Moreover, and in the event that it should be an open-end Fund, and in order for the outstanding balance of the personal loans assigned to remain

at not more than EUR eight hundred million (800,000,000.00) during the revolving period to be determined, that the assignment of additional personal loans during that period and up to said amount 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 June 22, 2006.

c) Execution of the Fund public deed of constitution.

Upon the CNMV registering this Prospectus, the Management Company shall with BANCAJA, Originator of the Credit Rights, proceed to execute on June 26, 2006 a public deed whereby CONSUMO BANCAJA 1 FONDO DE TITULIZACIÓN DE ACTIVOS will be established, BANCAJA will assign the Initial Credit Rights to the Fund, and the Fund will issue the Asset-Backed Bonds, on the terms provided in article 6 of Royal Decree 926/1998.

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

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

d) Execution of the supplementary public deed with the face amount of Series D.

The Management Company shall, before the Subscription Period begins, execute a supplementary public deed recording the total face amount of Series D and the number of Bonds making it up, as provided for in section 4.9.2.4 of this Securities Note.

4.13 Issue date of the securities.

The Bonds shall be issued by means of the Deed of Constitution on June 26, 2006.

4.13.1 Potential investors to whom Series A, B and C Bonds are offered

Placement of the Bonds in each of Series A, B and C of the Bond Issue is targeted exclusively at qualified investors, and therefore, in accordance with the Securities Market Act and applicable implementing regulations, the Bond offering shall not be considered a public offering.

Tranches.

Each of the Series consists of one tranche only.

4.13.2 Series A, B and C Bond Subscription or acquisition date or period.

The Series A, B and C Bond subscription period (the "**Subscription Period**") shall begin at 12 o'clock midday (CET time) on June 27, 2006 and end at 1pm (CET time) on the same day.

4.13.3 Where and with whom may Series A, B and C Bond subscription or acquisition be processed?

In order to be taken into account, Series A, B and C Bond subscription proposals shall be made during the Subscription Period established in the preceding section, with BANCAJA, JPMORGAN and BNP PARIBAS, as Underwriters and Placement Agents, and observing the procedures established hereinafter in the following sections.

Subscription for Series D Bonds shall be carried out exclusively by BANCAJA.

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 Series A, B and C Bond Placement and allocation of the Bonds.

The Underwriters and Placement Agents shall freely proceed to accept or turn down the Series A, B and C Bond 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, Bonds in each Series A, B and C.

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

4.13.5 Series A, B and C Bond Payment method and dates.

The investors to whom the Series A, B and C Bonds are allocated shall pay the relevant Underwriter and Placement Agent by 1pm (CET time) on June 29, 2006 (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 2.3 of Royal Decree 926/1998, the Management Company shall, upon the Bonds having been paid up, apply for this Bond Issue to be listed on AIAF Mercado de Renta Fija (“**AIAF**”), which is a qualified official secondary securities market pursuant to transitional provision six of Act 37/1998, November 16, amending the Securities Market Act, and a regulated market, as set down in the Annotated List of Regulated Markets and Additional Provisions under 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. This shall be without prejudice to the Management Company being held to be contractually liable, as the case may be.

5.2 Paying agents and depository agents.

5.2.1 Paying Agent of the Bond Issue.

The Bond Issue will be serviced through BANCAJA 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 BANCAJA into a paying agent agreement to service the Bonds issued by the Fund (the **"Paying Agent Agreement"**).

The obligations to be taken on by BANCAJA (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, Placement and Subscription Agreement plus the face amount of the Bonds placed and subscribed for, as the case may be, on its own account (including the total face amount of Series D), as Underwriter and Placement Agent.
- (ii) Paying each Underwriter and Placement Agent on the Closing Date, as directed by the Management Company, the Series A, B and C underwriting and placement fee amount they shall each have earned, after they have in turn paid it the face amount of the Bonds they shall each have placed and subscribed for, as the case may be, on their own account up to their respective underwriting commitment.
- (iii) Handing to the Management Company placement dissemination control information for each of Series A, B, C and D based on the information on Series A, B and C Bonds provided in that connection by the Underwriters and Placement Agents (since Series D shall be fully subscribed for by BANCAJA), using for that purpose the form duly established by the CNMV.
- (iv) On each of the Bond Payment Dates, paying interest and, as the case may be, repaying Bond principal, after deducting the total amount of the interim tax withholding for return on investments to be made in accordance with applicable tax laws.
- (v) On each Interest Rate Fixing Date, notifying the Management Company of the Reference Rate determined to be used as the basis by the Management Company for the Management Company to calculate the Nominal Interest Rate applicable to each Bond Series.

In the event that the rating of the short-term, unsecured and unsubordinated debt of BANCAJA should, at any time during the life of the Bond Issue, fall below F1 or P-1 respectively in Fitch's and Moody'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 BANCAJA as Paying Agent, and thereupon designate another institution having a credit rating for its short-term, unsecured and unsubordinated debt of at least F1 and P-1 respectively in Fitch's and Moody'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 BANCAJA 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 BANCAJA under the Paying Agent Agreement.

In consideration of the services provided by the Paying Agent, the Fund shall pay it a 0.01% fee, inclusive of taxes, if any, on the amount to be distributed to Bondholders on each Bond Payment Date during the term of the Paying Agent Agreement, payable 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 Management, Underwriting and Placement Agreement.

6 EXPENSE OF THE OFFERING AND ADMISSION TO TRADING.

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

	EUR
• Initial Management Company fee	70,000.00
• Notary's, audit, rating and legal advice fees	421,774.95
• CNMV fees (registering Prospectus and supervising Bond admission to trading)	48,033.00
• AIAF and Iberclear fees	37,120.00
• Underwriting and placement fees *	480,000.00
• Translation, printing and other expenses	8,028.36
Total expenses	1,064,956.31

(* A 0.08% fee is assumed for the Series A, B and C Bonds)

7 ADDITIONAL INFORMATION.

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

GARRIGUES, as independent advisers, have provided legal advice for establishing the Fund and issuing the Bonds and reviewed their tax aspects.

BANCAJA has structured the financial terms of the Fund and the Bond Issue.

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

Not applicable.

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

Ernst & Young have audited the selected loans on the terms set forth in section 2.2 of the Building Block and have audited BANCAJA's annual accounts for the years ended December 31, 2004 and 2003.

7.4 Information sourced from a third party.

Within its duties to verify the information contained in this Prospectus, the Management Company has received confirmation from BANCAJA, as Originator, as to the truthfulness of the characteristics of BANCAJA as Originator, of the Loans and of the Credit Rights given in section 2.2.8 of the Building Block, and of the remaining information on BANCAJA, the Loans and Credit Rights given in this Prospectus.

In the Deed of Constitution of the Fund and in each agreement assigning Additional Credit Rights to the Fund, BANCAJA shall reaffirm to the Management Company the fulfilment of those characteristics on the date on which the Fund is established in relation to the Initial Credit Rights and on each assignment date in relation to the Additional Credit Rights assigned on that date.

The Management Company confirms that the information received from BANCAJA on the Loans and on the Originator proper has been accurately reproduced and, to the extent of its knowledge and ability to determine based on that information provided by BANCAJA, no fact has been omitted which might result in the information reproduced being inaccurate or deceptive.

7.5 Credit ratings assigned to the securities by rating agencies.

Fitch and Moody's, on June 20, 2006, have assigned the following provisional ratings to each Bond Series, and expect to assign the same final ratings by the start of the Bond Subscription Period.

Bond Series	Fitch Ratings	Moody's Ratings
Series A	AAA	Aaa
Series B	AA	Aa2
Series C	A-	A2
Series D	CCC	Caa2

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 assignment of the Initial Credit Rights terminating, as provided for in section 4.4.4.(v) of the Registration Document.

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. For Moody's securities that are rated Aaa are judged to be of the best quality and carry the smallest degree of investment risk. Interest payments are protected by a large or an exceptionally stable margin and principal is secure. While the various protective elements are likely to change, they are unlikely to impair the fundamentally strong position of such securities.
AA	Aa	AA	Very strong capacity for interest payment and principal repayment. For Moody's securities that are rated Aa are judged to be of high quality by all standards. Together with the Aaa group they comprise what are generally known as high grade securities. They are rated lower because margins of protection may not be as large as in Aaa securities or fluctuation of protective elements may be of greater amplitude or there may be other elements present that make the long-term risks appear somewhat larger than in Aaa securities.
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. For Moody's securities that are rated A possess many favourable investment attributes and are to be considered as upper medium grade obligations. Factors giving security to principal and interest are considered adequate, but elements may be present that suggest a susceptibility to impairment some time in the future.

Fitch	Ratings given by Moody's	S&P	Meaning
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. For Moody's securities that are rated Baa are considered as medium grade obligations, i.e., they are neither highly protected nor poorly secured. Interest payments and principal security appear adequate for the present but certain protective elements may be lacking or may be characteristically unreliable over any great length of time. Such bonds lack outstanding investment characteristics and in fact have speculative characteristics as well.
BB	Ba	BB	Speculative grade. Their future cannot be considered as assured. Protection of interest and principal payments is very moderate. For Moody's securities that are rated Ba are judged to have speculative elements; their future is not well assured. Often the protection of interest and principal payments may be very moderate, and thereby not well safeguarded during both good and bad times over the future. Uncertainty of position characterises bonds in this class.
B	B	B	Assurance of interest or principal payments may be small. Highly vulnerable to adverse business conditions. For Moody's securities that are rated B generally lack characteristics of the desirable investment. Assurance of interest and principal payments or maintenance of other terms of the contract over any long period of time may be small.
CCC	Caa	CCC	Vulnerable to default. Continuity of payments dependent on favourable financial, economic and business conditions. For Moody's securities that are rated Caa are of poor standing. Such securities may be in default or there may be present elements of danger with respect to principal or interest.
CC	Ca	CC	Highly speculative. For Moody's securities that are rated Ca represent obligations that are speculative in a high degree. Such issues are often in default or have other marked shortcomings.
C	C	C	Denotes actual or imminent default. For Moody's securities that are rated C are the lowest rated class of securities, and issues so rated can be regarded as having extremely poor prospects of ever attaining any real investment standing.
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 B 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.
- Standard & Poor's appends (+) or (-) to categories from AA to CCC denoting relative standing within each category

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

Ratings given by			Meaning
Fitch	Moody's	S&P	
F1	P-1 (Prime-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. For Moody's issuers rated P-1 have a superior ability for timely repayment of less than 1-year debt obligations. P-1 issuer repayment ability will often be evidenced by many of the following characteristics: 1) leading market position in well-established industries; 2) high rates of return on funds employed; 3) conservative capitalisation structure with moderate reliance on debt market and ample asset protection; 4) broad margins in earnings coverage of fixed financial charges and high internal cash generation; and 5) well-established access to a range of financial markets and assured sources of alternate liquidity.
F2	P-2 (Prime-2)	A-2	Capacity for timely debt servicing is satisfactory, although margin of safety not as great as in the previous case. For Moody's issuers rated P-2 have a strong ability for timely repayment of less than 1-year debt obligations. This will normally be evidenced by many of the characteristics cited in the preceding category but to a lesser degree. Earnings trends and coverage ratios, while sound, may be more subject to variation. Capitalisation characteristics, while still appropriate, may be more affected by external conditions. Ample alternate liquidity is maintained.
F3	P-3 (Prime 3)	A-3	Capacity for payment is satisfactory, but more vulnerable than the previous cases to adverse changing circumstances. For Moody's issuers rated P-3 have an acceptable ability for timely repayment of less than one-year debt obligations. The effect of industry characteristics and market composition for the issuer may be more pronounced. Variability in earnings and profitability may result in changes in the level of debt protection measurements and may require relatively high financial leverage.
B	NP (Not Prime)	B	Normally implies an adequate payment capacity but adverse circumstances would seriously impair debt servicing capacity. For Moody's this means that these issuers do not fall within any of the above rating categories.
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 Fitch measure the Fund's capacity for timely payment of interest and payment of Bond principal throughout the life of the transaction and at all events before the Final Maturity Date, on the terms stipulated in the Prospectus.

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

The ratings take into account the structure of the Bond Issue, the legal aspects thereof and of the issuing Fund, the characteristics of the loans selected to be assigned to the Fund and the regularity and continuity of the operating flows.

The Rating 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:

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

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 BANCAJA, the Management Company, the auditors of the selected loans, and lawyers.

ASSET-BACKED SECURITIES NOTE BUILDING BLOCK

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

1. SECURITIES

1.1 Minimum denomination of the issue.

The Fund shall be set up with the Initial Credits Rights which BANCAJA shall assign to the Fund upon being established and their total principal or capital shall be equal to or slightly under EUR six hundred million (600,000,000.00), the face value amount of Series A, B and C 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.

Based on the information supplied by the Originator, the Management Company confirms that, based on their contractual characteristics, the flows of principal, interest and any other amounts generated by the securitised Credit Rights 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 Credit Rights, 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 Credit Rights and of the Bonds in each Series. In exceptional circumstances, the enhancement transactions could actually fall short. The credit enhancement transactions are described in section 3.4.2 of this Building Block.

Not all the Bonds issued have the same risk of default. Hence the different 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, shall exclusively consist of Credit Rights owned by and shown on the assets of BANCAJA derived from Loans granted to Spanish individuals or individuals resident in Spain to finance the purchase of goods or services, comprising the Initial Credit Rights assigned by BANCAJA to the Fund upon being established and the Additional Credits Rights later assigned during the Revolving Period.

The requirements to be met by the Credit Rights to be assigned to the Fund, the characteristics of the Initial Credit Rights and the system for subsequent assignments of Additional Credit Rights during the Revolving Period, are described hereinafter in this section in accordance with the provisions of the Deed of Constitution.

Maximum Credit Right Amount.

The maximum amount of the Outstanding Balance of the Credit Rights pooled in the Fund shall be EUR six hundred million (600,000,000.00) (the “**Maximum Credit Right Amount**”), equivalent to the face value of Series A, B and C Bonds.

Outstanding Balance of the Credit Rights.

The outstanding balance of a Credit Right shall be the sum of the capital or principal not yet due and the capital or principal due and not paid to the Fund on the specific Loan on a given date.

The Outstanding Balance of the Credit Rights on a date shall be the sum of the outstanding balance of each and every one of the Credit Rights on that date.

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

Doubtful Credit Rights shall be deemed to be Credit Rights that are delinquent on a given date with a period of arrears equal to or greater than twelve (12) 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 based on indications or information obtained from the Servicer. Non-Doubtful Credit Rights shall be deemed to be Credit Rights that are not deemed to be Doubtful Credit Rights on a given date.

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

The securitised assets are governed by Spanish Law.

As BANCAJA has represented, most of the Loans are originated in a loan agreement certified by a commissioner for oaths whereas others are originated in a private agreement. Part of the loans originated in a private agreement include among their terms a clause making provision for the issue of a non-negotiable blank promissory note by the borrower Obligor, delivering the same to BANCAJA and expressly authorising BANCAJA, upon final or early termination, as the case may be, to complete the same with such amount as may result from the addition of a number of items in order to stand as an enforceable instrument for BANCAJA in the event of a breach by the Obligor of the terms agreed in the relevant Loan.

Upon the secured main obligation falling due, whether by expiration of its term or early termination, and the borrower Obligor failing to comply with the payment obligations, BANCAJA shall be authorised to complete the promissory note as provided for among the parties, and shall be entitled to present the same for collection, applying, as the case may be, the proceeds therefrom to total or partial payment of the Loan, in accordance with articles 12 and 96 of Exchange and Cheque Act 19/1985.

In Loans secured by means of a bill, the buyer of the assets or services, and their guarantors, could, in accordance with the provisions of article 12 of Consumer Credit Act 7/1995, March 23, raise against the Fund any claims deriving from the buyer's relations with their supplier, provided that the circumstances laid down in article 15.1.a, b and c of that Act occur, namely (i) that the assets or services purchase agreement and the loan agreement were entered into with a different supplier, (ii) that a previous exclusive arrangement was entered into between the lender and the assets or services supplier for acquiring the assets or services, and (iii) the borrower shall have taken out the loan by applying that arrangement.

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

2.2.2.1 Initial Credit Rights.

The Deed of Constitution shall perfect the agreement between the Management Company, for and on behalf of the Fund, and BANCAJA to assign to the Fund an as yet indeterminate number of Initial Credit Rights whose total principal or capital shall be equal to the Maximum Credit Right Amount (EUR 600,000,000.00) or a slightly lower amount closest thereto. The amount of the Initial Credit Rights

assigned upon the Fund being constituted may be slightly less than the Maximum Credit Right Amount given how difficult it is to exactly adjust to that amount because each of the Loans will be assigned at each of their total outstanding capital or principal upon being assigned. The difference between the Maximum Credit Right Amount and the amount of the Initial Credit Rights shall be credited to the Principal Account.

The Deed of Constitution shall itemise each of the Initial Credit Rights assigned to the Fund, providing the main features allowing them to be identified.

The selected loan portfolio from which the Initial Credit Rights shall be taken comprises 87,536 loans, the outstanding principal of which as of May 31, 2006 amounted to EUR 692,680,341.81 and the overdue principal amounted to EUR 1,340,587.62.

Audit of the selected assets securitised through the Fund upon being established.

These 87,536 selected loans from which the Initial Credit Rights shall be taken have been audited by Ernst & Young.

That audit was made using sampling techniques consisting of analysing a number of transactions fewer (sample) than the full selection of loans (population), allowing a conclusion to be arrived at regarding that population. The verification deals with a number of both quantitative and qualitative attributes regarding the sample transactions and specifically regarding: loan origination, nature of the loan and borrower, lending policy, identification of the obligor, loan origination date, loan maturity date, initial loan amount, current loan balance, reference rate or benchmark index, interest rate spread, interest rate applied, personal bond, arrears in payment and transfer of the loans. Selected loans in respect of which incidents are detected in verifying the sample shall not be assigned to the Fund by BANCAJA.

The audit results shall be set out in a report prepared by Ernst & Young, which is one of the available documents established in section 10 of the Registration Document.

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 loans.

The obligors of the selected loans are individuals. The following table gives the concentration of the ten obligors weighing most in the portfolio of selected loans as of May 31, 2006.

Selected loan portfolio as of 31.05.2006				
Classification by obligor				
	Loans		Outstanding principal	
		%	(EUR)	%
Obligor 1	1	0.00114	87,384.10	0.012615
Obligor 2	2	0.00228	86,707.86	0.012518
Obligor 3	1	0.00114	86,357.41	0.012467
Obligor 4	1	0.00114	86,357.41	0.012467
Obligor 5	1	0.00114	86,339.37	0.012465
Obligor 6	1	0.00114	85,512.45	0.012345
Obligor 7	2	0.00228	84,816.97	0.012245
Obligor 8	2	0.00228	84,463.89	0.012194
Obligor 9	1	0.00114	82,225.44	0.011871
Obligor 10	1	0.00114	80,230.22	0.011583
Rest: 84,819 Obligor	87,523	99.98515	691,829,946.69	99.877231
Total obligors: 84,829	87,536	100.00	692,680,341.81	100.00

The outstanding principal of each obligor is the result of the sum of the outstanding principal of each selected loan granted to a same obligor.

b) Information regarding selected loan origination date.

The following table gives the distribution of the selected loans according to the origination date by six-monthly intervals, and the average, minimum and maximum age.

Selected loan portfolio as of 31.05.2006				
Classification by loan origination date				
Date interval	Loans		Outstanding principal (EUR)	
		%		%
01/07/1999 to 31/12/1999	203	0.23	297,215.96	0.04
01/01/2000 to 30/06/2000	337	0.38	880,539.56	0.13
01/07/2000 to 31/12/2000	383	0.44	1,249,824.24	0.18
01/01/2001 to 30/06/2001	685	0.78	2,914,948.28	0.42
01/07/2001 to 31/12/2001	1,930	2.20	5,890,274.31	0.85
01/01/2002 to 30/06/2002	2,768	3.16	11,102,520.13	1.60
01/07/2002 to 31/12/2002	3,501	4.00	15,602,428.91	2.25
01/01/2003 to 30/06/2003	4,600	5.25	26,679,465.93	3.85
01/07/2003 to 31/12/2003	6,045	6.91	37,463,502.12	5.41
01/01/2004 to 30/06/2004	8,715	9.96	61,796,282.81	8.92
01/07/2004 to 31/12/2004	10,711	12.24	85,660,933.27	12.37
01/01/2005 to 30/06/2005	15,406	17.60	139,527,479.98	20.14
01/07/2005 to 31/12/2005	20,134	23.00	187,762,038.88	27.11
01/01/2006 to 30/06/2006	12,123	13.85	115,852,887.43	16.73
Total	87,536	100.00	692,680,341.81	100.00
	16.10	Months	Weighted average age	
	82.62	Months	Maximum age	
	2.01	Months	Minimum age	

c) Information regarding selected loan principal.

The following table gives the distribution of the outstanding loan principal as at May 31, 2006 by EUR 3,000 intervals, and the average, minimum and maximum amount.

Selected loan portfolio as of 31.05.2006				
Classification by outstanding principal				
Principal interval (EUR)	Loans		Outstanding principal (EUR)	
	No.	%		%
0.00 - 2,999.99	19,983	22.83	38,323,870.06	5.53
3,000.00 - 5,999.99	24,246	27.70	108,664,715.17	15.69
6,000.00 - 8,999.99	15,326	17.51	114,297,112.17	16.50
9,000.00 - 11,999.99	10,697	12.22	111,510,889.50	16.10
12,000.00 - 14,999.99	6,619	7.56	89,190,153.35	12.88
15,000.00 - 17,999.99	4,326	4.94	71,045,051.71	10.26
18,000.00 - 20,999.99	2,313	2.64	44,846,065.31	6.47
21,000.00 - 23,999.99	1,490	1.70	33,417,435.14	4.82
24,000.00 - 26,999.99	825	0.94	21,022,239.10	3.03
27,000.00 - 29,999.99	657	0.75	18,629,461.32	2.69
30,000.00 - 32,999.99	320	0.37	10,047,810.86	1.45
33,000.00 - 35,999.99	230	0.26	7,929,844.21	1.14
36,000.00 - 38,999.99	136	0.16	5,098,132.38	0.74
39,000.00 - 41,999.99	76	0.09	3,075,597.10	0.44
42,000.00 - 44,999.99	72	0.08	3,128,751.93	0.45
45,000.00 - 47,999.99	42	0.05	1,944,753.95	0.28
48,000.00 - 50,999.99	41	0.05	2,026,512.26	0.29
51,000.00 - 53,999.99	42	0.05	2,206,905.16	0.32
54,000.00 - 56,999.99	33	0.04	1,826,095.23	0.26

Selected loan portfolio as of 31.05.2006 Classification by outstanding principal				
Principal interval (EUR)	Loans		Outstanding principal	
	No.	%	(EUR)	%
57,000.00 - 59,999.99	22	0.03	1,284,358.81	0.19
60,000.00 - 62,999.99	10	0.01	611,848.72	0.09
63,000.00 - 65,999.99	7	0.01	445,928.74	0.06
66,000.00 - 68,999.99	6	0.01	406,210.23	0.06
69,000.00 - 71,999.99	3	0.00	209,922.96	0.03
72,000.00 - 89,999.99	19	0.02	1,490,676.44	0.22
Total	87,536	100.00	692,680,341.81	100.00
Average principal:			7,912.64	
Minimum principal:			1.10	
Maximum principal:			87,384.10	

d) Information regarding benchmark indices applicable for determining the floating interest rates applicable to the selected loans.

The selected loans are all fixed- or floating-rate loans. The following table gives the distribution of the loans according to the fixed- or floating-rates and the benchmark indices applicable to the floating-rate loans for determining the nominal interest rate.

Loan portfolio as of 31.05.2006 Classification by Interest rate benchmark index				
Benchmark index	Loans		Outstanding principal	
		%	(EUR)	%
Fixed rate	36,582	41.79	230,141,774.87	33.22
Floating rate	50,954	58.21	462,538,566.94	66.78
Total	19,119	100.00	1,490,935,658.25	100.00

* The benchmark index of all floating-rate Loans is the 1-year interbank Benchmark (Euribor)

e) Information regarding applicable nominal interest rates: maximum, minimum and average rates of the selected loans.

The selected loans are both fixed and floating rate loans. The following table gives the distribution of the selected loans by 0.50% nominal interest rate intervals applicable as at May 31, 2006, and their average, minimum and maximum values.

Selected loan portfolio as of 31.05.2006 Classification by applicable nominal interest rate				
Interest Rate % Interval	Loans		Outstanding principal	
		%	(EUR)	%
4.00 - 4.49	694	0.79	7,374,880.74	1.06
4.50 - 4.99	2,088	2.39	23,027,077.39	3.32
5.00 - 5.49	3,942	4.50	38,902,123.77	5.62
5.50 - 5.99	11,233	12.83	107,294,986.93	15.49
6.00 - 6.49	14,451	16.51	131,282,625.91	18.95
6.50 - 6.99	19,715	22.52	165,566,507.63	23.90
7.00 - 7.49	16,211	18.52	120,977,397.90	17.47
7.50 - 7.99	8,894	10.16	55,998,626.70	8.08
8.00 - 8.49	4,548	5.20	23,319,946.05	3.37
8.50 - 8.99	1,832	2.09	8,407,365.96	1.21
9.00 - 9.49	801	0.91	3,068,059.51	0.44
9.50 - 9.99	552	0.63	2,369,351.70	0.34
10.00 - 10.49	891	1.02	1,667,120.33	0.24
10.50 - 10.99	1,098	1.25	2,149,269.37	0.31

Selected loan portfolio as of 31.05.2006					
Classification by applicable nominal interest rate					
	Loans		Outstanding principal		
11.00 - 11.49	431	0.49	848,465.67	0.12	11.06
11.50 - 11.99	26	0.03	52,368.82	0.01	11.55
12.00 - 12.49	128	0.15	348,888.44	0.05	12.00
12.50 - 12.99	4	0.00	10,241.45	0.00	12.90
13.00 - 13.49	2	0.00	15,037.54	0.00	13.11
Total	87,536	100.00	692,680,341.81	100.00	
Weighted average:					6.55 %
Simple average:					6.80 %
Minimum:					4.00 %
Maximum:					13.11 %
*Average nominal interest rate of the interval weighted by the outstanding principal.					

f) Information regarding minimum nominal interest rates applicable to the selected loans.

None of the selected loans have had a minimum nominal interest rate floor set for applicable nominal interest rate variability.

g) Information regarding the maximum nominal interest rates applicable to the selected loans.

None of the selected loans have had a maximum nominal interest rate ceiling set for applicable nominal interest rate variability.

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

The following table gives the distribution of the selected loans according to final maturity date by annual intervals, and the weighted average residual life and the first and last final maturity dates. No details are given of years with no contents.

Selected loan portfolio as of 31.05.2006						
Classification by final repayment date						
Final Repayment Year	Loans		Outstanding principal		Residual Life wa*	
		%	(EUR)	%	Months	Date
2006	3,885	4.44	5,255,224.59	0.76	5.06	1/11/2006
2007	14,970	17.10	43,394,641.37	6.26	13.90	28/07/2007
2008	18,242	20.84	94,423,309.75	13.63	25.53	16/07/2008
2009	16,746	19.13	125,007,978.93	18.05	36.87	26/06/2009
2010	16,096	18.39	166,216,430.63	24.00	49.23	7/07/2010
2011	8,873	10.14	112,125,031.16	16.19	59.72	23/05/2011
2012	6,517	7.44	105,825,614.81	15.28	73.11	3/07/2012
2013	2,096	2.39	37,477,956.26	5.41	80.84	23/02/2013
2014	49	0.06	1,127,531.36	0.16	96.06	2/06/2014
2015	56	0.06	1,501,698.45	0.22	109.58	18/07/2015
2016	11	0.01	324,924.50	0.05	116.54	15/02/2016
Total	87,536	100.00	692,680,341.81	100.00		
Weighted average:					48.51	16/06/2010
Simple average:					37.20	6/07/2009
Minimum:					0.01	01/06/2006
Maximum:					118.18	5/04/2016
* Residual life on the final maturity date (months and date) stands for averages weighted by the outstanding principal of loans with final maturity in the relevant year.						

i) Information regarding geographical distribution by Autonomous Communities.

The following table gives loan distribution by Autonomous Communities according to the location of the obligors' address.

Selected loan portfolio as of 31.05.2006				
Classification by Autonomous Communities				
	Loans		Outstanding principal	
		%	(EUR)	%
Andalusia	1,230	1.41	12,781,207.45	1.85
Aragón	364	0.42	3,894,190.40	0.56
Asturies	44	0.05	550,946.96	0.08
Balearic Isles	1,062	1.21	8,618,100.63	1.24
Canary Islands	961	1.10	8,964,298.86	1.29
Cantabria	37	0.04	522,148.57	0.08
Catalonia	3,661	4.18	37,877,620.68	5.47
Ceuta	5	0.01	39,012.23	0.01
Basque Country	221	0.25	2,538,033.21	0.37
Extremadura	74	0.08	776,609.79	0.11
Galicia	342	0.39	3,923,207.46	0.57
Castile-León	401	0.46	4,103,011.69	0.59
Madrid	2,945	3.36	30,782,594.28	4.44
Castile La Mancha	3,131	3.58	23,883,082.45	3.45
Melilla	1	0.00	2,213.96	0.00
Murcia	283	0.32	3,140,043.48	0.45
Navarre	40	0.05	492,862.88	0.07
La Rioja	102	0.12	1,128,871.01	0.16
Valencian Community	72,637	82.97	548,662,285.82	79.21
Total	87,536	100.00	692,680,341.81	100.00

j) Information regarding delays, if any, in collecting selected loan interest or principal instalments and amount, if any, of the current principal of loans delayed in excess of 30, 60 and 90 days.

The following table gives the number of loans, the outstanding principal and the overdue principal on selected loans in regard to which there was any delay in payment of amounts due as at May 31, 2006.

Arrears in payment of instalments due as of 31.05.2006				
Day Interval	Loans	Outstanding Principal	Overdue Principal	% o/ Total Outstanding Principal
1 to 15 days	2,644	19,520,143.43	388,933.16	0.0561
16 to 30 days	2,952	22,097,226.99	355,646.81	0.0513
31 to 60 days	1,350	9,798,854.14	404,523.36	0.0584
61 to 90 days	419	2,822,199.52	191,484.29	0.0276
Total loans in arrears	7,365	54,238,424.08	1,340,587.62	0.1935

As declared by BANCAJA in section 2.2.8.2.(15) of the Building Block, none of the Loans that will finally be assigned to the Fund upon being established shall have any payments that are more than thirty (30) days overdue on their assignment date.

2.2.2.2 Additional Credit Rights.

After being constituted, the Fund, represented by the Management Company, shall on each Payment Date during the Revolving Period make successive acquisitions of Additional Credit Rights to replace the decrease in the Outstanding Balance of the Credit Rights in the amount of the Principal Available Funds.

2.2.2.2.1 Revolving Period.

The Management Company shall, for and on behalf of the Fund, make quarterly acquisitions of Additional Credit Rights, designed for replacing the decrease in the Outstanding Balance of the Credit Rights in an amount not in excess of the Available Principal Funds, on each Payment Date within the time-period comprised between the first Payment Date, August 28, 2006 because neither August 26 nor August 27 is a Business Day, and the Payment Date falling on May 26, 2008, both inclusive (the “**Revolving Period**”).

There will be an early, definitive termination of the Revolving Period after the Payment Date in the Revolving Period, inclusive, on which any of the following circumstances shall have occurred, as the case may be:

- a) That, on the preceding Determination Date, the Outstanding Balance of Doubtful Credit Rights accumulated since the date on which the Fund was established is in excess of the reference value (the “Reference Value”) applied on the Outstanding Balance of the Credit Rights on the date on which the Fund is established. The Reference Value, determined on the Determination Date preceding the relevant Payment Date, shall be the result of multiplying 0.34375% by the number of Determination Dates elapsed since the date on which the Fund was established, including the Determination Date preceding the relevant Payment Date.
- b) That, on the preceding Determination Date, the Outstanding Balance of Delinquent Credit Rights is in excess of 2.25% the Outstanding Balance of Non-Doubtful Credit Rights.
- c) That for two (2) consecutive and preceding Payment Dates the Outstanding Balance of the Non-Doubtful Credit Rights is less than 90.00% of the Outstanding Principal Balance of Series A, B and C Bonds.
- d) If interest accrued on the Series A, B or C Bonds should not be paid due to a shortfall of Available Funds on the relevant Payment Date.
- e) That the Cash Reserve could not be provisioned up to the Required Cash Reserve amount on the relevant Payment Date.
- f) That either of the Interest Swap Agreements shall have been terminated and a new replacement interest swap agreement shall not have been put in place in its stead within fifteen (15) days.
- g) That a decree of insolvency or liquidation of BANCAJA is under way or in any other circumstance which might result in its credit institution authorisation being revoked.
- h) That BANCAJA shall have been replaced as Servicer under the Loan Servicing Agreement.
- i) That the Spanish tax laws shall have been modified to such an extent that the assignment of Additional Credit Rights is exceedingly burdensome for BANCAJA.
- j) That, on the preceding Payment Date, the Outstanding Balance of Non-Doubtful Credit Rights is less than eighty percent (80.00%) of the sum of the Outstanding Principal Balance of Series A, B and C Bonds.
- k) That the annual accounts of BANCAJA closed as of December 31 of the preceding year shall contain any provision relating to its credit rating.

2.2.2.2.2 Acquisition Amount.

The maximum amount the Management Company, for and on behalf of the Fund, may allocate on each Payment Date during the Revolving Period to the acquisition of Additional Credit Rights (the “**Acquisition Amount**”) shall be the amount of the Principal Available Funds on the relevant Payment Date.

During the Revolving Period, the remaining Principal Available Funds not used for acquiring Additional Credit Rights shall remain credited to the Principal Account.

2.2.2.2.3 Election Requirements.

In order to be assigned to and included in the Fund, the Additional Credit Rights shall on the respective assignment date satisfy all the election requirements laid down in this section (the “**Election Requirements**”).

1. Individual Requirements

The following are the Election Requirements each Additional Credit Right shall individually satisfy to be assigned to the Fund (the “**Individual Requirements**”):

1. That it is a personal Loan that is not secured with any security interest whatsoever, repayment of which is guaranteed by the Obligor or Obligors with all their current or future assets, and which may also be secured with a guarantee given by persons other than the Obligor or Obligors, and has the same purpose as the Initial Credit Rights (financing the acquisition of goods or services).
2. That the Loan was granted by BANCAJA in the ordinary course of its business following its usual credit risk analysis and valuation procedures described in section 2.2.7 of this Building Block.
3. That the Obligor is a Spanish individual or an individual resident in Spain and is not an employee, officer or director of BANCAJA.
4. That the Loan is denominated in euros.
5. That the outstanding principal balance of the Loan is between EUR one thousand (1,000) and EUR ninety thousand (90,000), both inclusive.
6. That at least one (1) instalment has fallen due on the Loan and is not overdue.
7. That the Loan has no payments more than thirty (30) days overdue.
8. That the final maturity date of the Loan is not after April 30, 2018.
9. That Loan interest and repayment instalments are monthly.
10. That the Loan principal repayment system is a repayment system with periodic instalments such as the French method, a variable geometric or arithmetic progression repayment instalments method or an equal, constant repayment instalments method.
11. That the Loan does not include clauses allowing regular interest payment or principal repayment to be deferred after the assignment date.
12. That the Loan payment obligations be satisfied by directly debiting an account opened at BANCAJA.

2. Global Requirements.

In addition to satisfying the Individual Requirements, the following are the Election Requirements the Credit Rights, including the Additional Credit Rights to be acquired by the Fund on the assignment date, must satisfy as a whole for the latter to be assigned to the Fund (the “**Global Requirements**”):

1. That on the assignment date the average interest rate of fixed rate Credit Rights weighted by the Outstanding Balance of each fixed rate Credit Right is not less than 6.00%.
2. That on the assignment date the average margin of floating rate Credit Rights weighted by the Outstanding Balance of each floating rate Credit Right is not less than 3.00%.

In that connection, the Management Company shall calculate for each floating rate Credit Right the implicit margin based on the applicable interest rate and the relevant benchmark for each floating rate Credit Right, taking the margin of each floating rate Credit Right for calculating the average margin to be the lower of: (i) the result of subtracting from the interest rate applicable to the floating rate Credit Right the benchmark index value under the relevant agreement, and (ii) the margin determined in the respective Loan agreement, as the Originator shall have notified to the Management Company.

3. That the Outstanding Balance of fixed rate Credit Rights is not below 20.00% or above 40.00% of the Outstanding Balance of the Credit Rights.
4. That the Outstanding Balance of floating rate Credit Rights is not below 60.00% or above 80.00% of the Outstanding Balance of the Credit Rights.
5. That on the assignment date and exclusively in relation to the Additional Credit Rights assigned as of that date the average time elapsed since the date of origination of the Additional Credit Rights until the date of assignment, weighted by the Outstanding Balance of each Additional Credit Right, is not less than two (2) months.
6. That on the assignment date the average term remaining until the final maturity date of the Credit Rights weighted by the Outstanding Balance of each Credit Right is not in excess of 5.5 years, assuming a CPR of 0%.
7. That on the assignment date the sum of the Outstanding Balance of Credit Rights having an individual Outstanding Balance in excess of EUR forty thousand (40,000) is not in excess of six percent (6%) of the Outstanding Balance of Credit Rights as a whole.
8. That on the assignment date the Outstanding Balance of Credit Rights relating to a same Obligor is not in excess of EUR one hundred thousand (100,000).

2.2.2.2.4 Offer Dates.

The “**Offer Request Dates**” shall be the dates falling on the sixth (6th) Business Day preceding each Payment Date in the Revolving Period on which Additional Credit Rights should be acquired.

“**Offer Dates**” shall be the dates falling on the fourth (4th) Business Day preceding each of the Payment Dates in the Revolving Period on which Additional Credit Rights should be acquired.

2.2.2.2.5 Procedure for acquiring Additional Credit Rights.

1. On each Offer Request Date, the Management Company shall send the Originator a written notice demanding the assignment of Additional Credit Rights for the Fund, specifying estimated Acquisition Amount and the Payment Date on which the assignment to the Fund and payment for the assignment shall be made.
2. By 9am (CET time) on the Offer Date, the Originator shall send the Management Company a written notice offering to assign Additional Credit Rights, along with a data file detailing the selected loans and their characteristics included in the assignment offer and which shall satisfy the Individual Requirements and the other characteristics given in section 2.2.8.2 of this Building Block.
3. By the second (2nd) Business Day preceding the Payment Date, the Management Company shall send the Originator a written notice accepting the assignment of Additional Credit Rights, along with a data file with the details of the Additional Credit Rights accepted and their characteristics notified by the Originator.

In determining which Additional Credit Rights to include on the assignment acceptance, the Management Company shall:

- (i) Check that the Loans listed on the assignment offer satisfy the Individual Requirements numbered from 4 to 10 and the Global Requirements in conformity with the characteristics notified by the Originator, without this entailing checking compliance with the other characteristics of the Loans given in section 2.2.8.2 of this Building Block, which shall be reaffirmed by the Originator in each purchase agreement of Additional Credit Rights.
- (ii) Determine the Additional Credit Rights that are acceptable and eligible for assignment to the Fund for a total amount equal or as near as possible to the Acquisition Amount.

2.2.2.2.6 Annual audit of the Additional Credit Rights.

The Management Company shall on the Fund's behalf annually commission an audit, using sampling techniques, of Additional Credit Rights acquired during the years 2006, 2007 and 2008, this being the Revolving Period, which shall remain outstanding as of December 31 in each of those years.

The audit of the Additional Credit Rights in the sample shall refer to the same attributes as the audit made of the loans selected for assignment to the Fund upon being established.

That audit shall be undertaken by an audit firm registered in the Official Register of Auditors (ROAC) and sent to the CNMV along with the audit report on the annual accounts of the Fund for the years ended on December 31, 2006, 2007 and 2008.

2.2.3 Legal nature of the pool of assets.

The selected loans to be securitised through the Fund may be classified based on their collaterals into:

- (i) Loans without special security.
- (ii) Loans exclusively secured with third-party personal bonds.

The loans shall be directly assigned to the Fund, upon being sold by BANCAJA and acquired by the Fund, on the terms provided for in section 3.3 of this Building Block.

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

The selected loans each have a final maturity date without prejudice to periodic partial repayment instalments, on the specific terms applicable to each of them.

Obligors may at any time during the life of the loans 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.

The final maturity date of the loans selected to be assigned to the Fund upon being established lies between June 1, 2006 and April 5, 2016. The final maturity date of the Loans assigned to the Fund upon acquisitions being subsequently made during the Revolving Period may not extend beyond April 30, 2018.

2.2.5 Amount of the assets.

The Maximum Amount of the Outstanding Balance of the Credit Rights pooled in the Fund shall be EUR six hundred million (600,000,000.00), equivalent to the face value of Series A, B and C Bonds.

2.2.6 Loan to value ratio or level of collateralisation.

The selected loans have no real estate mortgage security and the information as to the loan to value ratio does not therefore apply.

There is no overcollateralisation in the Fund since the Maximum Credit Right Amount shall be EUR six hundred million (600,000,000.00), the face value amount of Series A, B and C Bonds.

2.2.7 Method of creation of the assets.

The loans selected for assignment to the Fund have been granted by BANCAJA following its usual credit risk analysis and assessment procedures for lending to individuals without mortgage security. The procedures currently in place at BANCAJA are described below:

1. Private individual lending model used

Lending to private individuals is governed by BANCAJA's credit policy, defined as the criteria, measures and procedures altogether designed for management as a whole to allow a quality credit portfolio to be obtained, minimising the insolvency risk. The main solvency risk component is a sufficient repayment capacity to meet commitments undertaken and secondarily solvency in the event of default.

The Risks management draws up the Basic analysis policies for approving lending transactions, based on a positive repayment capacity for the transaction and the existence of a suitable level of cover and profitability, which shall be specified having regard to the client's particular characteristics, transaction type, amount and term applied for. General policies are the same for any type of lending transaction, but the analysis and tools used differ according to the segment in which the client belongs.

BANCAJA's model relies on an electronic private individual file, which supports customer particulars, to be analysed by the scoring models. These models analyse client payment history through statistical methods.

BANCAJA's risk analysis takes into account the customer's global risk with BANCAJA. In so doing the concept of UER/Group is used, taking two or more enterprises/individuals to make up a Group, for risk purposes, where common shareholders stand for more than 25% of the share capital or they have a common management (that is, when despite not having a direct interest, management is controlled). Based on a broader judgment, two or more individuals/enterprises will make up a single Group where they have common or cross collaterals and where downturn of one of them can affect the normal development of the other(s).

Economic groups are managed by means of an application integrated in TL4 (an IT tool for all daily operations), which moreover dumps summary information onto the CIN (Information Centre), and permits Groups to be composed and maintained, providing integrated information on Asset positions and CIRBE. The information at the Information Centre gives end-of-month details at time of generation of the information, providing both risk figures and a breakdown by group components, giving the Group's global position global as of that date for the different sinking periods.

2. Empowerment.

BANCAJA has structured a loan approval empowerment system based on BANCAJA's total risk with each "Economic Risk Unit" (UER). Risks are approved on the committees at the various levels depending on the extent of authority.

Management Bodies More than 3% of BANCAJA's equity		
General Up to 3% of BANCAJA's equity	Manager	Risks
Business Area Up to €9,000,000		
Business Unit Up to €3,000,000		
Branches		
External Network Up to €480,000	Traditional Network Up to €400,000	Specialised banking Up to €361,000

Table: Simplified outline of empowerment at BANCAJA

Risks are approved at the various levels depending on the extent of authority, and that is done by means of the "APA" (asset product authorisation) application. The main object of this application is providing BANCAJA with efficient control and management tools enhancing asset management and providing an assurance that all risks booked were previously authorised at the appropriate level. In

essence, the system sees to it that the need for there to be an authorisation is tied to the booking of asset products, and ensures that risk authorisations are issued by whoever has authority to do so.

For every application, the system creates a case file recording the details of the risk to be taken with a customer, automatically assigning a file number uniquely identifying the same. Upon completion of the transaction, an asset account is linked to the file and the system prevents the asset account opened from having risk characteristics or terms different from those approved.

The managers of each Business Area and the Risks Area manager are on the Management Risks Committee. This Committee meets weekly to review applications with an UER in excess of €9 million. This Committee is authorised for approving loans with UER of up to 3% of BANCAJA's equity). For higher risks, the Committee draws up and submits a proposal to BANCAJA's management bodies.

Origination

Origination is a key, determinant factor within the risk process, inasmuch as it provides the contractual framework supporting future legal actions if any deriving therefrom. The transaction must be approved by the relevant approval level, and it is the duty of whoever represents the Institution in signing the relevant agreements, deeds, etc. to check that they conform to the decision made by the Approval Committee.

In transactions originated through Branches, loan agreements, guarantees, deeds, etc. must always be attested to by a commissioner for oaths. Exceptionally, as the Branch Manager shall deem appropriate, this requirement shall be omitted for personal loans not in excess of €10,000. In transactions involving a higher amount, the authorisation of the relevant higher level shall be required (Business/Risks Unit).

In transactions originated through alternative channels, the requirement of the commissioner for oaths' attestation may be omitted for personal loans not in excess of €36,000 for a period of up to 7 years.

In personal loans not attested to for a term of up to 5 years, a promissory note may be completed upon the loan agreement being issued in order for an enforcement action to be available.

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

The Management Company reproduces below the representations and warranties BANCAJA, as holder of the Loans until assigned to the Fund and as Originator, shall give and make to the Management Company, on the Fund's behalf, in the Deed of Constitution of the Fund in relation to the Originator proper and to the Initial Credit Rights, and in each assignment agreement in relation to the Originator proper and to the Additional Credit Rights assigned under such agreement, upon those assignments being made.

1. In relation to BANCAJA.

- (1) That BANCAJA is a credit institution duly incorporated in Spain in accordance with the laws in force for the time being, entered in the Companies Register and in the Register of Credit Institutions of the Bank of Spain.
- (2) That neither at today's date nor at any time since it was incorporated has BANCAJA been decreed insolvent, in bankruptcy or in suspension of payments, nor in any circumstance generating a liability which might result in the credit institution authorisation being revoked.
- (3) That BANCAJA has obtained all necessary authorisations, including those required of its corporate bodies and third parties, if any, affected by the assignment of the Credit Rights to the Fund, to validly be present at the execution of the Deed of Constitution and at the signature of the subsequent assignment agreements, the agreements relating to the establishment of the Fund and to fulfil the undertakings made.
- (4) That BANCAJA has audited annual accounts for the last three years ending on December 31, 2005, 2004 and 2003. The audit report to the year 2005 annual accounts has no notes. The year 2005, 2004 and 2003 audited annual accounts have been filed with the CNMV and the Companies Register.

2. In relation to the Loans and to the Credit Rights derived therefrom assigned to the Fund.

- (1) That both the grant of the Loans and their assignment to the Fund and all aspects related thereto are and will be at arm's length.
- (2) That the Loans exist and are valid and enforceable in accordance with the applicable laws.
- (3) That BANCAJA is the legal and beneficial owner, without limitation, of all the Loans, free and clear of all and any liens and claims.
- (4) That the details of the Loans included in the schedules to the Deed of Constitution and subsequent assignment agreements accurately reflect the status of those Loans on the assignment date.
- (5) That the Loans are not secured with any security interest whatsoever but are personal Loans and the Obligor or Obligors shall be liable for fulfilling the same with all their current or future assets. Some of them are also guaranteed by means of a surety given by a person other than the Obligor or Obligors.
- (6) That the Loans are duly supported and part of them are originated in a loan agreement certified by a commissioner for oaths, whereas others are originated in a private agreement. Part of the loans originated in a private agreement include among their terms a clause making provision for the issue of a non-negotiable blank promissory note by the borrower Obligor, delivering the same to BANCAJA and expressly authorising BANCAJA, upon final or early termination, as the case may be, to complete the same with such amount as may result from the addition of a number of items in order to stand as an enforceable instrument for BANCAJA in the event of a breach by the Obligor of the terms agreed in the relevant Loan.
- (7) That the agreements or private documents recording the Loans contain no clauses preventing their assignment or requiring any authorisation or communication for the Loan to be assigned.
- (8) That the Obligors under the Loans are all Spanish individuals or individuals resident in Spain and are not employees, managers or officers of BANCAJA.
- (9) That the Loans have been granted by BANCAJA in order to finance for Spanish individuals or individuals resident in Spain the purchase of goods or services.
- (10) That BANCAJA has considered as a policy for granting the Loan that the principal Loan amount is not, upon their origination, in excess of the value of the goods or services to be financed.
- (11) That on the date of assignment to the Fund, it has not come to BANCAJA's notice that any Obligor has been declared insolvent.
- (12) That the Loans are all denominated and payable exclusively in euros and their capital or principal has been fully drawn down.
- (13) That none of the Loans have clauses allowing deferment of periodic interest payment or principal repayment.
- (14) That all the Credit Right payment obligations are satisfied by directly debiting an account opened at BANCAJA.
- (15) That on the date of assignment to the Fund, none of the Loans have any payments more than thirty (30) days overdue.
- (16) That the Loans were granted by BANCAJA in the ordinary course of its business following its usual credit risk analysis and valuation procedures described in section 2.2.7 of this Building Block.

- (17) That the agreements or private documents originating the Loans, including the promissory notes, have all been duly filed in BANCAJA archives suitable therefor, and are at the Management Company's disposal, for and on behalf of the Fund, and the Loans are all clearly identified both in data files and by means of their agreements or private documents.
- (18) That the outstanding capital balance of each of the Credit Rights is equivalent to the capital figure for which the Credit Right is assigned to the Fund.
- (19) That the final maturity date of the Loans is at no event after April 30, 2018.
- (20) That after being granted, the Loans have been serviced and are still being serviced by BANCAJA in accordance with its set customary procedures.
- (21) That BANCAJA has no knowledge of the existence of any litigation whatsoever in relation to the Loans which may detract from their validity or their enforceability or may result in the application of Civil Code article 1535.
- (22) That on the date of assignment, at least one (1) instalment has fallen due on each Credit Right and is not overdue.
- (23) That the information on the Loans and the Credit Rights contained in the Prospectus is strictly true.
- (24) That nobody has a preferred right over the Fund as holder of the Loans.
- (25) That BANCAJA has received from the Obligors no notice whatsoever of full or partial repayment of the Loans.
- (26) That the Loan has not matured before, and does not mature on, the date of assignment to the Fund.
- (27) That the outstanding principal balance of the Loan is not in excess of EUR ninety thousand (90,000).
- (28) That Loan interest and repayment instalment frequency is monthly.
- (29) That the Loan principal repayment system is a repayment system with periodic instalments such as the French method, a variable geometric or arithmetic progression repayment instalments method or an equal, constant repayment instalments method.
- (30) That no Loan is in an interest or repayment exclusion period.
- (31) That BANCAJA is not aware that any Loan Obligor holds any credit right against BANCAJA whereby the Obligor may be entitled to a set-off adversely affecting the rights vested in the Fund upon the Loans being assigned.
- (32) That the Loans are not finance lease transactions.
- (33) That the floating-rate Loans do not benefit from a lower margin as a result of the Obligor using other financial products or services of BANCAJA, with respect to the margin applicable on the relevant assignment date (notwithstanding a possible renegotiation thereof as provided for in section 3.7.2.1.6.a) of this Building Block).
- (34) That on the date of establishment, the Outstanding Balance of floating rate Loans shall not be less than EUR three hundred and sixty million (360,000,000.00).
- (35) That in the case of floating rate Loans, their reset period is yearly and their benchmark index is the 1-year interbank Benchmark (Euribor) calculated by the Bank of Spain and published monthly in the relevant Official State Gazette, on the second month preceding the month in which a new interest rate is to be applied.

- (36) That in the case of floating rate Loans not more than thirteen (13) months elapse between the assignment date and the next interest rate reset date.
- (37) That none of the Loans contains clauses providing for interest rate caps limiting the interest rate amount applicable to the Loan.
- (38) That as of the date of establishment the Initial Credit Rights shall satisfy the Global Requirements (with the exception of number 5).

2.2.9 Substitution of the securitised assets.

Set rules for substituting the Credit Rights or otherwise repayment to the Fund.

1. In the event of early amortisation of the Credit Rights due to prepayment of the relevant Loan capital, there will be no direct substitution of the Credit Rights affected thereby, notwithstanding the acquisition by the Fund of Additional Credit Rights during the Revolving Period.
2. In the event that it should be observed throughout the life of the Credit Rights that any of them failed on the relevant assignment date to meet the characteristics contained in section 2.2.8.2 of this Building Block, the Originator agrees, subject to the Management Company's consent, to proceed forthwith to remedy and, if that is not possible, substitute or redeem the affected Credit Rights not substituted, by automatically terminating the assignment of the affected Credit Rights, subject to the following rules:

- a) The party becoming aware of the existence of a non-conforming Credit Right, whether the Originator or the Management Company, shall notify the other party of this circumstance. BANCAJA shall have not more than fifteen (15) Business Days from said notice to proceed to remedy that circumstance if it may be remedied or in order to proceed to a substitution thereof.
- 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 substituted Credit Right.

In order to proceed to the substitution, the Originator shall notify the Management Company of the characteristics of the Loans proposed to be assigned satisfying the characteristics given in section 2.2.8.2 of this Building Block and the (Individual and Global) Election Requirements and similarly characterised as to purpose, term, interest rate and outstanding principal balance. Once the Management Company has checked that the (Individual and Global) Election Requirements are satisfied and expressly stated to the Originator that the Loans to be assigned are appropriate, the Originator shall proceed to terminate the assignment of the affected Credit Right and assign a new or new replacement Credit Rights.

Initial Credit Rights shall be substituted in a public deed, whereas substitution of Additional Credit Rights shall be perfected in an agreement, and both shall be communicated to the CNMV and to the Rating Agencies.

- c) In the event that any Credit Right should not be substituted on the terms set in rule b) of this section, the Originator shall proceed to automatically terminate the assignment of the affected Credit Right not replaced. That termination 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 relevant Credit Right, which shall be paid into the Treasury Account.
 - d) In the event of termination of Credit Rights due to both substitution and repayment, the Originator shall be vested in all the rights attaching to those Credit Rights accruing from the termination date or accrued and not due, and overdue amounts on that same date.
3. In particular, the amendment by the Servicer during the life of the Credit Rights 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 Servicer of its duties which should not be borne by the Fund or by the Management Company.

Upon any such breach occurring, the Fund may, through the Management Company: (i) demand payment of the relevant damages and losses and (ii) request replacement or repayment of the affected Credit Rights, in accordance with the procedure provided for in paragraph 2 above of this section, which shall not result in the Servicer 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 Credit Rights resulting from a breach by the Originator.

2.2.10 Relevant insurance policies relating to the assets.

Not applicable.

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

Not applicable.

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

There are no relationships between the Fund, the Originator, the Management Company and other parties involved in the transaction other than as set forth in sections 5.2 and 6.7 of the Registration Document and in section 3.2 of this Building Block.

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

Not applicable.

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

Not applicable.

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

Not applicable.

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

Not applicable.

2.3 Actively managed assets backing the issue.

Not applicable.

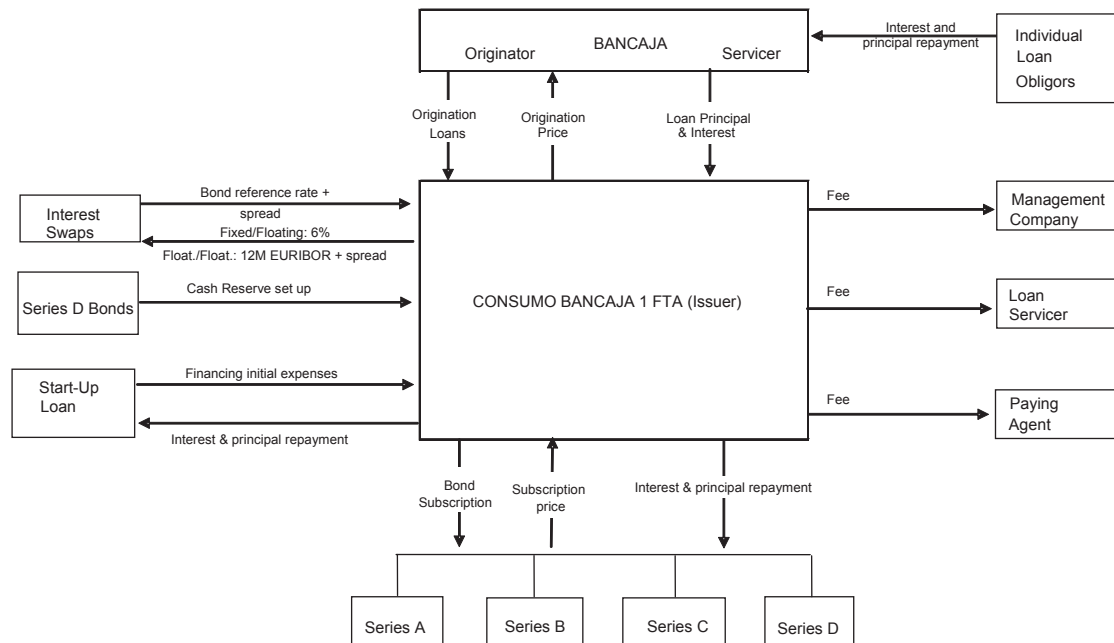
2.4 Where the issuer proposes to issue further securities backed by the same assets, statement to that effect and description of how the holders of that class will be informed.

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	601,064,956.31	Bond Issue	613,200,000.00
Credit Rights	600,000,000.00	Series A Bonds	566,100,000.00
		Series B Bonds	14,700,000.00
		Series C Bonds	19,200,000.00
		Series D Bonds ***	13,200,000.00
Set-up and issue and admission expenses*	1,064,956.31	Other long-term liabilities	3,150,000.00
		Start-Up Loan	3,150,000.00
Current assets	15,285,043.69	Short-term creditors	to be determined
Treasury Account * ***	15,285,043.69	Loan interest accrued **	to be determined
Principal Account	to be determined		
(Initial Credit Rights adjustment deficiency)			
Accrued interest receivable **	to be determined		
Total assets	616,350,000.00	Total liabilities	616,350,000.00
MEMORANDUM ACCOUNTS			
Cash Reserve ***	13,200,000.00		
Interest Swap collections	to be determined		
Interest Swap payments	to be determined		

(Amounts in EUR)

- * Assuming that all Fund set-up and Bond issue and admission expenses are met on the Closing Date and that they amount to EUR 1,064,956.31 as detailed in section 6 of the Securities Note.
- ** As set forth in section 3.3.3 of this Building Block.
- *** Assuming that the face amount of Series D and the Initial Cash Reserve shall be determined at EUR 13,200,000.00, their amount being in any event comprised between EUR 12,800,000.00 and EUR 13,500,000.00 in accordance with section 4.9.2.4 of the Securities Note and 3.4.2.2 of the Building Block.

The Management Company represents that the summary descriptions of the agreements, contained in the relevant sections, give the most substantial and relevant information on each of the agreements, accurately present their contents, and no information has been omitted which might affect the contents of the Prospectus.

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 takes responsibility for the contents of this Prospectus.
- (ii) BANCAJA is the originator of the Credit Rights to be acquired by the Fund, has structured the financial terms of the Fund and of the Bond Issue, shall fully subscribe for Series D Bonds, shall be a Lead Manager of the Bond Issue and a Series A, B and C Bond Underwriter and Placement Agent and also takes responsibility for the contents of the Securities Note.

Moreover, BANCAJA shall be counterparty to the Fund in the Guaranteed Interest Rate Account (Treasury Account), Guaranteed Interest Rate Account (Principal Account), Start-Up Loan, Credit Right Servicing, Bond Paying Agent, Interest Swap (Fixed/Floating) and Financial Intermediation Agreements.

- (iii) JPMORGAN shall be a Lead Manager and a Series A, B and C Bond Underwriter and Placement Agent.
- (iv) BNP PARIBAS shall be a Lead Manager and a Series A, B and C Bond Underwriter and Placement Agent.
- (v) BNP PARIBAS SA shall be the Fund's counterparty in the Interest Swap Agreement (Floating/Floating).
- (vi) GARRIGUES, as independent advisers, have provided legal advice for establishing the Fund and issuing the Bonds and reviewed their tax aspects.
- (vii) Ernst & Young have audited the selected loans from BANCAJA.

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

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 Credit Rights.

3.3.1.1 Assignment of the Initial Credit Rights.

The Management Company, for and on behalf of the Fund, and BANCAJA, shall in the Deed of Constitution perfect the agreement assigning Credit Rights to the Fund, as follows:

- (i) Assignment by BANCAJA to the Fund of the initial Credit Rights to be listed in the Deed of Constitution.
- (ii) Establishment of the obligation by BANCAJA to assign to the Fund in an agreement to be entered into on each Payment Date in the Revolving Period the Additional Credit Rights selected by the Management Company, in an amount not in excess of the Acquisition Amount, from among those offered by BANCAJA satisfying the Election Requirements.

3.3.1.2 Assignment of the Additional Credit Rights.

Each new assignment to the Fund of Additional Credits Rights shall be perfected in an agreement entered into by the Management Company, for and on behalf of the Fund, and BANCAJA on each assignment date.

All expenses and taxes deriving from completion of subsequent assignments of Additional Credit Rights shall be borne by the Fund.

On each new acquisition of Additional Credit Rights, the Management Company shall deliver to the CNMV, on the assignment date:

- (i) Details of each Additional Credit Right assigned to the Fund with the main features allowing them to be identified.
- (ii) A written statement by the Management Company, also signed by BANCAJA, that the Additional Credit Rights satisfy all the set (Individual and Global) Election Requirements to be assigned to the Fund.

For the above purposes and for the purposes of the provisions of Civil Code article 1227, the Management Company has become a member of the CNMV's Cifradoc system for online communication of the details of the Additional Credit Rights, by sending data files, and the Management Company's statement in relation to the Additional Credit Rights satisfying the (Individual and Global) Election Requirements.

The agreement originating each assignment of Additional Credit Rights shall be submitted to the CNMV on the Business Date following the relevant assignment date.

- 3.3.1.3** The assignment by BANCAJA to the Fund of the Credit Rights 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 or of substitution of the Servicer, or because the Management Company deems it reasonably justified, the Management Company may demand the Servicer to notify Obligors and guarantors, if any, of the transfer to the Fund of the outstanding Credit Rights, 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 and guarantors, if any.

3.3.2

Credit Right assignment terms.

1. The Credit Rights will be fully and unconditionally assigned for the entire term remaining until maturity of each Loan.
2. The Originator shall be liable to the Fund for the existence and lawfulness of the Credit Rights to the same extent laid down in articles 348 of the Commercial Code and 1529 of the Civil Code.
3. The Originator shall not bear the risk of default on the Credit Rights and shall therefore have no liability whatsoever for default by the Obligors of principal, interest or any other amount owing to them by the Obligors under the Loans, and will not be liable for the enforceability of personal security collateral thereto or the accessibility or effects, as the case may be, of exchange proceedings. The Originator will moreover have no liability whatsoever to directly or indirectly guarantee that the transaction will be successfully completed, nor give any guarantees or security, nor indeed agree to replace or repurchase the Credit Rights, other than as provided in section 2.2.9 of this Building Block.
4. Each Credit Right shall be assigned for all the outstanding capital pending repayment on the assignment date and for all the ordinary and late-payment interest on each Loan assigned.

Specifically, for illustration, without limitation, the assignment of the Credit Rights shall confer the following rights in relation to each of the assigned Loans:

- (i) To receive all Loan capital or principal repayment.
- (ii) To receive all Loan capital ordinary interest amounts accrued.
- (iii) To receive all Loan late-payment interest amounts accrued.
- (iv) To receive any other amounts, assets or rights received as payment of the Loan principal, interest or expenses.
- (v) To receive all possible rights or compensations accruing for the Originator under and derived from the Loans, including those derived from any ancillary right attached to the Loans, excluding fees that may be established for each Loan, which shall remain for the benefit of the Originator.
- (vi) To receive all amounts, assets, securities or rights recovered as payment of Loan principal, interest or expenses upon enforcing the promissory notes, if any.

The above-mentioned rights will all accrue for the Fund from the date of assignment of the Credit Rights. Interest shall moreover include interest accrued and not due since the last interest settlement date on each of the Loans, on or before the date of assignment and overdue interest, if any, as of that same date.

The assignment of the Credit Rights shall, in respect of Loans whose terms make provision for their issue, entail an assignment of the blank promissory notes to the Fund, in accordance with the provisions of articles 24 and 96 of Exchange and Cheque Act 19/1985, and the Fund shall be entitled to have BANCAJA hand over the promissory note.

Returns on the Credit Rights constituting Fund income shall not be subject to a Corporation Tax withholding as established in Royal Decree 1777/2004, July 30, approving the Corporation Tax Regulations.

5. The Fund's rights resulting from the Credit Rights are linked to the payments made by the Obligors, and are hence directly affected by the evolution, delays, prepayments or any other incident relating to the Loans.
6. The Fund shall bear all and any expenses or costs defrayed by the Originator derived from the recovery actions in the event of a breach of obligations by the Obligors, including bringing the relevant action against the same.
7. In the event of a renegotiation of the Loans or their due dates, consented to by the Management Company, for and on behalf of the Fund, the change in the terms shall affect the Fund.
8. BANCAJA as Originator of the Credit Rights shall be entitled to receive from the Obligor the fees, including prepayment or early cancellation fees or any other right which cannot be made part of the debt to be claimed from the Obligor in the event of default on the Loans.

3.3.3 Credit Right sale or assignment price.

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

The Management Company shall pay the total Credit Right assignment price on behalf of the Fund as follows:

1. The part consisting of the face value of the capital of all the Loans, subparagraph (i) of paragraph one of this section, shall be paid by the Fund on the following dates:
 - a) Payment of the face value of the outstanding capital or principal of the Initial Credit Rights shall be fully paid on the Bond Closing Date, for same day value, upon the subscription for the Bond Issue being paid up, by means of an instruction given by the Management Company to BANCAJA to proceed to debit the Treasury Account opened on behalf of the Fund. BANCAJA shall receive no interest on the deferment of payment until the Closing Date.
 - b) Payment of the face value of the outstanding capital or principal of the Additional Credit Rights shall be fully paid on the relevant Payment Date on which the assignment occurs, for same day value, upon BANCAJA debiting the Treasury Account opened on behalf of the Fund.
2. The part consisting of interest accrued on each Loan, subparagraph (ii) of paragraph one of this section, shall be paid by the Fund on the earlier of the collection dates falling on the first interest settlement date of each one or the date on which they are paid by the Obligor, after the date of assignment, and will not be subject to the Fund Priority of Payments.

If the establishment of the Fund and hence the assignment of the Initial Credit Rights should terminate, in accordance with the provisions of section 4.4.4.(v) of the Registration Document, (i) so will the Fund's obligation to pay for the assignment terminate, and (ii) the Management Company shall be obliged to restore to BANCAJA any rights whatsoever accrued for the Fund upon the Initial Credit Rights being assigned.

3.4 Explanation of the flow of funds.

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

The amounts received by the Fund derived from the securitised Credit Rights will be paid by the Servicer into the Treasury Account on the seventh day after the date on which they are received by the Servicer or the following business day if that is not a business day, for same day value. In this connection, business days shall be taken to be all those that are business days in the savings bank sector in the city of Valencia.

The weighted average interest rate of the loans selected as of May 31, 2006, as detailed in section 2.2.2.e) of this Building Block, is 6.55%, which is above the 3.12% 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 Swaps partly mitigate the interest rate risk occurring in the Fund because the Credit Rights are subject to fixed or floating interest with different benchmark index and reset and settlement periods differing from the floating interest established for the Bonds based on 3-month Euribor and with quarterly accrual and settlement periods.

Quarterly on each Payment Date Bondholders will be paid interest accrued and, upon the Revolving Period terminating, principal will be repaid 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 Series D Bonds being paid for.
Mitigates the credit risk derived from delinquency and default on the Credit Rights.
- (ii) Interest Swaps:
Partly mitigate the interest rate risk occurring in the Fund because the Credit Rights have fixed or floating interest with different benchmark index and reset and settlement periods differing from the floating interest established for the Bonds based on 3-month Euribor with quarterly accrual and settlement periods.
- (iii) Treasury Account:
Partly mitigates the loss of return on the liquidity of the Fund due to the timing difference between income received on the Credit Rights until payment of Bond interest and acquisition of Additional Credit Rights on the next succeeding Payment Date during the Revolving Period or, when it is over, until principal repayment occurs.
- (iv) Principal Account:
Partly mitigates the loss of return on the amounts of the Principal Available Funds not applied to acquiring Additional Credit Rights during the Revolving Period.
- (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 Principal Available Funds 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 a cash reserve (the “**Cash Reserve**”) on the Closing Date using the subscription payment for Series D Bonds and shall subsequently, on each Payment Date, keep the Required Cash Reserve amount provisioned in the Fund Priority of Payments.

The characteristics of the Cash Reserve shall be as follows:

Cash Reserve amount.

1. The Cash Reserve shall be set up on the Closing Date in an initial amount as established hereinafter (the “**Initial Cash Reserve**”). Subsequently to being set up, on each Payment Date, the Cash Reserve shall be provisioned up to the required Cash Reserve on each Payment Date established hereinafter (the “**Required Cash Reserve**”) with the Available Funds in the Priority of Payments of the Fund.
2. The Initial Cash Reserve and the Required Cash Reserve amount shall be determined by the Management Company by 10am (CET time) on the day of the Subscription Period, based on the margin applicable to the Party B interest rate under the Interest Swap Agreement (Floating/Floating), in accordance with the provisions of section 3.4.7.1 of the Building Block, as established below.

Margin applicable to the Party B interest rate under the Interest Swap Agreement (Floating/Floating)				
	Between 2.550% and 2.649%	Between 2.650% and 2.750%	Between 2.751% and 2.850%	Between 2.851% and 2.900%
Initial Cash Reserve	€13,500,000.00	€13,200,000.00	€12,900,000.00	€12,800,000.00
Required Cash Reserve shall be the lower of the following amounts:				
(i) The Initial Cash Reserve amount	€13,500,000.00	€13,200,000.00	€12,900,000.00	€12,800,000.00
(ii) The higher of:				
a) The amount resulting from applying the percentage specified to the sum of the Outstanding Principal Balance of Series A, B and C	4.50%	4.40%	4.30%	4.26%
b) The following amount	€6,750,000.00	€6,600,000.00	€6,450,000.00	€6,400,000.00

The Initial Cash Reserve and the Required Cash Reserve amount to be determined on each Payment Date, shall be notified by the Management Company by the start of the Subscription Period to the Lead Managers and to the Underwriters and Placement Agents, to be reported to investors interested in subscribing for the Bonds. The Management Company will also notify this to the CNMV as information in addition to this Prospectus, and to the Rating Agencies. This shall also be set down in a public deed supplementing the Deed of Constitution to be executed by the Management Company by the start of the Subscription Period.

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 Credit Rights is equal to or greater than 1.00% of the Outstanding Balance of Non-Doubtful Credit Rights.
 - ii) That the Cash Reserve cannot be provisioned up to the Required Cash Reserve amount on the relevant Payment Date.
 - iii) That two (2) years have not elapsed since the date on which the Fund was established."

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 BANCAJA into a commercial loan agreement amounting to EUR three million one hundred and fifty thousand (3,150,000.00) (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 issue and admission of the Bonds and covering the timing difference existing between collection of Initial Credit Right interest and payment of Bond interest on the first Payment Date.

Outstanding Start-Up Loan principal will accrue a floating annual nominal interest, determined quarterly for each Interest Accrual Period, which shall be the result of adding: (i) the Reference Rate determined for the Bonds, and (ii) a 2.00% margin. This interest will be payable only if the Fund should have sufficient liquidity in the Priority of Payments or Liquidation Priority of Payments, as the case may be. Interest shall be settled and payable on the date of expiration of each Interest Accrual Period on each Payment Date, and shall be calculated based on: (i) the exact number of days in each Interest Accrual Period and (ii) a three-hundred-and-sixty- (360-) day year. The first interest settlement date shall be August 28, 2006 because neither August 26 nor August 27 is a Business Day.

Interest accrued and not paid on a Payment Date shall not be accumulated to the Start-Up Loan principal nor earn late-payment interest.

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

- (i) The portion of Start-Up Loan principal actually used to finance the Fund set-up and Bond issue and admission expenses and cover the timing difference existing between collection of Initial Credit Right interest and payment of Bond interest on the first Payment Date shall be repaid in nineteen (19) consecutive quarterly instalments in an equal amount, on each Payment Date, the first of which shall be the first Payment Date, August 28, 2006, and the following until the Payment Date falling on February 26, 2011, inclusive.
- (ii) The portion of Start-Up Loan principal not used, if any, shall be repaid on the first Payment Date, August 28, 2006.

All Start-Up Loan amounts due and not paid to BANCAJA 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 in the event of 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 in accordance with the provisions of section 4.4.4.(v) of the Prospectus Registration Document. In that event, the Start-Up Loan shall be used to pay the expenses of setting up the Fund and issue and admission of 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, using the Fund's remaining assets.

3.4.3.2 Subordination of Series B, C and D Bonds.

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

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

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

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 BANCAJA shall enter into a Guaranteed Interest Rate Account (Treasury Account) Agreement whereby BANCAJA will guarantee a certain 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 BANCAJA, 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) Credit Right principal repaid and interest collected;
- (iii) any other amounts owing to the Fund upon the assignment of the Credit Rights;
- (iv) the Cash Reserve amount from time to time;
- (v) Start-Up Loan principal drawn down;
- (vi) Interest Swap Agreement amounts paid to the Fund;
- (vii) the amounts of the returns obtained on Treasury Account and Principal 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.

BANCAJA 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 Bond Reference Rate determined for each Bond Interest Accrual Period substantially matching each Treasury Account interest period. Interest shall be settled on the expiration date of each interest accrual period, on each settlement date, on February 22, May 22, August 22 and November 22 and shall be calculated based on: (i) the exact number of days in each interest accrual period, and (ii) a three-hundred-and-sixty (360-) day year. The first interest accrual period shall comprise the days elapsed between the date of establishment of the Fund and the first settlement date, August 22, 2006.

In the event that the rating of the short-term, unsecured and unsubordinated debt of BANCAJA should, at any time during the life of the Bonds, fall below F1 or P-1 respectively in Fitch’s and Moody’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 F1 and P-1 respectively in Fitch’s and Moody’s rating scales a first demand guarantee securing for the Fund, merely upon the Management Company so requesting, prompt payment by BANCAJA of its obligation to repay the amounts deposited in the Treasury Account, during the time over which the loss of the F1 or P-1 ratings is maintained by BANCAJA.

- b) Transferring the Fund's Treasury Account to an institution whose short-term, unsecured and unsubordinated debt has a rating of at least F1 and P-1 respectively in Fitch's and Moody's, arranging the highest possible yield for its balances, which may differ from that arranged with BANCAJA under this Agreement.
- c) If options a) and b) above are not possible, obtaining from BANCAJA 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*) and similar liquidity, in an amount sufficient to guarantee the commitments established in this Agreement.
- d) Moreover, if the above options should not be feasible on the set 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 F1 (for periods of less than 30 days or F1+ for longer periods) and P-1 for unsecured and unsubordinated short-term debt respectively in Fitch's and Moody'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 BANCAJA under this Agreement.
- e) In both events b) and d), the Management Company may subsequently transfer the balances back to BANCAJA under the Guaranteed Interest Rate Account (Treasury Account) Agreement, in the event that BANCAJA's short-term, unsecured and unsubordinated debt should again attain the F1 and P-1 ratings respectively in Fitch's and Moody's rating scales.

3.4.4.2 Principal Account.

The Management Company, for and on behalf of the Fund, and BANCAJA shall enter into a Guaranteed Interest Rate Account (Principal Account) Agreement whereby BANCAJA will guarantee a certain variable yield on the amounts paid by the Fund through its Management Company into a financial account. The Guaranteed Interest Rate Account (Principal Account) Agreement shall specifically determine that the amounts of the Principal Available Funds not applied to acquiring Additional Credit Rights during the Revolving Period will be paid into a financial account in euros (the "**Principal Account**") opened at BANCAJA in the name of the Fund by the Management Company.

BANCAJA 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 Principal Account, equal to the sum of (i) the Bond Reference Rate determined for each Bond Interest Accrual Period substantially matching each Principal Account interest accrual period and (ii) the average margin applicable for determining the Nominal Interest Rate of Series A, B and C of the Bond Issue weighted by the Outstanding Principal Balance of each of those Series during the then-current Interest Accrual Period substantially matching the Principal Account interest accrual period. Interest shall be settled on the expiration date of each interest accrual period, on each settlement date, on February 26, May 26, August 26 and November 26, and shall be calculated based on: (i) the exact number of days in each interest accrual period, and (ii) a three-hundred-and-sixty (360-) day year. The first interest accrual period shall comprise the days elapsed between the date of establishment of the Fund and the first settlement date, August 26, 2006.

In the event that the rating of the short-term, unsecured and unsubordinated debt of BANCAJA should, at any time during the life of the Bonds, fall below F1 or P-1 respectively in Fitch's and Moody'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 F1 and P-1 respectively in Fitch's and Moody's rating scales a first demand guarantee securing for the Fund, merely upon the Management Company so requesting, prompt payment by BANCAJA of its obligation to repay the amounts deposited in the Principal Account, during the time over which the loss of the F1 or P-1 ratings is maintained by BANCAJA.

- b) Transferring the Fund's Principal Account to an institution whose short-term, unsecured and unsubordinated debt has a rating of at least F1 and P-1 respectively in Fitch's and Moody's, arranging the highest possible yield for its balances, which may differ from that arranged with BANCAJA under this Agreement.
- c) If options a) and b) above are not possible, obtaining from BANCAJA 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*) and similar liquidity, in an amount sufficient to guarantee the commitments established in this Agreement.
- d) Moreover, if the above options should not be feasible on the set 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 F1 (for periods of less than 30 days or F1+ for longer periods) and P-1 for unsecured and unsubordinated short-term debt respectively in Fitch's and Moody'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 BANCAJA under this Agreement.
- e) In both events b) and d), the Management Company may subsequently transfer the balances back to BANCAJA under the Guaranteed Interest Rate Account (Principal Account) Agreement, in the event that BANCAJA's short-term, unsecured and unsubordinated debt should again attain the F1 and P-1 ratings respectively in Fitch's and Moody's rating scales.

The Guaranteed Interest Rate Account (Principal 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. Moreover, the Principal Account shall be closed on the Payment Date after the Payment Date on which the Revolving Period ends, 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 Credit Right amounts payable by the Obligors. 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 Loans.

The Credit Right amounts received by the Servicer shall be paid by the Servicer in full into the Fund's Treasury Account on the seventh day after the day on which they were received by the Servicer, or the following business day if that is not a business day, for same day value. In this connection, business days shall be taken to be all those that are business days in the savings bank sector in the city of Valencia.

Nevertheless, in the event that the rating of the Servicer's short-term unsecured and unsubordinated debt should fall below F2 or P-1 respectively in Fitch's and Moody's rating scales, 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 day next succeeding the day on which they were received by the Servicer. In addition, should the rating of the Servicer's short-term unsecured and unsubordinated debt be downgraded below F2 by Fitch, the Servicer shall make a cash deposit in favour of the Fund at a sum in line with Fitch's criteria described in its report "*Commingling Risk in Structured Finance Transactions: Servicer and Account Bank Criteria*" dated June 9, 2004 or document or report by Fitch replacing the above in the future.

The Management Company may issue the same instructions in the event that the Servicer's short-term unsecured and unsubordinated debt should not be rated by Fitch or by Moody's.

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

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 of the amounts available to the Fund on the Closing Date and their application until the first Payment Date, exclusive, shall be as follows:

1. Source: the Fund shall have the following funds:

- a) Bond subscription payment.
- b) Drawdown of Start-Up Loan principal. The portion of Start-Up Loan principal not used and the portion allotted to covering the timing difference existing between collection of Initial Credit Right interest and payment of Bond interest on the first Payment Date, shall remain credited to the Treasury Account until the first Payment Date.

2. Application: in turn, the Fund will apply the funds described above to the following payments:

- a) Payment of the part of the price for acquiring the Initial Credit Rights at their face value. The difference between the Maximum Credit Right Amount and the amount of the Initial Credit Rights shall remain credited to the Principal Account.
- b) Payment of the Fund set-up and Bond issue and admission expenses.
- c) Setting up the Initial Cash Reserve.

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

On each Payment Date, other than the Final Maturity Date or when the Early Liquidation of the Fund occurs, the Management Company shall proceed successively to apply the Available Funds and the Principal Available Funds 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:

- a) Credit Right principal repayment income received during the Determination Period preceding the relevant Payment Date.
- b) Credit Right ordinary and late-payment interest received during the Determination Period preceding the relevant Payment Date.
- c) The return received on amounts credited to the Treasury Account.
- d) The return received on amounts credited to the Principal Account.
- e) The Cash Reserve amount on the Determination Date preceding the relevant Payment Date.
- f) Net amounts, if any, received by the Fund under the Interest Swap Agreements and, in the event of termination of those Agreements, the settlement payment amounts payable by the Fund counterparties (Party B).
- g) Any other amounts received by the Fund during the Determination Period preceding the relevant Payment Date, including those resulting from the Credit Rights upon the sale or utilisation of assets or rights awarded to the Fund.

- h) The remainder upon the Start-Up Loan being drawn down to the relevant extent for covering on the first Payment Date the timing difference existing between collection of Initial Credit Right interest and payment of Bond interest.

Income under items a), b) and g) 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 to be included in the Available Funds on the following Payment Date.

2. Application.

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

1. Payment of the Fund's properly supported taxes and ordinary⁽¹⁾ and extraordinary⁽²⁾ expenses, whether or not they were disbursed by the Management Company, including the management fee due to the latter, and all other expenses and service fees, including those derived from the Paying Agent Agreement. Only expenses prepaid or disbursed on the Fund's behalf by and Credit Right amounts reimbursable to the Servicer, provided they are all properly supported, and the servicing fee in the event that BANCAJA should be substituted as Servicer, shall be made to the Servicer under the Servicing Agreement in this priority.

2. Payment of net amounts, if any, payable by the Fund under the Interest Swap Agreements and, only in the event of termination of those Agreements 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 to be settled by the Fund.

3. Payment of interest due on the Series A Bonds.

4. Payment of interest due on the Series B Bonds unless this payment is deferred to 7th place in the priority of payments.

This payment shall be deferred to 7th place if there has been or there is to be no full amortisation of Series A Bonds on the relevant Payment Date, and if upon calculating the application in 6th place below, this application to be taken into account in that connection, there is to be a Principal Deficiency in an amount in excess of the sum of (i) eighty-five percent (85%) of the Outstanding Principal Balance of Series B and (ii) one hundred percent (100%) of the Outstanding Principal Balance of Series C.

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

This payment shall be deferred to 8th place if there has been or there is to be no full amortisation of Series A and Series B Bonds on the relevant Payment Date, and if upon calculating the application in 6th place below, this application to be taken into account in that connection, there is to be a Principal Deficiency in an amount in excess of eighty-five percent (85%) of the Outstanding Principal Balance of Series C.

6. Principal Withholding in an amount equal to the positive difference if any as of the Determination Date preceding the relevant Payment Date between:

- (i) the sum of the Outstanding Principal Balance of Series A, B and C, and
- (ii) the sum of a) the Outstanding Balance of Non-Doubtful Credit Rights and b) the Principal Account balance.

Depending on the liquidity existing on each Payment Date, the amount actually applied to Principal Withholding shall be included among the Principal Available Funds to be applied in accordance with the rules for Distribution of Principal Available Funds established hereinafter in section 3.4.6.2.2.

7. Payment of interest due on the Series B Bonds when this payment is deferred from 4th place in the priority of payments as established therein.
8. Payment of interest due on the Series C Bonds when this payment is deferred from 5th place in the priority of payments as established therein.
9. Withholding of an amount sufficient for the Required Cash Reserve amount to be maintained.
10. Payment of interest due on the Series D Bonds.
11. Amortisation of Series D Bonds in the amount by which they are amortised.
 Partial amortisation of Series D Bonds shall occur on each Payment Date in an amount equal to the positive difference existing between the Outstanding Principal Balance of Series D 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.
12. Payment of the settlement payment amounts payable by the Fund under the Interest Swap Agreements other than in the events provided for in 2nd place above.
13. Payment of interest due on the Start-Up Loan.
14. Repayment of Start-Up Loan principal to the extent repaid.
15. Payment to BANCAJA of the fee established under the Servicing Agreement.
 In the event that any other institution should replace BANCAJA as Servicer of the Credit Rights, 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.
16. Payment of the Financial Intermediation Margin.

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

- (1) The following shall be considered ordinary expenses of the Fund:
 - a) Any expenses deriving from mandatory administrative verifications, registrations and authorisations.
 - b) Rating Agency fees for monitoring and maintaining the rating of the Bonds.
 - c) Expenses relating to keeping the Bond accounting record representing the Bonds by means of book entries, admission to trading in organised secondary markets and maintaining all of the foregoing.
 - d) Expenses of auditing the annual accounts and Additional Credit Rights.
 - 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 enforce Credit Rights 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 issue and admission of the Bonds in excess of the Start-Up Loan principal.
 - e) In general, any other extraordinary expenses required borne by the Fund or by the Management Company for and on behalf of the Fund.

3.4.6.2.2 Principal Available Funds: source and application.

1. Source.

On each Payment Date, the Principal Available Funds shall be the following:

- a) The Principal Withholding amount actually applied in sixth (6th) place of the Available Funds on the relevant Payment Date, and
- b) until the Payment Date next succeeding the end of the Revolving Period, inclusive, the Principal Account balance, on the Determination Date preceding the relevant Payment Date.

2. Distribution of Principal Available Funds.

The Principal Available Funds shall be applied on each Payment Date in accordance with the following rules:

1. During the Credit Right Revolving Period, payment of the assignment price comprising the face value of the outstanding capital or principal of the Additional Credit Rights acquired by the Fund on the relevant Payment Date.

The remaining Principal Available Funds not used for acquiring Additional Credit Rights shall remain credited to the Principal Account.

2. After the Revolving Period ends, the Principal Available Funds shall be sequentially applied firstly to amortising Series A until fully amortised, secondly to amortising Series B until fully amortised, and thirdly to amortising Series C until fully amortised.

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 when 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 Credit Rights and the remaining assets and, as the case may be, (iii) the amount drawn under the credit facility arranged and exclusively used for final amortisation of Series A, B and C Bonds, in accordance with the provisions of section 4.4.3.(iii) of the Registration Document, in the following order of priority of payments (the “**Liquidation Priority of Payments**”):

1. Reserve to meet the final tax, administrative or advertising termination and liquidation expenses.
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 Credit Right amounts reimbursable to the Servicer, provided they are all properly supported, and the servicing fee if BANCAJA 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 on the net amounts payable by the Fund under the Interest Swap Agreements and, only in the event of termination of those Agreements 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 to be settled by the Fund.
4. Payment of interest due on the Series A Bonds.
5. Repayment of Series A 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. In the event of the credit facility being arranged for early amortisation of the Series A, B and C 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.
11. Payment of interest due on the Series D Bonds.
12. Repayment of Series D Bond principal.
13. Payment of the settlement payment amounts payable by the Fund under the Interest Swap Agreements other than in the events provided for in 3rd place above.
14. Payment of interest due on the Start-Up Loan.
15. Repayment of Start-Up Loan principal.
16. Payment to BANCAJA of the fee established under the Servicing Agreement.

In the event that any other institution should replace BANCAJA as Servicer of the Credit Rights, 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.

17. Payment of the Financial Intermediation Margin.

When accounts payable for different items exist in a same priority order number 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 Credit Rights 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 accrue upon the expiration of every quarterly period, comprising, other than for the first period, the three calendar months next preceding each Payment Date, in an amount equal to the positive difference, if any, between the income and expenditure, including losses brought forward from previous years, if any, accrued by the Fund with reference to its accounts and before the close of the months of January, April, July and October.

The Financial Intermediation Margin 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, as the case may be, in the Liquidation Priority of Payments of the Fund.

Exceptionally, the first accrual period of the Intermediation Margin shall be comprised between the date on which the Fund is established and July 31, 2006, both inclusive, which is the last day of the month preceding the first Payment Date. The first settlement date of the Financial Intermediation Margin shall be on the first Payment Date, August 28, 2006 because neither August 26 nor August 27 is a Business Day.

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

period and shall be paid on the following Payment Dates on which the Available Funds allow payment in the Priority of Payments or, as the case may be, in the Liquidation Priority of Payments. The Financial Intermediation Margin amounts not paid on preceding Payment Dates shall be paid with priority over the amount payable on the relevant Payment Date.

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

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 into two interest swap agreements (the “**Interest Swap Agreements**” or the “**Interest Swaps**”), the most relevant characteristics of which are described below.

Under the standard 1992 ISDA Master Agreement (Multicurrency-Cross Border) and the 2000 definitions (ISDA 2000 Definitions) of the International Swap Dealers Association, Inc. (“**ISDA**”), the Management Company, for and on behalf of the Fund, and BNP PARIBAS SA shall enter into one of the two Interest Swap Agreements, which shall contain an interest rate swap agreement designed to partly cover the interest rate risk of floating-rate Credit Rights, all as described in subparagraph 3.4.7.1.1 below (the “**Interest Swap Agreement (Floating/Floating)**”).

Under the Spanish Banking Association’s standard Master Financial Transaction Agreement (CMOF), the Management Company, for and on behalf of the Fund, and BANCAJA shall enter into the second Interest Swap Agreement, which shall contain an interest rate swap agreement designed to partly cover the interest rate risk of fixed-rate Credit Rights, all as described in subparagraph 3.4.7.1.2 below (the “**Interest Swap Agreement (Fixed/Floating)**”).

3.4.7.1.1 Interest Swap Agreement (Floating/Floating).

The Interest Swap Agreement (Floating/Floating) shall expire on the earlier of the following dates:

- (i) the Final Maturity Date ; or
- (ii) the date on which Early Liquidation of the Fund ends in accordance with section 4.4.3.4 of the Registration Document when the Credit Rights and Fund’s remaining assets have been liquidated and the Liquidation Available Funds have all been distributed, in the Fund Liquidation Priority of Payments.

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

Party B : BNP PARIBAS SA

1. Payment Dates.

The Payment Dates shall be: February 26, May 26, August 26 and November 26 in every year or the next succeeding Business Day if any of those is not a Business Day. The first Payment Date shall be August 28, 2006 because neither August 26 nor August 27 is a Business Day.

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

2. Calculation periods.

Calculation periods shall be the exact number of days elapsed between two consecutive Payment Dates, including the beginning but not including the ending date. Exceptionally, the length of the first calculation period shall be equivalent to the exact number of days elapsed between the Closing Date of the Bond Issue (inclusive) and August 28, 2006 (exclusive).

3. Notional Amount (Floating/Floating) for Party A and for Party B.

This shall be for every calculation period the Outstanding Balance of floating-rate Non-Doubtful Credit Rights as of the Payment Date on which the then-current calculation period begins. Exceptionally, the Notional Amount (Floating/Floating) for the first calculation period shall be the Outstanding Balance of floating-rate Credit Rights on the date on which the Fund is established.

4. Party A subperiod calculation dates.

The Party A subperiod calculation dates shall be the 26th of each month or, if any of those is not a Business Day, the next succeeding Business Day. The first Party A subperiod calculation date shall be July 26, 2006.

5. Party A calculation subperiods.

The Party A calculation subperiods shall be the exact number of days elapsed between two consecutive Party A subperiod calculation dates, including the beginning but not including the ending date. Exceptionally, the length of the first Party A calculation subperiod shall be equivalent to the exact number of days elapsed between the Closing Date of the Bond Issue (inclusive) and July 26, 2006 (exclusive).

6. Variable amount payable by Party A (Floating/Floating).

This shall be on each Payment Date and for each calculation period starting on the preceding Payment Date, or on the Closing Date for the first Payment Date, the amount determined by applying the following formula:

$$CVPA_{\text{period}} = \sum_{\text{subperiod}=1}^{\text{subperiod}=3} \frac{IN_{\text{period}} \times \%TIP_{\text{subperiod}} \times D_{\text{subperiod}}}{B}$$

where:

$CVPA_{\text{period}}$ = Variable amount payable by Party A (Floating/Floating) on the Payment Date for the calculation period starting on the preceding Payment Date.

IN_{period} = Notional Amount (Floating/Floating) for the calculation period starting on the preceding Payment Date.

$\%TIP_{\text{subperiod}}$ = Party A Interest Rate (Floating/Floating), expressed as a percentage, determined for each Party A calculation subperiod of the three included in the calculation period starting on the preceding Payment Date.

$D_{\text{subperiod}}$ = Number of relevant Party A calculation subperiod days.

B = 36,000 (thirty-six thousand).

7. Party A Interest Rate (Floating/Floating).

- (i) From the first calculation period until the calculation period (exclusive) beginning on the earlier of (a) the Payment Date falling on August 26, 2008 or (b) the Payment Date on which the Revolving Period finally terminates early, and until expiration of the Interest Swap Agreement (Fixed/Floating), the Party A Interest Rate (Floating/Floating) shall be, for each Party A calculation subperiod, the sum of:

- (1) the result of the average of the twelve (12) 12-month Euribor fixed on twelve (12) Reference Dates from the third to the fourteenth, both inclusive, preceding the month of the relevant Party A calculation subperiod ending date,
- (a) weighted by the ratio of the Outstanding Balance of floating-rate Non-Doubtful Credit Rights at the beginning date of the then-current calculation period using the benchmark index (1-year interbank Benchmark (Euribor) calculated by the Bank of Spain) for each of the months from the fourth to the fourteenth month, both inclusive, to the total of the Outstanding Balance of floating-rate Non-Doubtful Credit Rights at the beginning date of the then-current calculation period,

- (b) whereas the ratio for 12-month Euribor set on the third Reference Date preceding the month of the ending date of the relevant Party A calculation subperiod shall be the result of the sum of the ratios of the Outstanding Balance of floating-rate Non-Doubtful Credit Rights at the beginning date of the then-current calculation period using the benchmark index (1-year interbank Benchmark (Euribor) calculated by the Bank of Spain) for the third and fifteenth months to the total of the Outstanding Balance of floating-rate Non-Doubtful Credit Rights at the beginning date of the then-current calculation period, and

- (2) a 3.00% margin.

12-month Euribor is the EURIBOR rate, "Euro InterBank Offered Rate" Euribor, calculated and distributed by the BRIDGE financial information system under an FBE ("Federation Bancaire de l'Union Europeene") mandate, with a twelve- (12-) month maturity, fixed at 11am (CET time "Central European Time"), which is currently published on electronic page 248 supplied by Dow Jones Markets (Bridge Telerate), or any other page taking their stead in providing these services

- (ii) From the calculation period (inclusive) beginning on the earlier of (a) the Payment Date falling on August 26, 2008 or (b) the Payment Date on which the Revolving Period finally terminates early, and until expiration of the Interest Swap Agreement (Floating/Floating), the Party A Interest Rate (Floating/Floating) shall be, for each Party A calculation subperiod, the sum of:

- (1) the result of the weighted average of the twelve (12) 12-month Euribor fixed on twelve (12) Reference Dates from the third to the fourteenth, both inclusive, preceding the month of the relevant Party A calculation subperiod ending date.

In this connection, the weightings to be applied for each Party A calculation subperiod shall remain fixed and be calculated as provided for in (a) and (b) of paragraph (i)(1) above for the first Party A calculation subperiod comprised in the calculation period (inclusive) beginning on the earlier of (a) the Payment Date falling on May 26, 2008 or (b) the Payment Date preceding final early termination of the Revolving Period, and

- (2) a 3.00% margin.

- (iii) The Notional Amount (Floating/Floating) for Party A and for Party B and the weightings for calculating the Party A Interest Rate described in sections (i) and (ii) above shall be notified in writing by Party A to Party B by 11am (CET time) on the second (2nd) Business Day after the Payment Date on which each calculation period begins, unless the said weightings were already fixed by applying the provisions of section (ii) above, in which case Party A need only communicate to Party B the Notional Amount (Floating/Floating) for Party A and for Party B. Exceptionally, the Notional Amount (Floating/Floating) for Party A and for Party B and the weightings for calculating the Party A Interest Rate described in section (i) above for the first calculation period shall be notified in writing by Party A to Party B by 11am (CET time) on the day of the Subscription Period.

8. Reference Dates.

These shall be the 15th of each month or the following Business Day if any of those is not a Business Day. The first Reference Date shall be May 15, 2005. The Reference Dates for calculating the Party A Interest Rate (Floating/Floating) applicable to the first calculation subperiod shall be the twelve (12) Reference Dates from May 15, 2005 to April 15, 2006.

9. Variable amount payable by Party B (Floating/Floating).

This shall be on each Payment Date and for the calculation period starting on the preceding Payment Date, on the Closing Date for the first Payment Date, the amount determined by applying the following formula:

$$\text{CVPB}_{\text{period}} = \frac{\text{IN}_{\text{period}} \times \% \text{TIPB}_{\text{period}} \times \text{D}_{\text{period}}}{\text{B}}$$

where:

CVPB_{period} = Variable amount payable by Party B (Floating/Floating) on the Payment Date for the calculation period starting on the preceding Payment Date.

IN_{period} = Notional Amount (Floating/Floating) for the calculation period starting on the preceding Payment Date.

%TIPB_{period} = Party B interest rate (Floating/Floating), expressed as a percentage, determined for the calculation period starting on the preceding Payment Date.

D_{period} = Number of days in the calculation period starting on the preceding Payment Date.

B= 36,000 (thirty-six thousand).

10. Party B Interest Rate (Floating/Floating).

This shall be for each calculation period the interest rate, expressed as a percentage, resulting from adding (i) the Reference Rate determined for the Bonds for the Interest Accrual Period coinciding with the relevant calculation period (ii) and a margin ranging between 2.550% and 2.900%, both inclusive, which Party B shall determine and notify in writing to the Management Company by 10am (CET time) on the day of the Subscription Period.

The final margin applicable to the Party B interest rate to have been set shall in turn be notified by the Management Company by the start of the Subscription Period to the CNMV as information in addition to this Prospectus and to the Rating Agencies. The final margin applicable to the Party B interest rate shall be set down by the Management Company on the notarial certificate recording payment of the Bond Issue.

11. Events of default particular to the Interest Swap Agreement (Floating/Floating).

If on a Payment Date of the Interest Swap Agreement (Floating/Floating) the Fund (Party A) should not have sufficient liquidity to make payment of the full net amount, if any, payable to Party B, under the Interest Swap Agreement (Floating/Floating), the portion of this net amount not paid shall be settled on the following Payment Date provided that the Fund has sufficient liquidity in the Priority of Payments. Should such event of non-payment under the Interest Swap Agreement (Floating/Floating) occur on two consecutive Payment Dates, Party B may choose to terminate the Interest Swap Agreement (Floating/Floating) (Termination). In this event, the Fund (Party A) shall accept the obligation to pay the settlement amount established to which it is bound on the terms of the Interest Swap Agreement (Floating/Floating), the foregoing in the Priority of Payments. Should the settlement amount under the Interest Swap Agreement (Floating/Floating) be a payment obligation for Party B and not for the Fund (Party A), Party B shall take over the obligation to pay the settlement amount provided for in the Interest Swap Agreement (Floating/Floating).

Similarly, if on a Payment Date of the Interest Swap Agreement (Floating/Floating) Party B should not make payment of the full amount payable to the Fund (Party A), under the Interest Swap Agreement (Floating/Floating), the Management Company, for and on behalf of the Fund, may choose to terminate the Interest Swap Agreement (Floating/Floating) (Termination). In that event, Party B shall accept the obligation to pay the settlement amount established in the Interest Swap Agreement (Floating/Floating). Should the settlement amount under the Interest Swap Agreement (Floating/Floating) 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.

Without prejudice to the foregoing, other than in an 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 interest swap agreement on terms substantially identical with the Interest Swap Agreement (Floating/Floating).

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

(i) Fitch Criteria

If either the long-term, unsecured and unsubordinated debt obligations of Party B (or its successor) or any Credit Support Provider from time to time in respect of Party B (or its successor) cease to be rated at least as high as A (or its equivalent) by Fitch or the short-term debt obligations of Party B (or its successor) or any Credit Support Provider from time to time in respect of Party B cease to be rated at least as high as F1 (or its equivalent) by Fitch (both Fitch's "Required Ratings") and, as a result of such cessation, the then current rating of the Bonds is downgraded or placed under review for possible downgrade by Fitch (an "**Initial Fitch Rating Event**") then Party B will, on a reasonable efforts basis within 30 days of the occurrence of such Initial Fitch Rating Event, at its own cost, either:

- (A) put in place a collateral agreement ("Eligible Credit Support") in favour of Party A based on the terms of the Credit Support Annex as the same is amended by the Parties on the signature date of the Interest Swap Agreement (Floating/Floating) ("Approved Credit Support Document") based on the 1995 ISDA Credit Support Annex documentation (ISDA Credit Support Annex), subject to English law, in an amount making Party A receive confirmation from Fitch that with such collateral the Bond rating would be unaffected ;
- (B) transfer all of its rights and obligations with respect to the Interest Swap Agreement (Floating/Floating) to a replacement third party satisfactory to Party A (whose consent, not to be unreasonably withheld, will be given if Fitch confirms that such transfer would maintain the rating of the Bonds by Fitch at, or restore the rating of the Bonds by Fitch to, the level it would have been at immediately prior to such Initial Fitch Rating Event);
- (C) obtain a third party credit support document ("Third Party Credit Support Document") guaranteeing its rights and obligations with respect to the Interest Swap Agreement (Floating/Floating) satisfactory to Party A (whose consent, not to be unreasonably withheld, will be given if Fitch confirms that such guarantee would maintain the rating of the Bonds at, or restore the rating of the Bonds to, the level it would have been at immediately prior to such Initial Fitch Rating Event); or
- (D) take such other action satisfactory to Party A as Party B may agree with Fitch as will result in the rating of the Bonds following the taking of such action being maintained at, or restored to, the level it would have been at immediately prior to such Initial Fitch Rating Event.

If any of (i)(B), (i)(C) or (i) (D) above are satisfied at any time, all collateral (or the equivalent thereof, as appropriate) transferred by Party B pursuant to (i)(A) will be retransferred to Party B and Party B will not be required to transfer any additional collateral and the Threshold for Party B, as set out in the agreed Credit Support Annex, shall revert to infinity.

(ii) Fitch Criteria (continued)

If either the long-term, unsecured and unsubordinated debt obligations of Party B (or its successor) or any Credit Support Provider from time to time in respect of Party B (or its successor) cease to be rated at least as high as BBB+ (or its equivalent) by Fitch or the short-term debt obligations of Party B (or its successor) or any Credit Support Provider from time to time in respect of Party B (or its successor) cease to be rated at least as high as F2 (or its equivalent) by Fitch and, as a result of such cessation, the then current rating of the Bonds is downgraded or placed under review for possible downgrade by Fitch (a "**First Subsequent Fitch Rating Event**") then Party B will, within 30 days of the occurrence of such First Subsequent Fitch Rating Event, either:

- (A) put in place a collateral agreement to Party A based on the terms of the Credit Support Annex as the same is amended by the Parties on the signature date of the Interest Swap Agreement (Floating/Floating) as described in paragraph (i)(A) above and provide any collateral required to be provided thereunder, provided that in either case the mark-to-market calculations and the correct and timely posting of collateral thereunder are verified

monthly by an independent third party (with the costs of such independent verification being borne by Party B); or

(B) on a reasonable efforts basis, with preference over option (ii) (A) above and at its own cost, attempt either to:

1. transfer all of its rights and obligations with respect to the Interest Swap Agreement (Floating/Floating) to a replacement third party satisfactory to Party A (whose consent, not to be unreasonably withheld, will be given if Fitch confirms that such transfer would maintain the rating of the Bonds by Fitch at, or restore the rating of the Bonds by Fitch to, the level it would have been at immediately prior to such First Subsequent Fitch Rating Event);
2. obtain a third party credit support document guaranteeing its rights and obligations with respect to the Interest Swap Agreement (Floating/Floating) satisfactory to Party A (whose consent, not to be unreasonably withheld, will be given if Fitch confirms that such guarantee would maintain the rating of the Bonds at, or restore the rating of the Bonds to, the level it would have been at immediately prior to such First Subsequent Fitch Rating Event); or
3. take such other action satisfactory to Party A as Party B may agree with Fitch as will result in the rating of the Bonds following the taking of such action being maintained at, or restored to, the level it would have been at immediately prior to such First Subsequent Fitch Rating Event.

If any of paragraphs (ii)(B)(1), (2) or (3) above are satisfied at any time, all collateral (or the equivalent thereof, as appropriate) transferred by Party B pursuant to a collateral agreement put in place in accordance with paragraph (i) (A) above or paragraph (ii) (A) will be retransferred to Party B and Party B will not be required to transfer any additional collateral.

(iii) Fitch Criteria (continued)

If either the long-term, unsecured and unsubordinated debt obligations of Party B (or its successor) or any Credit Support Provider from time to time in respect of Party B (or its successor) cease to be rated at least as high as BBB (or its equivalent) by Fitch or the short-term debt obligations of Party B (or its successor) or any Credit Support Provider from time to time in respect of Party B (or its successor) cease to be rated at least as high as F3 (or its equivalent) by Fitch and, as a result of such cessation, the then current rating of the Bonds is downgraded or placed under review for possible downgrade by Fitch (a “**Second Subsequent Fitch Rating Event**”) then Party B will, on a reasonable efforts basis within 30 days of the occurrence of such Second Subsequent Fitch Rating Event, at its own cost, attempt either to:

- (A) transfer all of its rights and obligations with respect to the Interest Swap Agreement (Floating/Floating) to a replacement third party satisfactory to Party A (whose consent, not to be unreasonably withheld, will be given if Fitch confirms that such transfer would maintain the rating of the Bonds by Fitch at, or restore the rating of the Bonds by Fitch to, the level it would have been at immediately prior to such Second Subsequent Fitch Rating Event);
- (B) obtain a third party credit support document guaranteeing its rights and obligations with respect to the Interest Swap Agreement (Floating/Floating) satisfactory to Party A (whose consent, not to be unreasonably withheld, will be given if Fitch confirms that such guarantee would maintain the rating of the Bonds at, or restore the rating of the Bonds to, the level it would have been at immediately prior to such Second Subsequent Fitch Rating Event); or
- (C) take such other action satisfactory to Party A as Party B may agree with Fitch as will result in the rating of the Bonds following the taking of such action being maintained at, or

restored to, the level it would have been at immediately prior to such Second Subsequent Fitch Rating Event.

Pending compliance with any of paragraphs (iii)(A), (B) or (C) above, Party B will continue to comply with the terms of any collateral agreement. If any of paragraphs (iii)(A), (B) or (C) above are satisfied at any time, all collateral (or the equivalent thereof, as appropriate) transferred by Party B under such a mark-to-market collateral agreement will be retransferred to Party B and Party B will not be required to transfer any additional collateral.

Any failure by Party B to transfer its position ((iii) (A)) or to provide third party credit support ((iii) (B)) as per paragraph (iii) (C) shall be an Additional Termination Event with respect to Party B Party B being the sole Affected Party and the Interest Swap Agreement (Floating/Floating) being an Affected Transaction. Subject to the above, Party A shall only determine the Early Termination Date under the Additional Termination Event if Party A shows that it has been able to find a new counterparty interested in taking part in a transaction, on economic and legal terms as close as reasonably possible (which Party A shall determine as it shall see fit) to the transactions terminated with Party B.

("Additional Termination Event" is a concept defined in the ISDA master agreement for the Interest Swap Agreement (Floating/Floating) granting the Parties the possibility of terminating the Interest Swap Agreement (Floating/Floating).)

All the confirmations of the ratings of the Bonds to be requested to Fitch, in accordance with paragraphs (i)(A), (i)(B), (ii)(B)(1), (ii)(B)(2), (iii)(A) and (iii)(B) above shall be requested by Party A.

(iv) Moody's Criteria

In the event that:

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

(b) 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 by Moody's,

(both, Moody's "Required Ratings"), 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 by Moody's or its short-term, unsecured and unsubordinated debt obligations cease to be rated as high as P-1 by Moody's,

(such cessation being a "Downgrade 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 (Floating/Floating) to a replacement third party with the Required Ratings providing that such transfer does not result in any requirement for deduction or withholding for or on account of any Tax; or
- (B) procure another person with the Required Ratings to become co-obligor in respect of the obligations of Party B under the Interest Swap Agreement (Floating/Floating) providing that such does not result in any requirement for deduction or withholding for or on account of any Tax; or
- (C) post collateral ("Eligible Credit Support") to Party A as per the Agreed Credit Support Annex ("Approved Credit Support Document") which shall be credited to an account whose arranger short-term, unsecured and unsubordinated debt obligations it is at least of P-1 by Moody's rating.

If any of (iv)(A) or (iv)(B) above are satisfied at any time, all collateral (or the equivalent thereof, as appropriate) transferred by Party B pursuant to (iv)(C) will be retransferred to Party B and Party B will not be required to transfer any additional collateral and the Threshold for Party B, as set out in the Credit Support Annex, shall revert to infinity.

(v) Moody's Criteria (continued) ("Second Downgrade Event")

In the event:

(1) (a) that 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 Baa2 by Moody's; or

(b) that 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 by Moody's, or

(2) of the retirement of all the ratings granted to Party B by Moody's

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

(b) transfer all of its rights and obligations with respect to the Interest Swap Agreement (Floating/Floating) to a replacement third party with the Required Ratings providing that such transfer does not result in any requirement for deduction or withholding for or on account of any Tax; or

(c) procure another person with the Required Ratings to become co-obligor in respect of the obligations of Party B under the Interest Swap Agreement (Floating/Floating) providing that such does not result in any requirement for deduction or withholding for or on account of any Tax.

(d) And, additionally, within 10 days of the occurrence of such Second Downgrade Event under item (v), if Party B has taken none of the actions specified in (v)(A) or (B) above, Party B shall post collateral as per Moody's Criteria, in an account whose arranger short-term, unsecured and unsubordinated debt obligations it is at least of P-1 by Moody's rating, set out in the Agreed Credit Support Annex and provided that Party B shall continue, on a best efforts basis, to make all reasonable attempts to take the actions specified in (v)(A) or (B) above.

If any of (v)(A) or (v)(B) are satisfied at any time, all collateral (or the equivalent thereof, as appropriate) transferred by Party B pursuant to (iv)(C) or (v)(C) will be retransferred to Party B and Party B will not be required to transfer any additional collateral and the Threshold for Party B, as set out in the Agreed Credit Support Annex, shall revert to infinity.

(vi) Any failure by Party B to transfer its position (as per (iv) (A) or (v) (A)) or to provide third party credit support (as per (iv) (B) or (v) (B)) (Third Party Credit Support) or to post collateral (as per (iv) (C)) shall be an Additional Termination Event, which shall be taken to have occurred within 30 days of that downgrade, with respect to Party B, Party B being the sole Affected Party and the Interest Swap Agreement (Floating/Floating) between the Parties being an Affected Transaction. Subject to the above, Party A shall only determine the Early Termination Date under the Additional Termination Event if Party A shows that it has been able to find a new counterparty interested in taking part in a transaction, on economic and legal terms as close as reasonably possible (which Party A shall determine as it shall see fit) to the transactions terminated with Party B.

Any failure by Party B to post collateral (as per (v) (C)) shall be an Event of Default with respect to Party B, Party B being the sole Defaulting Party.

("Event of Default" is a concept defined in the ISDA master agreement for the Interest Swap Agreement (Floating/Floating) granting the Non-Defaulting Party the possibility of terminating the Interest Swap Agreement (Floating/Floating).)

In all Termination events, Party B shall accept the obligation to pay the settlement amount provided for in the Interest Swap Agreement (Floating/Floating). Should the settlement amount under the Interest Swap Agreement (Floating/Floating) 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.

- (vii) If more than one of the ratings criteria applies to Party B, the measures adopted by Party B shall satisfy the ratings criteria established above by both Fitch and Moody's .

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

13. Other characteristics of the Interest Swap Agreement (Floating/Floating).

13.1 Additional Termination Events:

With respect to Party A and Party B: where (a) there is default on payment of Series A Bond interest and (b) the Management Company notifies, in accordance with the provisions of section 4.4.3.2 of the Registration Document, the Early Liquidation of the Fund in the Early Liquidation Event established in section 4.4.3.1 (iv) of the Registration Document. In this connection, both Parties shall be Affected Parties, although for the purposes of calculating the settlement amount, Party A shall be the sole affected party.

("Additional Termination Event" is a concept defined in the ISDA master agreement for the Interest Swap Agreement (Floating/Floating) which shall result in the Interest Swap Agreement (Floating/Floating) being terminated if the Management Company, for and on behalf of the Fund (Party A), or Party B should decide this in the event established in the preceding paragraph.)

In that termination event, Party B shall accept the obligation to pay the settlement amount provided for in the Interest Swap Agreement (Floating/Floating). Should the settlement amount under the Interest Swap Agreement (Floating/Floating) 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 or in the Liquidation Priority of Payments, as the case may be.

- 13.2 Party B may only assign all its rights and obligations under the Interest Swap Agreement (Floating/Floating), subject to Party A's consent, to a third party whose credit ratings for its unsubordinated and unsecured debt obligations are equal to or in excess of A-1 and A for its long-term debt obligations respectively by Moody's and Fitch, and P-1 and F1 for its short-term debt obligations respectively by Moody's and Fitch, subject to notice to the Rating Agencies and to the CNMV.
- 13.3 The Interest Swap Agreement (Floating/Floating) shall be submitted to the laws of England and Wales.
- 13.4 The Interest Swap Agreement (Floating/Floating) shall be fully terminated in the event that the Rating Agencies should not confirm the provisional ratings assigned to each of the Series as final by the start of the Subscription Period.
- 13.5 The occurrence, as the case may be, of the Termination of the Interest Swap Agreement (Floating/Floating) 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 4.9.3.2 of the Securities Notes and 4.4.3 of the Registration Document , unless in conjunction with other events or circumstances related to the net asset value of the Fund, its financial balance should be materially or permanently altered.

3.4.7.1.2 Interest Swap Agreement (Fixed/Floating).

The Interest Swap Agreement (Fixed/Floating) shall expire on the earlier of the following dates:

- (i) the Final Maturity Date ; or
- (ii) the date on which Early Liquidation of the Fund ends in accordance with section 4.4.3.4 of the Registration Document when the Credit Rights and Fund's remaining assets have been liquidated and the Liquidation Available Funds have all been distributed, in the Fund Liquidation Priority of Payments.

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

Party B : BANCAJA

1. Settlement dates.

The Payment Dates shall be the Bond Payment Dates, i.e. February 26, May 26, August 26 and November 26 in every year or the next succeeding Business Day if any of those is not a Business Day. The first Payment Date shall be August 28, 2006 because neither August 26 nor August 27 is a Business Day.

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.

The settlement periods shall be the exact number of days elapsed between two consecutive Payment Dates, including the beginning but not including the ending date. Exceptionally, the length of the first settlement period shall be equivalent to the exact number of days elapsed between the Closing Date of the Bond Issue (inclusive) and August 28, 2006 (exclusive).

3. Face Amount.

This shall be for every settlement period the Outstanding Balance of fixed-rate Non-Doubtful Credit Rights as of the Payment Date on which each then-current settlement period begins. Exceptionally, the Face Amount for the first settlement period shall be the Outstanding Balance of fixed-rate Credit Rights on the date on which the Fund is established.

4. Party A amounts payable.

This shall be on each settlement date and for the settlement period starting on the preceding Payment Date, or on the Closing Date for the first Payment Date, the amount determined by applying the following formula:

$$\text{CVPA}_{\text{period}} = \frac{\text{IN}_{\text{period}} \times \% \text{TIP(A)}_{\text{period}} \times \text{D}_{\text{period}}}{\text{B}}$$

where:

CVPA_{period} = Variable amount payable by Party A (Fixed/Floating) on the settlement date for the settlement period starting on the preceding Payment Date.

IN_{period} = Face Amount for the settlement period starting on the preceding Payment Date.

%TIP(A) = Party A Interest Rate, expressed as a percentage.

D_{period} = Number of days in the settlement period starting on the preceding Payment Date.

B = 36,000 (thirty-six thousand).

4.1 Party A Interest Rate.

This shall be six percent (6.00%).

5. Party B amounts payable.

This shall be on each settlement date and for the settlement period starting on the preceding Payment Date, or on the Closing Date for the first settlement date, the amount determined by applying the following formula:

$$\text{CVPBperiod} = \frac{\text{INperiod} \times \% \text{TIPBperiod} \times \text{Dperiod}}{\text{B}}$$

where:

CVPBperiod = Variable amount payable by Party B on the settlement date for the settlement period starting on the preceding Payment Date.

INperiod = Face Amount for the settlement period starting on the preceding Payment Date.

%TIPBperiod = Party B interest rate, expressed as a percentage, determined for the settlement period starting on the preceding Payment Date.

Dperiod = Number of days in the settlement period starting on the preceding Payment Date.

B = 36,000 (thirty-six thousand).

5.1 Party B Interest Rate.

This shall be for each calculation period the interest rate, expressed as a percentage, resulting from adding (i) the Reference Rate determined for the Bonds for the Interest Accrual Period coinciding with the relevant calculation period (ii) and a 2.00% margin.

6. If on a Payment Date the Fund (Party A) should not have sufficient liquidity to make payment of the full net amount, if any, payable to Party B, the portion of this net amount not paid shall be settled on the following Payment Date provided that the Fund has sufficient liquidity in the Priority of Payments. Should such event of non-payment occur on two consecutive Payment Dates, Party B may choose to terminate the Interest Swap Agreement (Fixed/Floating) shall be terminated. In this event, the Fund (Party A) shall accept the obligation to pay the settlement amount established to which it is bound on the terms of the Interest Swap Agreement (Fixed/Floating), the foregoing in the Priority of Payments. Should the settlement amount under the Interest Swap Agreement (Fixed/Floating) be a payment obligation for Party B and not for the Fund (Party A), Party B shall take over the obligation to pay the settlement amount provided for in the Interest Swap Agreement (Fixed/Floating).

It shall also be determined that if on a Payment Date Party B should not make payment of the full amount payable to the Fund (Party A), the Management Company, for and on behalf of the Fund, may choose to terminate the Interest Swap Agreement (Fixed/Floating). In that event, Party B shall accept the obligation to pay the settlement amount established in the Interest Swap Agreement (Fixed/Floating). Should the settlement amount under the Interest Swap Agreement (Fixed/Floating) be due by the Fund (Party A) and not by Party B, payment thereof by the Fund (Party A) shall be made in the Priority of Payments.

Subject to the above, other than in an 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 interest swap agreement on terms substantially identical with the Interest Swap Agreement (Fixed/Floating).

7. Party B shall irrevocably agree that, if at any time throughout the life of the Bond Issue, the rating of the unsubordinated and unsecured debt of Party B should fall below A or A1 for long-term debt respectively in Fitch's and Moody's rating scales, or F1 for short-term debt in Fitch's rating scale, or the ratings assigned by Fitch or Moody's should be withdrawn, it shall put in place any of the following options within not more than thirty (30) days from the date of the occurrence of any such circumstances, on such terms and conditions as the Management Company shall see fit, after notifying the Rating Agencies, in order for there to be no detriment to the ratings assigned to each Series by the Rating Agencies to be maintained:

- (i) that a third-party institution with a rating for its unsubordinated and unsecured debt equal to or in excess of A and A1 for its long-term debt respectively in Fitch's and Moody's rating scales and F1 for its short-term debt in Fitch's rating scale, will secure fulfilment of its contractual obligations under the Interest Swap Agreement (Fixed/Floating),
- (ii) that a third-party institution with the same ratings required for option (i) above will take over its contractual position and substitute it under the Interest Swap Agreement (Fixed/Floating), or, as the case may be, that a new interest swap agreement be entered into with that third-party institution on the same terms and conditions as the Interest Swap Agreement (Fixed/Floating); or
- (iii) that a deposit in cash or securities will be made, at an institution having a rating for its short-term debt of P-1 in Moody's rating scale, pledged in favour of the Fund, if Party B has an unsecured and unsubordinated debt rating of F2 for its short-term debt in Fitch's rating scale, securing fulfilment of the contractual obligations of Party B in an amount calculated, among other factors, based on the Financial Swap market value in order for there to be no detriment to the ratings given to the Bonds by the Rating Agencies and, as the case may be and based on the rating assigned by Party B, additionally putting in place either of options (i) and (ii) above. The market value for Fitch's purposes shall be calculated in line with Fitch's criteria set out in its report "*Counterparty Risk in Structured Finance: Swap Criteria*", dated September 13, 2004, or document or report by Fitch replacing the above in the future, proposing a formula for estimating the Swap market value, within fifteen (15) days after the loss of the A rating by Party B. If that formula should not be validated by Fitch, the market value calculation will be increased by an amount equivalent to the result of multiplying (i) 1.00% of the Outstanding Balance of the Credit Rights by (ii) the average life of the Credit Rights assuming a CPR of 0%.

All and any costs, expenses and taxes incurred in connection with the compliance with the foregoing obligations shall be borne by Party B.

8. The occurrence, as the case may be, of an early termination of the Interest Swap Agreement (Fixed/Floating) 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 4.9.3.2 of the Securities Note and 4.4.3 of the Registration Document, unless in conjunction with other events or circumstances related to the net asset value of the Fund, its financial balance should be materially or permanently altered.

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

Party B agrees not to take any action whatsoever holding Party A liable.

The Interest Swap Agreement (Fixed/Floating) 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.

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

The originator and assignor of the Credit Rights securitised is CAJA DE AHORROS DE VALENCIA, CASTELLÓN Y ALICANTE, BANCAJA.

Registered office: Caballeros number 2, 12001 Castellón.

Principal place of business: Pintor Sorolla number 8, 46002 Valencia.

Significant economic activities of BANCAJA.

BANCAJA, 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, real estate development, asset management and broking in major treasury, capital and currency markets.

The following is selected financial information for the years ended as of December 31, 2005 and 2004 and how they compare between them. The information was prepared in accordance with Bank of Spain Circular 4/2004.

	31.12.2005 (A)	31.12.2004 (B)	Year-On-Year Change Amount	Δ% (A)/(B)
BALANCE SHEET (EUR thousand)				
Total Assets	62,264,200	49,898,838	12,365,362	24.78
Total Assets exsecuritisation	65,673,366	54,178,530	11,494,837	21.22
Average Total Assets	56,833,788	42,420,069	14,413,718	33.98
Gross Customer Credit	49,483,943	36,334,716	13,149,227	36.19
Gross Customer Credit exsecuritisation	52,893,109	40,614,408	12,278,702	30.23
Funds Managed	60,389,986	44,667,650	15,722,336	35.20
Balance Sheet External Funds	50,535,503	36,267,390	14,268,113	39.34
Other Funds Managed (1)	9,854,483	8,400,260	1,454,223	17.31
Turnover	109,873,929	81,002,366	28,871,563	35.64
Turnover exsecuritisation	113,283,095	85,282,058	28,001,038	32.83
Equity	2,346,530	2,040,143	306,387	15.02
Average Equity	2,221,253	1,918,104	303,149	15.80
PROFIT AND LOSS ACCOUNT (EUR thousand)				
Intermediation margin	974,207	837,367	136,840	16.34
Ordinary margin		1,155,829	203,514	17.61
	1,359,343			
Operating margin	798,295	620,710	177,585	28.61
Pre-tax profit	542,085	449,274	92,811	20.66
After-tax profit	393,284	331,316	61,968	18.70
Net Profit attributed to the Group	332,080	283,206	48,874	17.26
RATIOS				
Non Performing Loans Ratio	0.53%	0.54%	-0.01	-2.23
Coverage Ratio	374.49%	389.96%	-15.47	-3.97
Strict Efficiency Ratio	44.83%	48.63%	-3.81	-7.83
Efficiency Ratio	41.22%	44.82%	-3.60	-8.04
Capital Ratio (2)	11.21%	12.01%	-0.81	-6.71
Tier I (2)	7.38%	7.91%	-0.53	-6.65
Core Capital (3)	5.67%	6.69%	-1.02	-15.30
ROE	14.95%	14.76%	0.19	1.25
ROA	0.69%	0.78%	-0.09	-11.40
BRANCHES AND EMPLOYEES				
Branches (4)	1,420	1,299	121	9.31
Employees (4)	7,270	6,789	481	7.08

(1) Investment Trusts + Pension Schemes and Technical Insurance Reserves + Asset Management

(2) Determined in accordance with Bank of Spain Circular 5/93, amended by circular 3/05.

(3) Capital + Reserves

(4) Branches and employees related to the ordinary business; excludes representative offices in Milan and Shanghai.

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 Royal Decree 926/1998, Act 19/1992, failing a provision in Royal Decree 926/1998 and to the extent applicable, and other applicable laws, and on the terms of the Deed of Constitution and this Prospectus. The management and significant economic activities of EUROPEA DE TITULIZACIÓN are respectively detailed in sections 5.2 and 6 of the Registration Document.

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

It is also the Management Company's duty, as the manager of third-party portfolios, to represent and enforce the interests of the holders of the Bonds issued by the Fund and of all its other ordinary creditors. Consequently, the Management Company shall make its actions conditional on their protection and observe the provisions established for that purpose from time to time. Bondholders and all other ordinary creditors of the Fund shall have no recourse against the Fund Management Company, other than for a breach of its duties or 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 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 and the Additional Credit Rights.
- (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 this Prospectus and in the various Fund transaction agreements or in such others as the Management Company may enter into in due course for and on behalf of the Fund.
- (vii) The Management Company may extend or amend the agreements entered into on behalf of the Fund, substitute, as the case may be, each of the Fund service providers, on the terms provided for in each of the agreements, and indeed, if necessary, enter into additional agreements, including a credit facility agreement in the event of Early Liquidation of the Fund, and amend the Deed of Constitution, provided that circumstances preventing the foregoing in accordance with the laws and regulations in force from time to time do not occur. In any event, those actions shall require that the Management Company 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) On each Offer Request Date, determining whether on the next succeeding Payment Date there is to be an acquisition of Additional Credit Rights and, if appropriate, calculating the Acquisition Amount that may be allocated to the new acquisition on the next succeeding Payment Date.
- (ix) Sending to the Originator, if appropriate, a written communication requesting an offer of Additional Credit Rights, specifying the Acquisition Amount and the Payment Date on which the assignment to the Fund and payment of the assignment shall be made and completed.
- (x) Checking that the loans included in the offer for assigning Additional Credit Rights made by the Originator satisfy Individual Requirements 4 to 10 and the Global Requirements established for acquiring Additional Credit Rights in accordance with their characteristics notified by the Originator, and notifying the Originator of the list of Additional Credit Rights accepted for assignment to the Fund on the relevant Payment Date.
- (xi) On each Payment Date on which Additional Credit Rights are to be assigned to the Fund, perfecting the assignment with BANCAJA and sending the CNMV, through Cifradoc, details of the Additional Credit Rights, and the relevant statement that those Additional Credit Rights satisfy the set (Individual and Global) Global Requirements for acquiring Additional Credit Rights.
- (xii) Exercising the rights attaching to the ownership of the Credit Rights 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.
- (xiii) Checking that the amount of income actually received by the Fund matches the amounts that must be received by the Fund, on the terms of the assignment of the Credit Rights and on the terms of their relevant agreements, and that the amounts receivable on the Credit Rights are provided by the Servicer to the Fund within the time-periods and on the terms provided for under the Servicing Agreement.
- (xiv) 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.
- (xv) Calculating and determining on each Determination Date the principal to be amortised and repaid on each Bond Series on the relevant Payment Date.
- (xvi) 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.
- (xvii) 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 mentioned in section 3.2 of this Building Block.
- (xviii) Watching that the amounts credited to the Treasury Account and the Principal Account return the yield set in the respective agreements.
- (xix) Calculating the Available Funds, the Principal Available Funds, 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.
- (xx) 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 Bonds by the Rating Agencies 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 a redemption of the Bonds issued by the same, and of the loans, in accordance with the provisions of this Prospectus.

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

3.7.1.4 Subcontracting.

The Management Company shall be entitled to subcontract or subdelegate to solvent and reputable third parties the provision of any of the services it has to provide as the manager and authorised representative of the Fund, as established in this Prospectus, provided that the subcontractor or delegated party waives the right to take any action holding the Fund liable. In any event, subcontracting or delegating any service (i) may not result in an additional cost or expense for the Fund, (ii) shall have to be legally possible, (iii) shall not result in the rating accorded to each of the Bond Series by the Rating Agencies 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 seventy thousand (70,000.00) which shall accrue upon the Fund being established and be payable on the Closing Date.
- (ii) A periodic fee, accruing daily from the date on which the Fund is established until it terminates, and shall be settled and paid by Interest Accrual Periods in arrears on each Payment Date subject to the Priority of Payments or, as the case may be, the Liquidation Priority of Payments.

The periodic fee on each Payment Date shall be equal to the result of adding the following fixed part and variable part.

- a) Variable part of 0.0140% per annum on the sum of the Outstanding Principal Balance of Series A, B and C on the Determination Date preceding the relevant Payment Date and calculated on the exact number of days elapsed in each Interest Accrual Period ending on the Payment Date and based on a 360-day year.

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

$$IV = B \times \frac{0.0140}{100} \times \frac{d}{360}$$

where :

IV = Variable amount payable on a given Payment Date.

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

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

- b) Fixed amount of EUR three thousand five hundred (3,500.00) on each Payment Date.

The fixed amount for the first Payment Date shall accrue from the date on which the Fund is established and be calculated on the exact number of days elapsed based on the following formula:

$$IF = 3,500 \times \frac{d}{90}$$

where :

IF = Fixed amount payable on the first Payment Date.

d = Number of days elapsed from the date on which the Fund is established until the first Payment Date.

If on a Payment Date the Fund should not have sufficient liquidity to settle the periodic fee in full in accordance with the Priority of Payments, the amount due not paid shall accrue interest equal to the Bond Reference Rate, and shall be paid with the relevant fee payable on the following Payment Date, unless that absence of liquidity should continue, in which case the amounts due and interest thereon shall build up on the following Payment Dates until paid in full..

3.7.2 Servicing and custody of the securitised assets.

BANCAJA, Originator of the Credit Rights to be acquired by the Fund, as established in article 2.2.b) of Royal Decree 926/1998, shall continue as attorney for the Management Company to be responsible for servicing and managing the Loans, and the relations between BANCAJA and the Fund, represented by the Management Company, shall be governed by the Loan Servicing Agreement (the "Servicing Agreement") in relation to custody and servicing of the Loans.

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

- (i) To service and manage the Loans acquired by the Fund subject to the system terms and ordinary servicing and management procedures established in the Servicing Agreement.
- (ii) To continue servicing the Loans, devoting the same time and efforts to them as it would devote and use to service its own loans 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 manage the Loans are and will continue to be in accordance with the laws and statutory regulations in force applicable thereto.
- (iv) To full faithfully observe the instructions issued 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 specific 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 Loans, and custodian of the relevant agreements, and in particular those for which provision is made in articles 1730 and 1780 of the Civil Code and 276 of the Commercial Code.

3.7.2.1 Ordinary system and procedures for servicing and custody of the Loans.

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

The Servicer shall keep all Loan agreements, private agreements, documents and data files 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 enforce a Loan, or any competent authority should so require and after 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 agreements, private agreements, 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 loan agreements, private agreements and documents.

2. Collection management.

The Servicer shall continue managing collection of all amounts payable by the Obligors under the Loans, including both principal and interest and any other item. The Servicer shall act due diligently for payments to be made by the Obligors to be collected in accordance with the contractual terms and conditions of the Loans.

The amounts received by the Servicer derived from the Loans corresponding to the Fund shall be paid by the Servicer into the Fund’s Treasury Account on the seventh day after the date on which they were received by the Servicer, or the following business day, for same day value, if that is not a business day (“**Collection Dates**”), in accordance with the set terms and conditions. In this connection, business days shall be taken to be all those that are business days in the savings bank sector in the capital city of Valencia.

Nevertheless, in the event that the rating of the Servicer’s short-term unsecured and unsubordinated debt should fall below F2 or P-1 respectively in Fitch’s and Moody’s rating scales, 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 day next succeeding the day on which they were received by the Servicer. In addition, should the rating of the Servicer’s short-term unsecured and unsubordinated debt be downgraded below F2 by Fitch, the Servicer shall make a cash deposit in favour of the Fund at a sum in line with Fitch’s criteria described in its report “*Commingle Risk in Structured Finance Transactions: Servicer and Account Bank Criteria*” dated June 9, 2004 or document or report by Fitch replacing the above in the future.

The Management Company may issue the same instructions in the event that the Servicer's short-term unsecured and unsubordinated debt should not be rated by Fitch or Moody's.

The Servicer may in no event pay any amount whatsoever to the Fund not previously received as payment for the Loans.

3. Fixing the interest rate.

Because part of the Loans are floating-rate loans, the Servicer shall continue fixing the interest rates applicable to those Loans in each interest period as established in the respective Loan agreements, submitting such communications and notices as may be established therein in that connection.

4. Information.

The Servicer shall regularly communicate to the Management Company the information concerning the individual characteristics of each Loan, fulfilment by the Obligor of their obligations under the Loans, delinquency status, changes in the characteristics of the Loans, proceedings demanding payment in the event of arrears, legal actions and actions for auction of assets, the foregoing subject to the procedures and within the time-periods established in the Servicing Agreement.

Furthermore, the Servicer shall prepare and hand to the Management Company such additional information concerning the Loans or the rights attaching thereto as the Management Company may reasonably request, and in particular the documents required for the Management Company, as the case may be, to bring legal actions.

5. Loan subrogation.

The Servicer shall be authorised to permit substitutions in the position of the Obligor under the Loan agreements, exclusively where the characteristics of the new obligor are similar to those of the 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.

6. Authorities and actions in relation to Loan renegotiation procedures.

The Servicer may not voluntarily forgive the Loans in full or in part or extend the same, or in general do anything that may diminish the enforceability at law or economic value of the Loans, without prejudice to its proceeding to heed requests by the Obligors using the same efforts and procedure as if the loans should not have been assigned. In particular, the Servicer shall not impose clauses limiting the interest rate amount applicable to the Loans.

Notwithstanding the above, the Management Company may, as manager of third-party funds, previously issue instructions to or authorise the Servicer to agree with the Obligor such terms and conditions as it shall see fit for a novation changing the relevant Loans.

The Loans may only be the subject of renegotiation in the events and subject to the requirements established in sections a) and b) below:

a) Renegotiating the fixed rate or the margin applicable for determining the floating rate.

1. The Servicer may under no circumstance entertain on its own account and without being so requested by the Obligor, renegotiation of the fixed rate or the margin applicable for determining the floating rate ("**Interest Rate Renegotiation**") which may result in a decrease in the interest rate applicable to a Loan. In any event, any Loan Interest Rate Renegotiation shall be taken on and settled bearing in mind the interests of the Fund and the Servicer shall, without encouraging Interest Rate Renegotiation, act in relation to such renegotiation bearing in mind at all times the interests of the Fund.

2. 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 an Interest Rate Renegotiation. The Management Company shall nevertheless initially authorise the Servicer to entertain and accept Interest Rate Renegotiation of the Loans, requested by the Obligors, without requiring the prior consent of the Management Company, subject to the following requirements:
 - a) The Servicer shall observe in each Interest Rate Renegotiation that the new terms are at arm's length and no different from those applied by the Servicer proper in renegotiating or granting its fixed- or floating-rate loans, depending on whether the renegotiated Loan is a fixed- or a floating-rate loan. In this connection, arm's length interest rate (fixed or floating depending on whether the renegotiated Loan is a fixed- or a floating rate loan) shall be deemed to be the interest rate offered by the Servicer on the Spanish market for retail loans granted to individuals, the amounts and terms being substantially similar to the renegotiated Loan.
 - b) The fixed interest rate of a Loan shall under no circumstances be renegotiated down in the event that the average interest rate of all fixed-rate Loans weighted by the outstanding principal of each fixed-rate Loan is below 6.00%.
 - c) Interest Rate Renegotiation of a floating-rate Loan shall in no event be made to a fixed rate and the applicable margin may not be reduced if previously or as a result of the renegotiation the average margin or spread weighted by the outstanding principal of the Loans over their respective benchmark index (1-year interbank Benchmark (Euribor) calculated by the Bank of Spain is below 300 basic points.
3. The Management Company may at any time during the term of the Agreement, on behalf of the Fund, cancel, suspend or change the requirements for the Servicer's authorisation for Interest Rate Renegotiation which it may previously have determined for the Servicer.

b) Extending the period of maturity.

The final maturity or final amortisation date of the Loans may be extended (hereinafter "**extending the term**") subject to the criteria established in this section.

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 Loan which may result in an extension of that date. 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, and subject to the following rules and limitations:

- (i) The aggregate of the capital or principal assigned to the Fund of the Loans with respect to which the maturity date is extended may not exceed 10.00% of the Initial Outstanding Balance of the Credit Rights upon the Fund being established.
- (ii) The term of a specific Loan may be extended provided that the following requirements are met:
 - a) That the same recurrence in settlement of interest and repayment of capital or principal of the Loans and the same repayment system are at all events maintained and the same interest rate reset recurrence.
 - b) That the new final maturity or final amortisation date does not extend beyond April 30, 2018.

The Management Company may at any time during the term of the Servicing Agreement, on the Fund's behalf, cancel or suspend the Servicer's authorisation to extend the term.

If there should be any Interest Rate Renegotiation of a Loan or renegotiation of the 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 Loans to be updated.

In the event of Interest Rate Renegotiation of a Loan or renegotiation of the due dates, the change in the terms shall affect the Fund.

The contractual documents supporting the novation of the Loans will be kept by the Servicer, in accordance with the provisions of paragraph 1 of this section.

7. Action against the Obligors in the event of default on the Loans.

Actions in the event of late payment.

The Servicer shall use the same efforts and the same procedure for claiming overdue amounts on the Loans applied to the rest of its portfolio loans.

In the event of default by the Obligor of the payment obligations, the Servicer shall put in place the actions described in the Servicing Agreement, taking for that purpose the steps it would ordinarily take if they were its own portfolio loans and in accordance with standard banking usage and practice for collecting overdue amounts, and shall be bound to advance such expenses as may be necessary for those actions to be taken, without prejudice to its right to be reimbursed by the Fund. 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, under the Servicing Agreement or using the power referred to in the following paragraph, shall take all relevant actions against Obligors failing to meet their payment obligations derived from the Loans and against guarantors, if any. Such an action shall be brought using the appropriate court enforcement procedures, which may be enforcement or exchange proceedings or, as the case may be, by means of the appropriate declaratory proceedings.

For the above purposes and in relation to Loans originated by means of a loan agreement certified by a commissioner for oaths, and for the purposes of the provisions of articles 581.2 and 686.2 of the Civil Procedure Act and if this should be necessary, the Management Company grants in the Deed of Constitution as full and extensive a power of attorney as may be required at Law to BANCAJA in order that the latter may, acting through any of its attorneys properly empowered for those purposes, as instructed by the Management Company, for and on behalf of the latter, or in its own name albeit on behalf of the Management Company, as the authorised representative of the Fund, demand by any judicial or other means the Obligor of any Loan and guarantors, if any, to pay the debt and take legal action against the same, in addition to other authorities required to discharge its duties as Servicer. These authorities may be extended or amended in another deed where appropriate.

In relation to Loans originated by means of a private agreement with a non-negotiable blank promissory note, the Management Company, acting for the Fund, shall confer in the Deed of Constitution powers on BANCAJA in order for the latter to take action in its own name, but acting for the Fund, in recovering the amounts due by the Obligor, as the case may be, by entering the necessary details for enforcing such promissory note.

The Servicer shall as a general rule commence the relevant legal proceedings if, for a period of six (6) months, a Loan Obligor in default of payment obligations should fail to resume payments or the Servicer, and the latter with the Management Company's consent, should fail to obtain a payment undertaking satisfactory to the interests of the Fund. In order for actions for payment to be swifter, the Management Company may generally confer authorisations on the Servicer, on such terms and subject to such limits as shall be deemed fit.

If more than six (6) months should have elapsed from the oldest default without the Obligor resuming payments or without a debt restructuring agreement, and the Servicer should delay bringing of the relevant action in each case without due cause, the Management Company shall, acting for the Fund,

directly proceed to commence the appropriate legal proceedings to claim the debt in full. Moreover, in the event that the proceedings instituted by the Servicer should come to a standstill without due cause, the Management Company may, acting for the Fund, take over the position of the former and continue the legal proceedings, duly notifying the relevant Obligor and guarantors, if any,.

If this should be legally required, and for the purposes prescribed in the Civil Procedure Act, BANCAJA shall confer in the Deed of Constitution as full and extensive an irrevocable power of attorney as may be required at Law in order for the Management Company, acting for and on behalf of BANCAJA, to demand through a notary public any Loan Obligor to pay the debt.

In addition, BANCAJA shall in the Deed of Constitution confer powers to the fullest extent required by Law in order that the Management Company, acting for the Fund, may notify assignment to the Obligors of any of the Loans and guarantors, if any, whenever it deems this appropriate.

Additionally, the Servicer will provide the Management Company with all such documents as the latter may request in relation to the Loans and in particular the documents required for the Management Company to take legal actions, as the case may be.

8. Set-off.

In the event that any of the Obligors under the Loans 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 Loans should be fully or partially set-off against that credit, the Servicer shall remedy such circumstance or, if it cannot be remedied, the Servicer shall proceed to pay to the Fund the amount set off plus the accrued interest which would have been payable to the Fund until the date on which the payment is made, calculated on the terms applicable to the relevant Loan.

9. 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 Credit Rights terminate, once all the Loans 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, in the event of bankruptcy or in the event of the Servicer's credit rating falling or being lost 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; and (iii) terminating the Servicing Agreement, in which case the Management Company shall previously designate a new Servicer having a sufficient credit quality 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. Any additional expense or cost derived from the aforesaid actions shall be covered by the Servicer and at no event by the Fund or the Management Company. In the event of insolvency of the Servicer, only action (iii) above shall be valid.

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 at its cost to notify Obligors and guarantors, if any, of the transfer to the Fund of the outstanding Loans, 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 and guarantors, if any, directly or, as the case may be, through a new Servicer it shall have designated.

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.

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 Loans, without prejudice to the liabilities undertaken thereby as Originator of the Credit Rights acquired by the Fund.

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 duties to service, manage and report on the Loans, established under the Servicing Agreement or in the event of breach as provided for in paragraph 3 of section 2.2.9 of this Building Block.

The Management Company shall, for and on behalf of the Fund, have an action against the Servicer where the breach of the obligation to pay any and all principal repayment and interest and other amounts paid by the Obligors under the Loans corresponding to the Fund does not result from default by the Obligors and is attributable to the Servicer.

Upon the Loans terminating, the Fund shall, through its Management Company, retain a right of action against the Servicer until fulfilment of its obligations.

Neither Bondholders nor any other creditor of the Fund shall have any direct right of action whatsoever against the Servicer; that action shall lie with the Management Company, as the representative of the Fund, who shall have that action on the terms described in this section.

3.7.2.4 Servicer's remuneration.

In consideration of the custody, servicing and management of the Loans, 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 in each Determination Period preceding the Payment Date and on the mean daily Outstanding Balance of the Credit Rights serviced during that Determination Period. If BANCAJA 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 BANCAJA. 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 Loan servicing and management expenses of an exceptional nature incurred, such as in connection with legal and/or recovery actions, including procedural expenses and costs, or managing and overseeing the sale of assets awarded to the Fund, if any, 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.

BANCAJA is the Fund's counterparty in the transactions listed below. The details relating to BANCAJA and its activities are respectively given in section 5.2 of the Securities Note and 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) Principal Account:
Guaranteed Interest Rate Account (Principal Account) Agreement
Description in section 3.4.4.2 of this Building Block.
- (iii) Start-Up Loan:
Start-Up Loan Agreement
Description in section 3.4.3.2 of this Building Block.
- (iv) Financial Intermediation:
Financial Intermediation Agreement
Description in section 3.4.6.4 of this Building Block.
- (v) Interest Swap:
Interest Swap Agreement (Fixed/Floating)
Description in section 3.4.7.1.2 of this Building Block.

BNP PARIBAS SA is the Fund's counterparty in the transaction referred to below. The details relating to BNP PARIBAS SA and its activities are given in section 5.2 of the Registration Document.

- (i) Interest Swap:
Interest Swap Agreement (Floating/Floating)
Description in section 3.4.7.1.1 of this Building Block.

4. POST-ISSUANCE REPORTING

Obligations and deadlines set to publicise and submit to the CNMV the periodic information on the economic and financial status of the Fund.

- 4.1** 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) Ordinary 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' Credit Right 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 Credit Right 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, at least one (1) Business Day before each Payment Date.

b) Information to be sent to the CNMV referred to each Payment Date:

In relation to the Credit Rights:

1. Outstanding Balance.
2. During the Revolving Period, the acquisition amount of Additional Credit Rights.
3. Interest and principal amount of instalments in arrears.
4. Credit Right Interest rate.
5. Dates of maturity of the Credit Rights.
6. Outstanding Balance of Doubtful Credit Rights and cumulative amount of Doubtful Credit Rights from the date of establishment of the Fund.

In relation to the economic and financial position of the Fund:

1. Report on the source and subsequent application of the Available Funds and the Principal Available Funds in accordance with the Priority of Payments of the Fund.

In relation to new assignments of Additional Credit Rights:

1. On each Payment Date in the Revolving Period, details of the Additional Credit Rights assigned, by means of a data file through the Cifradoc system, and the relevant statement that those Additional Credit Rights satisfy the set (Individual and Global) Global Requirements for acquiring Additional Credit Rights.

c) Annually, in relation to the Fund's Annual Accounts:

Annual Accounts (balance sheet, profit & loss account and management report) and audit reports for the Annual Accounts and Additional Credit Rights in accordance with section 2.2.2.2.6 of this Building Block, 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 face amount of Series D, the Cash Reserve amount, the final margins applicable for determining the Nominal Interest Rate for Series A, B and C 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 Credit Rights, 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 face amount of Series D, the Cash Reserve amount, the final margins applicable for determining the Nominal Interest Rate for Series A, B and C and 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 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.

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.

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 Credit Rights 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 June 22, 2006.

GLOSSARY OF DEFINITIONS

“Acquisition Amount” shall mean the maximum amount allocated by the Management Company, for and on behalf of the Fund, on each Payment Date in the Revolving Period, to the acquisition of Additional Credit Rights. The Acquisition Amount shall be the amount of the Principal Available Funds on the relevant Payment Date.

“Act 19/1992” shall mean Investment Trusts and Companies System and Mortgage Securitisation Funds Act 19/1992, July 7.

“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.

“Additional Credit Rights” shall mean the Credit Rights acquired by the Fund during the Revolving Period.

“AIAF” shall mean AIAF Fixed-Income Market (*AIAF Mercado de Renta Fija*).

“Available Funds” shall mean, in relation to the Priority of Payments and on each Payment Date, the amounts to be allocated to meeting the Fund's payment or withholding obligations, which shall have been paid into the Treasury Account, as established in section 3.4.6.2.1 of the Building Block.

“BANCAJA” shall mean CAJA DE AHORROS DE VALENCIA, CASTELLÓN Y ALICANTE, BANCAJA.

“BNP PARIBAS” shall mean BNP PARIBAS Sucursal en España.

“BNP PARIBAS SA” shall mean BNP PARIBAS SOCIÉTÉ ANONYME.

“Bond Issue Management, Underwriting, Placement and Subscription 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 BANCAJA, JPMORGAN and BNP PARIBAS as Lead Managers of the Bond Issue and Series A, B and C Underwriters and Placement Agents and BANCAJA as Series D Bond subscriber.

“Bond Issue” shall mean the issue of asset-backed bonds issued by the Fund having a face value comprised between EUR six hundred and twelve million eight hundred thousand (612,800,000.00) and EUR six hundred and thirteen million five hundred thousand (613,500,000.00), comprised of four Series (Series A, Series B, Series C and Series D).

“Bonds” shall mean the Series A Bonds, the Series B Bonds, the Series C Bonds and the Series D 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 upon Series D being paid up on the Closing Date and subsequently provisioned on each Payment Date up to the Required Cash Reserve amount.

“CET” shall mean “Central European Time”.

“Closing Date” shall mean June 29, 2006, the date on which the cash amount of the subscription for the Bonds shall be paid up.

“CNMV” shall mean National Securities Market Commission (*Comisión Nacional del Mercado de Valores*).

“Collection Dates” shall mean, in relation to the Servicing Agreement, the days on which the Servicer shall pay to the Fund the amounts received derived from the Loans corresponding to the Fund: the seventh day after the date on which they are received by the Servicer, or the following business day, for same day value, if that is not a business day, in accordance with the set terms and conditions. In this connection, business days shall be taken to be all those that are business days in accordance with the savings bank sector in the city of Valencia. In certain circumstances, the Management Company may change the Collection Dates in order for the Loan amounts received by the Servicer to be previously paid to the Fund, indeed on the day next succeeding the day on which they are received by the Servicer.

“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.

“Credit Rights” shall mean the credits rights assigned by BANCAJA to the Fund derived from loans owned by and shown on the assets of BANCAJA granted to Spanish individuals or individuals resident in Spain to finance the purchase of goods or services consisting of the Initial Credit Rights and the Additional Credit Rights.

“Deed of Constitution” shall mean the public deed recording the establishment of the Fund, assignment by BANCAJA to the Fund of the Initial Credit Rights, and issue by the Fund of the Asset-Backed Bonds.

“Delinquent Credit Rights” shall mean Loans that are delinquent on a given date with an arrears in excess of three (3) months in payment of overdue amounts, excluding Doubtful Credit Rights.

“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. Exceptionally, (i) the duration of the first Determination Period shall be equal to the days elapsed between the date of establishment of the Fund, inclusive, and the first Determination Date, August 22, 2006, inclusive, and (ii) the duration of the last Determination Period shall be equal to the days elapsed a) until the Final Maturity Date or the date on which the Early Liquidation of the Fund concludes, as provided for in section 4.4.4.3 of the Registration Document, on which all the assets remaining in the Fund have been liquidated and all the Liquidation Available Funds have been distributed in the Liquidation Priority of Payments of the Fund, b) from the Determination Date preceding the Payment Date preceding the date referred to in a), not including the first but including the last date.

“Distribution of Principal Available Funds” shall mean the rules for applying the Principal Available Funds on each Payment Date established in sections 4.9.3.1.5 of the Securities Note and 3.4.6.2.2.2 of the Building Block.

“Doubtful Credit Rights” shall mean Loans that are delinquent on a given date with a period of arrears equal to or greater than twelve (12) 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 based on the indications or information obtained from the Servicer.

“Early Amortisation” shall mean Bond amortisation on a date preceding the Final Maturity Date in the Early Liquidation Events of the Fund and subject to the requirements established in section 4.4.3 of the Registration Document.

“Early Liquidation Events” shall mean the events contained in section 4.4.3 of the Registration Document where the Management Company, following notice duly served on the CNMV, is entitled to proceed to 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.

“Election Requirements” shall mean the Individual and Global Requirements to be satisfied by the Additional Credit Rights to be assigned to and included in the Fund on the relevant assignment date.

“Ernst & Young” shall mean Ernst & Young S.L.

“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. May 26, 2020 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 BANCAJA.

“Financial Intermediation Margin” shall mean, under the Financial Intermediation Agreement, the variable subordinated remuneration which shall accrue upon the expiration of every quarterly period, comprising, other than for the first period, the three calendar months preceding each Payment Date, in an amount equal to the positive difference, if any, between the income and expenditure, including losses brought forward from previous years, if any, accrued by the Fund with reference to its accounts and before the close of the months of January, April, July and October, these being the last month in each quarterly period.

“Fitch” shall mean both Fitch Ratings España, S.A. and Fitch Ratings Limited, the holding company to which Fitch Ratings España, S.A. is affiliated.

“Fund” shall mean CONSUMO BANCAJA 1 FONDO DE TITULIZACIÓN DE ACTIVOS.

“Global Requirements” shall mean the requirements the Additional Credit Rights must satisfy as a whole to be assigned to and included in the Fund on the relevant assignment date.

“Guaranteed Interest Rate Account (Principal Account) Agreement” shall mean the guaranteed interest rate account (Principal Account) agreement entered into by the Management Company, for and on behalf of the Fund, and BANCAJA.

“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 BANCAJA.

“Iberclear” shall mean Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.

“Individual Requirements” shall mean the individual requirements each of the Additional Credit Rights shall satisfy to be assigned to and included in the Fund on the relevant assignment date.

“Initial Cash Reserve” shall mean the initial Cash Reserve amount to be determined by the Management Company by 10am (CET time) on the day of the Subscription Period, based on the margin applicable to the Party B interest rate under the Interest Swap Agreement (Floating/Floating), in accordance with the provisions of section 3.4.7.1 of the Building Block, between the following amounts: EUR 12,900,800,000.00, EUR 12,900,000.00, EUR 13,200,000.00 and EUR 13,500,000.00.

“Initial Credit Rights” shall mean the Credit Rights acquired by the Fund upon being established.

“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 (Fixed/Floating)” shall mean the interest rate swap agreement whereby the Fund and BANCAJA shall make each other payments calculated on the outstanding balance of fixed-rate Loans.

“Interest Swap Agreement (Floating/Floating)” shall mean the interest rate swap agreement whereby the Fund and BNP PARIBAS SA shall make each other payments calculated on the outstanding balance of floating-rate Loans.

“Interest Swap Agreements” shall mean the two interest rate swap agreements (Interest Swap Agreement (Floating/Floating) and Interest Swap Agreement (Fixed/Floating)), the first one to be entered into based on the 1992 ISDA master agreement (Multicurrency-Cross Border) and the 2000 Definitions (ISDA 2000 Definitions), between the Management Company, acting for and on behalf of the Fund, and BNP PARIBAS SA, and the second one to be entered into based on the Spanish Banking Association’s standard Master Financial Transaction Agreement (CMOF), between the Management Company, acting for and on behalf of the Fund, and BANCAJA.

“IRR” shall mean internal rate of return as defined in section 4.10.1 of the Securities Note.

“JPMORGAN” shall mean J.P. MORGAN SECURITIES LIMITED.

“Lead Managers” shall mean BANCAJA, JPMORGAN and BNP PARIBAS.

“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 Credit Rights and of the assets remaining and, as the case may be, (iii) the amount drawn under the credit facility arranged and exclusively used for final amortisation of Series A, B and C Bonds, in accordance with the provisions of section 4.4.3.(iii) 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.

“Loan Servicing Agreement” shall mean the Loan servicing and custody agreement entered into between the Management Company, acting for and on behalf of the Fund, and BANCAJA, as Servicer.

“Loans” shall mean the loans owned by BANCAJA granted to Spanish individuals or individuals resident in Spain to finance the purchase of goods or services, which are assigned to the Fund.

“Management Company” shall mean EUROPEA DE TITULIZACIÓN, S.A., SOCIEDAD GESTORA DE FONDOS DE TITULIZACIÓN.

“Maximum Credit Right Amount” shall mean the maximum amount of the Outstanding Balance of the Credit Rights pooled in the Fund, which shall be EUR six hundred million (600,000,000.00).

“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.

“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 Credit Rights” shall mean Loans that are not deemed to be Delinquent Credit Rights or Doubtful Credit Rights on a given date.

“Non-Doubtful Credit Rights” shall mean Loans that are not deemed to be Doubtful Credit Rights on a given date.

“Obligors” shall mean the borrowers (non-financial small and medium-sized enterprises registered in Spain) of the Loans.

“Offer Dates” shall mean the dates falling on the fourth (4th) Business Day preceding each Payment Date in the Revolving Period on which Additional Credit Rights should be acquired.

“Offer Request Dates” shall mean the dates falling on the sixth (6th) Business Day preceding each Payment Date in the Revolving Period on which Additional Credit Rights should be acquired.

“Originator” shall mean BANCAJA, originator of the Credit Rights.

“Outstanding Balance of the Credit Rights” 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 Credit Rights.

“Outstanding Principal Balance of the Bond Issue” shall mean on a date the sum of the Outstanding Principal Balance of Series A, B, C and D making up the Bond Issue.

“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 BANCAJA (or any other institution taking its stead as Servicer).

“Payment Date” shall mean February 26, May 26, August 26 and November 26 in each year or the following Business Day if any of those is not a Business Day. The first Payment Date shall be August 28, 2006 because neither August 26 nor August 27 is a Business Day.

“Principal Account” shall mean shall mean the financial account opened in the name of the Fund at BANCAJA under the Guaranteed Interest Rate Account (Principal Account) Agreement into which the Management Company shall, for and on behalf of the Fund, pay the amounts of the Principal Available Funds not applied to acquiring Additional Credit Rights during the Revolving Period.

“Principal Available Funds” shall mean the available amount on each Payment Date to be allocated to the acquisition of Additional Credit Rights during the Revolving Period and, upon that period ending, to amortisation of Series A, B and C Bonds, which shall be a) the Principal Withholding amount actually applied in sixth (6th) place of the Available Funds on the relevant Payment Date, and b) until the Payment Date next succeeding the end of the Revolving Period, inclusive, the Principal Account balance on the Determination Date preceding the relevant Payment Date.

“Principal Deficiency” shall mean, on a Payment Date, the positive difference, if any, between (i) the Principal Withholding, and (ii) the amount of the Available Funds actually applied to Principal Withholding.

“Principal Withholding” shall mean, on a Payment Date, the positive difference if any on the Determination Date preceding the relevant Payment Date between (i) the sum of the Outstanding Principal Balance of Series A, B and C, and (ii) the sum of a) the Outstanding Balance of Non-Doubtful Credit Rights and b) the Principal Account balance.

“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 Principal Available Funds from the first Payment Date until the last Payment Date or date of liquidation of the Fund, exclusive.

“Rating Agencies” shall mean Fitch Ratings España, S.A. and Moody’s Investors Service España, S.A.

“Reference Rate” shall mean, other than for the first Interest Accrual Period, three- (3-) month Euribor fixed at 11am (CET 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 one- (1-) month Euribor and two- (2-) month Euribor, fixed at 11am (CET time) on the second Business Day preceding the Closing Date, or, upon the failure or impossibility to obtain these Euribor rates, the substitute rates for which provision is made in section 4.8.1.3 of the Securities Note.

“Required Cash Reserve” shall mean shall mean the Required Cash Reserve amount on each Payment Date to be determined by the Management Company by 10am (CET time) on the day of the Subscription Period, based on the margin applicable to the Party B interest rate under the Interest Swap Agreement (Floating/Floating), in accordance with the provisions of section 3.4.7.1 of the Building Block, and as established below.

Margin applicable to the Party B interest rate under the Interest Swap Agreement (Floating/Floating)			
Between 2.550% and 2.649%	Between 2.650% and 2.750%	Between 2.751% and 2.850%	Between 2.851% and 2.900%

Required Cash Reserve shall be the lower of the following amounts:

(i) The Initial Cash Reserve amount	€13,500,000.00	€13,200,000.00	€12,900,000.00	€12,800,000.00
(ii) The higher of:				
a) The amount resulting from applying the percentage specified to the sum of the Outstanding Principal Balance of Series A, B and C	4.50%	4.40%	4.30%	4.26%
b) The following amount	€6,750,000.00	€6,600,000.00	€6,450,000.00	€6,400,000.00

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 in any of the events provided for in section 3.4.4.2 of the Building Block.

“Revolving Period” shall mean each Payment Date in the period comprised between the first Payment Date, August 28, 2006 because neither August 26 nor August 27 is a Business Day, and the Payment Date falling on May 26, 2008, both inclusive, or on a previous Payment Date in the event of early termination of the Revolving Period.

“Royal Decree 116/1992” shall mean Book Entries and Stock Exchange Transaction Clearing and Settlement Royal Decree 116/1992, February 14.

“Royal Decree 1310/2005” shall mean Royal Decree 1310/2005, November 4, partly implementing Securities Market Act 24/1988, July 28, in regard to admission to trading of securities in official secondary markets, public offerings for sale or subscription and the prospectus required for that purpose.

“Royal Decree 926/1998” shall mean Royal Decree 926/1998, May 14, regulating asset securitisation funds and securitisation fund management companies.

“Royal Decree Law 5/2005” shall mean Royal Decree-Law 5/2005, March 11, on urgent measures for boosting productivity and improving public contracting.

“Securities Market Act” shall mean Securities Market Act 24/1988, July 28, amended by Act 37/1998, November 16, and Act 44/2002, November 22, and Royal Decree Law 5/2005, March 11, among other amendments.

“Series A Bonds” shall mean the Series A Bonds issued by the Fund having a total face amount of EUR five hundred and sixty-six million one hundred thousand (566,100,000.00) comprising five thousand six hundred and sixty-one (5,661) Bonds having a unit face value of EUR one hundred thousand (100,000).

“Series A” shall mean the Series A 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 fourteen million seven hundred thousand (14,700,000.00) comprising one hundred and forty-seven (147) 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 nineteen million two hundred thousand (19,200,000.00) comprising one hundred and ninety-two (192) 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 comprised between EUR twelve million eight hundred thousand (12,800,000.00) and EUR thirteen million five hundred thousand (13,500,000.00) comprising Bonds having a unit face value of EUR one hundred thousand (100,000), to be determined by the Management Company by 10am (CET time) on the day of the Subscription Period, as provided for in section 4.1.1.iv) of the Securities Note..

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

“Servicer” shall mean the institution in charge of custody and servicing of the Loans under the Loan Servicing Agreement, i.e. BANCAJA (or any other institution taking its stead as Servicer).

“Servicing Agreement” shall mean the Loan Servicing 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 BANCAJA, for a sum of EUR three million one hundred and fifty thousand (3,150,000.00).

“Start-Up Loan” shall mean the loan granted by BANCAJA to the Fund, in accordance with the provisions of the Start-Up Loan Agreement.

“Subscription Period” shall mean the Bond subscription period comprised between 12 o'clock midday (CET time) and 1pm (CET time) on June 27, 2006.

“Treasury Account” shall mean the financial account in euros opened at BANCAJA 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 BANCAJA, JPMORGAN and BNP PARIBAS.